

# Purchasing Manual



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**NC Central**  
**U N I V E R S I T Y**

**North Carolina Central University  
Purchasing Manual  
Updated July 1, 2020**

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# 1 Introduction

## 1.1 [Purpose of Manual](#)

The Purchasing Manual for North Carolina Central University is designed to educate administrators, faculty, staff and students of the appropriate procedures for acquiring goods and services for the University.

## 1.2 [Applicability](#)

The purchasing policies apply to all state funded University accounts including research, grants, gift, federal and state appropriated fund sources.

Exclusions: These procedures do not apply to the following situations:

- Capital Improvement Projects are under the responsibility of Facilities Planning.
- The transaction is between the University and another state entity.
- The procurement is for the lease, sale, purchase, transfer, disposal or any other transaction involving an interest in real property.
- Purchase of Library Books.
- Items listed for resale.
- Any research, grant, gift or other account that specifically allows for an exemption to purchasing policy.

## 1.3 [Mission Statement](#)

The mission of the North Carolina Central University Purchasing and Receiving department is to serve the campus community by providing efficient, timely and strategic services that maximize resources and support the goals of the University making campus, the Durham community, North Carolina and the world a better place.

We achieve our mission by dedication to excellence, maintaining and promoting high ethical standards and achieving the following goals:

- Seek to obtain the maximum value for each dollar expended while engaging in open and fair competition and following accepted public procurement guidelines.
- Implement sustainable practices that establish North Carolina Central University as an environmental leader in best value procurement practices.
- Partner with all university departments to improve processes and seek efficiencies in the entire Procure to Pay process.
- Provide the highest level of service.
- Require fair and ethical legal trade practices that promote a strong supplier community and promote public trust in North Carolina Central University.
- Cooperate with other Universities and state agencies to increase efficiencies and improve procurement practices.
- Encourage purchases from historically underutilized businesses (HUB).

# 2 Authority and Responsibility

## 2.1 [Authority for Procurement](#)

Purchasing for the University must be made in compliance with the laws and policies established by the North Carolina General Assembly (G.S. 143-49 to 64).

The North Carolina Department of Administration, Division of Purchase and Contract (P&C), is responsible for administering the State's procurement program. The North Carolina University System has reached the following agreement regarding the administration of State University Procurement programs:

### [Memo of Understanding between P&C and The NC University System](#)

The authorized purchasing delegation for North Carolina Central University is \$250,000, purchases over that amount need approval from The University of North Carolina System. Purchases over \$500,000 need approval and/or are usually conducted by P&C. Additional information regarding University delegation is available in [The North Carolina Procurement Manual](#): 1.1.1 State Special Delegations and the [University of North Carolina Purchasing Benchmarks](#).

#### **2.2** [Authority to Commit University](#)

University regulation [01.03.1 Delegation of Authority to Sign Contracts](#) outlines the authority granted to the Chancellor to sign contracts and the Chancellor's ability to further delegate authority to University administrators, with further delegation to administrator's who have fiscal officer authority for contracts and agreements to be paid from the accounts over which they have fiscal authority.

#### **2.3** [Budget/Budget Year](#)

The University operates on a fiscal year of July 1 to June 30. Each department requesting to purchase goods or services must have an account that is budgeted and funded within the university system. No expenditures may occur against accounts that have insufficient funding. As relates to procurement, all general state funded accounts need to be committed and items received/delivered by June 30 of each fiscal year. If a department anticipates any special purchases of supplies or equipment, contact the Purchasing Department as soon as possible so that the appropriate procurement process can be followed. The Invitation for Bid (IFB) or Request for Proposal (RFP) process can take up to 90 business days, depending on the complexity of the item(s) requested, and does not obligate the department to place an order; it only prepares the department for the possibility should year end funding become available. As a general guideline, all equipment purchases should be placed by May 15, and most supplies by May 30 in order to guarantee delivery by June 30. Lack of planning for a department is not an acceptable reason for a non-competitive waiver to be granted in order to meet year end requirements.

#### **2.4** [Unauthorized Purchases](#)

[University Regulation 30.06.06](#) provides guidance regarding the consequences for procuring an unauthorized purchase. This regulation applies to all faculty and staff who procure goods on behalf of the University. If any agency contracts for the purchase or lease of any commodities, printing or services contrary to statutes, or rules adopted thereunder, such contract shall be void and of no effect. In addition, the Executive Officer of that agency shall be personally liable for the costs thereof. No faculty, student or staff member is authorized to make purchases for the University or to charge a purchase to an account of the University without first submitting the appropriate requisition for approval and securing from the Purchase Department an official Purchase Order.

The University has a wide variety of sources of funds, each of which has its own spending characteristics. [The North Carolina Central University Basic Spending Guidelines by Fund Source](#) is available to help determine appropriateness of a purchase for different fund sources.

The personal use of the purchasing or payment systems is prohibited by law and can result in discipline, up to and including dismissal from employment.

## 2.5 [Sales Agreements](#)

It is in the best interest of the University, for individual departments to refrain from signing supplier sales agreements and/or contracts regardless of the dollar amount without first consulting procurement and having the agreement reviewed by appropriate parties including the campus Legal Office. All agreements need to be signed by the Chancellor or his designated representative.

## 2.6 [Purchase of Goods or Services Available at NCCU](#)

Goods or services available through University stores/operations (Printing, Bus Transportation, Food Services, Catering) are generally to be used in lieu of writing extramural purchase orders or making external procurement card purchases. However, if items are not available from University stores/operations and significant savings are provided by using an outside source, this may be permitted. When departmental requirements involve electrical wiring, plumbing, or modification to buildings, Facilities Planning and Management must be involved and must approve utilization of outside contractors or labor sources.

# 3 Procurement Methods and Competitive Processes

## 3.1 [Use of State Term Contracts](#)

The North Carolina Purchase & Contracts division is the state central purchasing authority that oversees all state agencies and generates a list of [State Term Contracts](#) that are available to all state agencies. **All commodities and contractual services covered by a State Term Contract should be purchased in accordance with the instructions of those contracts.** In situations where a special type item or contractual service is needed for a particular application, the University Purchasing Office will consult with the State Purchasing Administrator who handled the term contract for appropriate action. The University has been given special legislative authority under General Statute 116-13 granting flexibility to obtain commodities and services outside of the State Term Contract when the same item can be found at a better price. However, documentation of the State Term Contract pricing must be included with the documentation for the purchase at the better price.

## 3.2 [Competitive Thresholds and Bid Limitations](#)

For purchases not available on State Term Contracts the following rules should apply:

**\$5,000 or less:** Campus departments have been delegated low dollar purchasing authority, via procurement (p)-card, when operating consistently with procurement card policies and adhering to the preferred use of State Term Contract and other applicable procurement contracts. The purchase of IT equipment requires the approval of the IT department before a purchase is made.

If the supplier does not accept credit cards a requisition should be used.

**\$5,001 to \$25,000:** Purchases not on a state contract from \$5,001 to \$25,000 should utilize an informal bid process (Section 3.4) which usually requires at least three quotes. If a supplier other than the lowest quoted price is chosen a business case shall be included, with the purchase requisition, explaining why the selected quote was chosen and explaining how the purchase is most advantageous to the University. Purchasers should contact potential suppliers to obtain quotes. Copies of all quotes should be attached to the purchase requisition. Competition in a fair and transparent manner is a requirement but competition may be waived

in certain circumstances. All IT purchases require approval from ITS before a purchase is made.

These purchases should be made by creating a requisition, in some cases a credit card may be used with prior approval from the Purchasing Director or Procurement Card Administrator. All purchases shall follow [University legal procedures for contracting process](#).

**\$25,000 and above:** Purchases of goods and services shall be purchased through a formal competitive bid/rfp process (Section 3.5/3.6). It is helpful to include procurement services in the planning stages of the purchase. Purchases above \$250,000 will require approval from The North Carolina University System office; purchases above \$500,000 will be made in conjunction with P&C.

### 3.3 [IT Purchases](#)

Reliable technology is important to maintaining smooth operations of University functions. Therefore, technology should be kept technically current to remain compatible with required capabilities, security constructs and technology innovations. The Purchasing Department works with ITS to make sure technology purchases are made following all applicable University regulations. IT purchases include all HIPAA and PCI related purchases regardless of cost. This includes new IT purchases as well as maintenance and support renewals for IT.

IT Purchases include but are not limited to:

- Software applications and operating systems
- Web-based applications (SaaS)
- Cloud hosting services
- Products that process electronic payments
- Integrated hardware such as endpoints connected to special purpose devices (i.e. microscopes)
- Network and storage solutions (e.g, Load Balancer, IP management, VPN, storage platform, etc.)

An IT Purchase is defined as all information and communication technology products obtained by the University to support its mission that employs, stores or transmits University data, integrates with University systems or utilized by faculty, staff or students.

IT purchases must be reviewed before the purchase to ensure the IT purchase complies with University standards and follows Federal and State guidelines. Requestors should plan in advance for these reviews to be conducted. Depending on the complexity, reviews may take up to 2-12 weeks, based on the depth of the review required and the supplier's responsiveness.

IT reviews may be submitted even before funding is established. This can allow the purchase process to move quicker when the department is ready to purchase. This is especially important for end of fiscal year purchases.

### 3.4 [Informal Bid Process](#)

This is a request for prices or quotations that are mailed, faxed, emailed, or otherwise delivered electronically with due date and time noted. The quotes should contain a complete description of the commodity or service needed, using generic, functional specifications and the name and address of the supplier supplying the quote.

When competition allows a minimum of three (3) quotes shall be obtained. If the lowest priced quote is not selected the purchaser shall include a business case explaining why the chosen quote was most advantageous to the University, the business case and quotes should be uploaded to the requisition in Eagles Purch.

### **3.5 [Formal Competitive Bid Process](#)**

When a department is considering a purchase in excess of \$25,000 the purchasing department should be contacted at the very beginning of the decision to buy process. Formal competitive solicitations, as outlined herein, are required on items or services costing in aggregate more than \$25,000. The Purchasing Department will prepare an Invitation for Bid (Sec. 3.6), Request for Proposal (Sec. 3.7), or approve a Waiver of Competition (Sec. 3.8) document.

### **3.6 [Invitation for Bids](#)**

The purpose of an Invitation for Bid (IFB) is to provide the supplier with a minimum set of specifications to provide a specific product or service. The suppliers provide a price to meet these specifications and the University awards to the lowest priced bid that is responsive and responsible. The IFB shall include the following:

- Include a Form of Bid, Form of Proposal or similar form, which requests pricing and the items necessary to evaluate the bid responses.
- Provide Bid or Proposal Instructions with a stated time and due date.
- Include a complete description of goods/services needed, using functional specifications.
- List any special circumstances, i.e., critical delivery times, site preparation, special packing, etc.
- State the requirements that need to be made for a bid to be considered responsive.
- Provide the Purchasing Agent's name and contact information.
- Post the bid solicitation on the North Carolina INTERACTIVE PURCHASING SYSTEMS (IPS) website.

Sealed bids will be publicly opened and read aloud including price. It is acceptable to open the bids using an electronic meeting platform as long as the meeting is available for any interested party to attend the virtual event.

Bids shall be posted using the North Carolina "Interactive Purchasing System" (INTERACTIVE PURCHASING SYSTEMS (IPS)). Unless approved by the Purchasing Director all bids should be conducted electronically and only electronic responses, received through the INTERACTIVE PURCHASING SYSTEMS (IPS) system, will be accepted.

### **3.7 [Request for Proposals](#)**

The purpose of a Request for Proposal (RFP) is to provide the supplier with sufficient information about a requirement for technical equipment or professional services so that the supplier may propose a solution to the requirement. Such proposals should include, at a minimum, the following:

- Instructions, if necessary, for attending a pre-proposal conference (at purchasing agent's discretion).
- Purpose, intent and background of the proposal.
- Key dates in the proposal-award process.
- Administrative requirements for submitting a proposal and format for the proposal.
- Contractual terms and conditions.

- Scope of work, or description of desired outcome and performance requirements that the supplier must meet.
- Evaluation criteria and method(s) of evaluation.

Proposals are evaluated and scored by a committee, of one or more functional team members, and the results are tabulated by Procurement Services. A purchasing agent analyzes the scoring of price and ranks the responses based on total score. The committee either makes the award based on the first round of scoring or in some cases the committee may decide to bring one or more supplier(s) back for additional clarification and negotiation of their submitted proposal. The committee may ask one or more suppliers to submit a "Best and Final Offer". The method of evaluation and ability to negotiate should be described in the Request for Proposal.

### **3.8 [Waiver of Competition](#)**

Under certain conditions, and otherwise if deemed to be in the public interest, competition may be waived. Departments should complete a Waiver of Competition Form, either IT or non-IT, and submit to the Purchasing Director for approval.

Conditions permitting waiver include, but are not limited to, the following:

- Cases where performance or price competition are not available;
- Where a needed product or service is available from only one source of supply;
- Where emergency or pressing need is indicated;
- Where competition has been solicited but no satisfactory offers received;
- Where standardization or compatibility is the overriding consideration;
- Where a donation predicates the source of supply;
- Where personal or particular professional services are required;
- Where a particular medical product or service, or prosthetic appliance is needed;
- Where a product or service is needed for the blind or severely disabled and there are overriding considerations for its use;
- Where additional products or services are needed to complete an ongoing job or task;
- Where products are bought for "over the counter" resale;
- Where a particular product or service is desired for educational, training, experimental, developmental or research work;
- Where equipment is already installed, connected and in service, and it is determined advantageous to purchase it;
- Where items are subject to rapid price fluctuation or immediate acceptance;
- Where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which thwarts normal competitive procedures;
- Where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a satisfactory price is available from a previous contract;
- Where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable non-profit organization(s);
- Where a used item(s) is available on short notice and subject to prior sale.

Although competition may be waived for proper cause, its use is required wherever practicable. Where waiver is contemplated, agencies may negotiate with a potential supplier(s) in an effort to acquire the quality of commodity, service or printing needed at the best possible price, delivery,

terms and conditions, when the expenditure is less than their respective benchmark or delegation.

### **3.9 [Purchases from Cooperatives, Consortia or Group Purchasing Organizations](#)**

Some contracts available through cooperatives, consortia or group purchasing organizations (GPO's) were developed using a competitive process. These contracts may be accessed and used if the purchasing department has reviewed and determined that the contracts were produced using an acceptable competitive process. No further competition is required for these orders, but the Purchasing Agent will have discretion to seek competition.

### **3.10 [Purchases from Department of Administrative Services and Other State Agencies](#)**

Competitive Bids are not required, for orders exceeding the bid threshold, when such items are included on North Carolina State contracts, provided such contracts were bid in a competitive process. When acquiring services using a contract from another governmental agency (piggybacking), a contractual agreement may still need to be completed.

### **3.11 [Obtaining Equipment on a Trial Basis](#)**

Equipment requested by University departments from suppliers on a trial, loan, demonstration, or evaluation basis does not constitute a commitment to purchase said equipment. The requesting department must inform Procurement Services before any equipment with a fair market value exceeding \$10,000 is to be tested or evaluated.

All moving, handling, transportation and applicable installation costs associated with equipment of this nature are the sole responsibility of the supplier. The University will not incur any costs associated with equipment on trial, loan, demonstration, test, or evaluation.

### **3.12 [Vehicle Purchases](#)**

The University purchases cars, trucks, and vans using the North Carolina Department of Administrative Services state contract. Before the purchase of any vehicle Business and Auxiliary Services should be contacted to provide insurance coverage and vehicle identification.

### **3.13 [North Carolina State Industries \(a.k.a. NC Prison Industries\)](#)**

Items that can be supplied by NC Prison Industries should be considered, unless there are extenuating circumstances such as quality, price, or inability to supply the needed items in a timely manner.

## **4 Solicitations**

### **4.1 [Solicitation Notification](#)**

Public posting on the North Carolina INTERACTIVE PURCHASING SYSTEMS (IPS) website is the required method for advertising competitive bids/solicitations for goods and services. Other methods of solicitation notification may also be used at the discretion of the purchasing agent, provided the bid document is publicly posted on the INTERACTIVE PURCHASING SYSTEMS (IPS) website.

### **4.2 [Specification Development](#)**

Purchasing agents shall issue generic goods and services specifications which are not unduly restrictive. Brand name specifications shall be used to reference a level of quality, not restrict bidding. Supplier assistance in specification preparation shall only be allowed if that supplier does not participate in the bid process.

### **4.3 [Pre-proposal or Pre-bid Conferences](#)**

Pre-proposal or Pre-Bid Conferences may be conducted for the benefit of all potential bidders to explain procurement specifications and requirements. Conferences may be held in person, via teleconference or using a video platform. Such conferences shall be announced in the bid or proposal solicitation document. The bidder's conference should be held long enough after the bid solicitation document has been issued, to allow suppliers to become familiar with it, but with adequate time before the solicitation due date, to allow supplier consideration of the conference results, in preparing their response. Nothing stated at the conference shall change the solicitation document, unless a change is formalized, by written addendum posted on the INTERACTIVE PURCHASING SYSTEMS (IPS) electronic solicitation system.

#### **4.4 [Addenda to Solicitations](#)**

Addenda issued to modify bid solicitations shall be identified by bid solicitation reference number and may require that the supplier acknowledge receipt of all addenda issued. Addenda shall be posted on the INTERACTIVE PURCHASING SYSTEMS (IPS) system with sufficient time to allow suppliers to consider them in preparing their response. If the established due date and time, in the opinion of the Purchasing Agent, will not permit such preparation, the due date may be extended.

#### **4.5 [Tie Bids](#)**

After evaluation of any competitive solicitation, which results in no relevant price or non-price evaluation factor having been useful to identify a preferred bid among two or more bidders (i.e., a "tie" bid), the following order of preference shall be applied to select the successful bidder (as allowed and applicable by the funding organization):

- (1) If only one such bid is submitted by a North Carolina resident bidder, then preference shall be given to the bid of the State resident;
- (2) If more than one bid is submitted by a North Carolina resident bidder, and only one of those bidders is a North Carolina HUB-certified bidder, then preference shall be given to the North Carolina HUB-certified bidder; and
- (3) In all other cases, the tie will be resolved by tossing a coin. The coin toss process must be witnessed, and the results documented in the procurement file, by a manager or other higher-ranking administrator to the Purchaser performing the toss.

Remember, no factor or criteria may be considered "relevant" unless it is identified in the solicitation document as an element that will be used in the evaluation process.

#### **4.6 [Withdrawal of Bids](#)**

Requests to withdraw bids shall be submitted in writing to the purchasing agent by the supplier seeking relief. Only in the event of an obvious and documented error where it would be a manifest injustice to require the supplier to perform, can a supplier withdraw a bid after the time set for receipt of bids. A request shall include documentation of the alleged error and the supplier's rationale why they believe they would be unable to honor the original bid submitted. Each request for withdrawal will be considered on its own merit.

#### **4.7 [Late Bids](#)**

Bids received after the published date and hour specified for receipt, will not be considered and will not be returned to the supplier. The University requires electronic bids to be posted and received using the North Carolina State INTERACTIVE PURCHASING SYSTEMS (IPS) system.

#### **4.8 [Cancellation of Bid Solicitations](#)**

Any bid solicitation may be cancelled at any point in the process when it is in the best interest of the University as determined by the Purchasing Agent. Approval to cancel will be obtained prior to cancellation and a notice of the solicitations' termination shall be sent to all suppliers that submitted bids or proposals. The reasons(s) for terminating the solicitation process shall be made part of the file and may include the following:

- The University no longer requires the goods or services;
- The University no longer can reasonably expect to fund the procurement;
- Proposed addenda to the solicitation would be of such magnitude that a new solicitation is desirable;
- Ambiguous or otherwise inadequate specifications were part of the solicitation;
- The solicitation did not provide for consideration of all factors of significance to the University;
- The purchasing agent became aware of factors after the bid solicitation was issued that make it imprudent to continue the process;
- Prices exceed available funds and it would not be appropriate to adjust quantities or qualities to come within available funds;
- All otherwise acceptable bids or proposals received are at clearly unreasonable prices;
- The University has reason to believe that the bids or proposals may not have been independently developed in open competition, may have been collusive, or may have been submitted in bad faith;
- The number of responses is not sufficient to ensure adequate competition;

Any other reason, in the judgement of the Purchasing Director, that requires the bid to be cancelled in the best interest of the University.

## **5. Requirements Within Bid or Proposal Solicitation Documents**

### **5.1 [Bid Security](#)**

Bid security is to be used in cases where the purchasing agent determines there is a need to protect the interest of the University. The need for bid security may be determined by the size of the proposed purchase, the item or items being bid, the competitive conditions surrounding the purchase, and the history of such purchases including general reliability of suppliers being requested to bid a particular purchase.

Bids will be accompanied by and secured only by a cash deposit, cashier's check, certified check, or a bid bond in an amount of five (5%) of the bid. Certified checks and cashier's checks shall be made payable to North Carolina Central University. When retained, bid security in the form of cash deposit, cashier's check, or certified check is to be returned within forty-eight hours after the contract has been executed.

The use of bid bonds will be at the purchasing agent's discretion and can be used with either the formal or informal solicitation of quotations.

### **5.2 [Insurance](#)**

Certain items that are highly susceptible to damage, while in transit, may be insured. These items would include certain high cost computers, extremely sensitive scientific equipment, diagnostic equipment, etc.

Work to be performed on campus by outside contractors will require evidence of appropriate insurance coverage in the form of a certificate of insurance listing North Carolina Central University and the State of North Carolina as additional insureds with the proper endorsement to the policy providing coverage to the aforementioned parties. NCCU must also have

contractual right to the supplier's insurance through language in an agreement or purchase order.

## **6. Supplier Selection**

### **6.1 [Awards](#)**

Awards where (1) no award criteria are stated or (2) no award criteria are stated other than compliance with specifications and cost, shall be made to the low responsive bidder offering goods and/or services. Awards where multiple criteria of award are stated shall be evaluated on each stated criterion and the award made to the supplier whose proposal provides the most value and benefit to the institution, considering cost and all other factors stated in the solicitation. The purchasing agent shall document evaluations involving multiple criteria.

### **6.2 [All or None Bids](#)**

Unless otherwise specified Purchasing may award either by item or by lot, whichever is to the advantage of the University.

### **6.3 [Acceptance of Other Than Lowest Bid](#)**

If the response to a solicitation does not meet the expected requirements of the solicitation the bid may be determined as "non-responsive" and the response would not be considered. If the purchasing agent determines that the supplier submitting a bid is not financially sound and/or capable of providing the goods or services requested the supplier may be determined "non-responsible" and the bid or proposal need not be considered.

Some solicitations will be evaluated on other factors besides price including, but not limited to, quality, capabilities, experience, unique solution, history, references. In these situations, the University will be analyzing the factors outlined in the solicitation to determine the best solution for the University.

### **6.4 [Additional Factors in Supplier Selection](#)**

Freight terms may be specified in the solicitation and may be considered in the overall determination of award. Cash discounts or prompt payment discounts may be considered in determining the lowest responsive and responsible bidder. Cost and length of warranty coverage offered may also be considered. Total cost of ownership when the equipment is expected to be used over a period of time and energy consumption, maintenance, and other operating costs represent a significant portion of the total cost to the University can be considered in overall determination of award.

### **6.5 [Price Reasonableness](#)**

When there is no competition (such as a sole source procurement) or when only one response is received to a solicitation, the purchasing agent should ensure that the price the University is paying is fair and reasonable by completing a price cost analysis. If, after analysis, the purchasing agent does not feel the price is fair and reasonable, he/she will do one of two things:

- Seek competition; or
- Negotiate with the supplier to lower the price.

### **6.6 [Use of Licensed Suppliers – Trademarks](#)**

All purchases of items using the University marks shall comply with the rules of the NCCU Trademark Licensing Program.

### **6.7 [Endorsements](#)**

Purchasing staff and University departmental personnel shall maintain a non-partisan position with all suppliers. In situations where a non-partisan position cannot be maintained or there is a Conflict of Interest the staff member should reclude themselves from any business decision.

## **7. Procurement/Contracts**

### **7.1 [Multi-Term Contracts](#)**

The University has the authority to solicit bids for contracts with a term of ten (10) years or less including extension and renewals without the prior approval of the SPO as outlined in NC General Statutes §143-53, Paragraph D. Contract periods should be consistent with industry practices for the goods or services being provided.

### **7.2 [State Term Contracts](#)**

To obtain the best pricing and overall value for the university, Procurement Services may bid and award Master Agreements for goods or services intended for use by all University Departments. Master Agreements may include, but are not limited to, University-initiated agreements, North Carolina State Agreements, other governmental agency agreements and cooperative agreements. The purposes of such agreements are to promote efficiency and savings that can result from strategically leveraging the University's buying power.

Master Agreement pricing may be based on the University's overall anticipated volume of purchases during the agreement period. In order to maintain this pricing for the University, all University departments are expected to order needed goods or services from Master Agreements where applicable.

### **7.3 [Revenue Generating Contracts](#)**

Revenue generating contracts should be competitively bid to allow all competing suppliers an opportunity to perform services that create a shared revenue situation.

### **7.4 [Contracting Resources and Process for Contract Review](#)**

The Office of Legal Affairs (OLA) provides support to the University in the contracting process. To facilitate the ease of departments entering into contracts for services, OLA and the Purchasing Department have developed several NCCU standard form contract documents. Please visit the OLA webpage for a fully comprehensive outline of the [NCCU contracting process](#).

## **8 Equipment Purchases**

### **8.1 [Equipment](#)**

Definitions:

- Moveable Equipment: Moveable property valued at a unit acquisition cost above \$5,000 which is identifiable, not a replacement part, and has a useful life greater than one year.
- Fixed Equipment: Permanently affixed/installed furniture, fixtures and equipment. Examples include but are not limited to: elevators, kitchen cabinets, laboratory casework, building directories, library shelving, drinking fountains, signage, plumbing fixtures, building mechanical systems, fixed electronic equipment, and fixed theater or classroom seating, as well as other fixtures and equipment installed with the intent of permanent use in that location.

### **8.2 [Purchase of Used Equipment](#)**

Used equipment may be bid against new equipment, however, the option must be clearly explained in the bid document and information regarding the status of the equipment must be

clearly defined, i.e. less than five years old. Equipment that is traded in must be preapproved through the State of North Carolina (Assets) and clearly listed on the solicitation.

Used equipment may be purchased on a noncompetitive basis if the following criteria are met:

- A market analysis conducted by the purchasing agent supports that it is clearly to the University's advantage (cost).
- Age can be verified, condition and seller's legitimate ownership of the equipment
- The supplier can provide clear title free of liens and encumbrances or an appropriate arrangement can be made to process payment jointly to the supplier and the lien holder, which addresses all the concerns. Purchasing Agent shall determine the existence of liens when buying used equipment and take appropriate action.

### **8.3 [Demonstration Equipment](#)**

Demonstration equipment may be bid against new equipment to determine feasibility of purchase; however, the option must be clearly explained in the bid document. Suppliers should be made aware of policy that nonexpendable goods are subject to competitive bid procedures, if offers are made to supply units for demonstration purposes and possible sale.

## **9 Remedies, Protests and Disputes**

### **9.1 [Remedies for Failure to Deliver or Delivery of Nonconforming Goods or Services](#)**

In any case where the supplier has failed to deliver, has delivered nonconforming goods or services, or has breached an agreement, the Purchasing Agent shall be informed and will utilize all measures to achieve supplier conformity. The Director of Purchasing and University legal counsel shall be advised and utilized at the earliest appropriate time.

### **9.2 [Debarment](#)**

The University uses state and federal debarment list to aid in analyzing if a supplier is responsible. A supplier may be debarred for any of the following reasons:

- Conviction of a criminal offense in relation to obtaining or attempting to obtain a University contract or in the performance of such contract.
- Conviction under Federal antitrust statutes arising out of the submission of bids or proposals;
- Willful material failure to perform in accordance with the terms of one or more contracts following notice of such failure, or a history of material failure to perform, or of materially unsatisfactory performance on one or more contracts;
- The supplier is currently under debarment by another governmental entity.

A written notice of debarment shall be sent to the debarred supplier stating the debarment period, no business may be conducted with the University by any person(s) representing the debarred supplier during the debarment period and that any solicitation response received from the debarred supplier during the debarment period shall not be considered.

### **9.3 [Supplier Protest Procedures](#)**

When a supplier wants to protest a contract awarded by the University the supplier shall comply with [Section 8 – Protests and Vendor Disputes](#) of the North Carolina Procurement Manual.

## **10 Ethics, Conflict Of Interest and Open Records**

### **10.1 [Code of Ethics](#)**

The Purchasing Department and all agents acting on behalf of NCCU are expected to conduct themselves within the guidelines established by the procedures set forth in the "Code of Ethics" published by the National Association of Educational Procurement (NAEP). These following standards are posted on the NAEP's website:

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEP Members and promote a spirit of unity and a keen interest in professional growth among them.

#### **10.2 [Use of Confidential Information](#)**

It shall be a breach of ethical standards for any employee or former employee to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of another person.

#### **10.3 [Gifts and Gratuities](#)**

Purchasing policy is to accept no gifts or gratuities. This includes luncheon appointments and meals with sales representatives. A gift is anything of value given for which nothing of equal or greater value was given in return. The law prohibits public officials, public employees, candidates for public office, and members of their immediate families from soliciting or accepting a gift from a supplier.

#### **10.4 [Release of Bid Information](#)**

North Carolina Central University, as a constituent institution of the University of North Carolina and agency of the State of North Carolina, is open and responsive to information requests from the public and the news media. As required by the North Carolina Public Records Law ([NCGS Chapter 132](#)), NCCU is required to make public records and public information available to members of the public free or at a minimal cost. A public record includes all "documents, papers, letters, maps, books, photographs, films, sound recordings, magnetic or other tapes, electronic data-processing records, artifacts, or other documentary material, regardless of physical form or characteristics, made or received pursuant to law or ordinance in connection with the transaction of public business by any agency of North Carolina government or its subdivisions." NCCU is committed to a policy of openness, honesty, and cooperation with members of the public and the news media.

## 10.5 [Conflict of Interest Bids](#)

*Conflict of Interest* relates to situations in which financial or other personal considerations, circumstances, or relationships may compromise, may involve the potential for compromising, or may have the appearance of compromising an employee's objectivity in fulfilling their University duties or responsibilities, including serving on a purchasing evaluation committee.

# 11 Procure to Payment Process

## 11.1 [Use of State Contracts](#)

As a general guideline, the first consideration to be made is if a good or service is available through a [Statewide Term Contract](#). The Statewide Term Contract site also contains links for IT Purchases and HUB certified suppliers.

## 11.2 [Eagles Purch Shopping Catalogs](#)

An easily accessible web-based shopping site is located in Eagles Purch that allows items to be purchased through contracted suppliers at competitive prices. This is the preferred method of making most University purchases.

## 11.3 [Procurement Card \(p-card\)](#)

The use of a University p-card is recommended for purchases under \$5,000 and not available on state contract. The cost to process a purchase order is much higher than the cost of processing a p-card transaction. Savings for the University can be achieved when smaller sized appropriate purchases are processed using a p-card. P-card holders are expected to reconcile their accounts monthly. For additional information consult the p-card manual.

## 11.4 [Requisitions](#)

Requests for purchase of goods or services over \$5000 shall be submitted using an electronic requisition in the Jaggaer Eagles Purch application. Access is limited to users who have a username and password that provides security to departmental accounts.

Before creating a requisition, a supplier should be selected; departments purchasing from a new supplier must submit a completed [Vendor/Supplier Set-up Form](#) and [W8-BEN](#).

## 11.5 [Purchase Orders \(PO\)](#)

Purchase Orders are issued by Procurement Services and are generated from the department requisition and sent to the supplier electronically. All suppliers who have supplied goods or services to the University are required to submit a billing (invoice) to initiate payment. Invoices received by any department should immediately be sent to the Accounts Payable Department.

## 11.6 [Receiving on Purchase Order](#)

Upon receipt of merchandise from the supplier, the department must then 'receive' on the corresponding purchase order for the items that have been received. The receiving information must be entered in the Eagles Purch system in order for payment to be initiated to the supplier.

The date of receipt is critical, specifically, at year-end when general fund accounts must have merchandise received by June 30 in order to be encumbered from the present fiscal year.

Discrepancies on order receipt should immediately be addressed. Contact the Purchasing Department with any questions regarding encumbered Purchase Orders.

## 11.7 [Standing Orders](#)

Standing orders (aka blanket orders) are purchase orders which are good for a specific period of time and allow departments to purchase frequently used items as needed without submitting a requisition for each occurrence. Departments may specify a “not to exceed” dollar limit on blanket orders.

#### **11.8 [Check Requests](#)**

In certain instances, check requests may be an acceptable method to pay suppliers. All check requests should be approved by the Purchasing Director.

#### **11.9 [Payment of Interest Claims](#)**

Generally, the University is not required to pay interest claims, contact the Purchasing Department for additional details. This language is included in the University and State of North Carolina General Terms and Conditions.

#### **11.10 [Tax Exemption](#)**

The University is exempt from state sales and use tax in North Carolina and most other states. A copy of the Sales Tax Exemption form can be found on the Purchasing Department’s web page.

#### **11.11 [Prepayments](#)**

Prepayment is defined as any payment made prior to the receipt, whether in whole or in part, of goods or services ordered. As a general rule, the University is not allowed to make a pre-payment to a supplier. Payment can only be made once an invoice has been created.

## **12 Sustainability and Social Responsibility**

#### **12.1 [Supplier Code of Conduct](#)**

The University is committed to socially and environmentally responsible purchasing consistent with the values in our strategic plan. We expect high quality in the products, services and business practices of all business partners.

#### **12.2 [Biodegradable and Recycled Product Procurement](#)**

When possible the University prefers to utilize biodegradable and recycled products and seeks to actively partner with suppliers to reduce the University’s environmental footprint.

## **13 Small Business Program**

#### **13.1 [Small Business and Hub Policy](#)**

State policy and regulations require that State agencies give small and Historically Underutilized Businesses (HUBs) fair consideration as subcontractors and suppliers. State agencies must use their best efforts to establish procedures and practices to accomplish this goal.

North Carolina has established the following procedures to provide small businesses with opportunities to compete for business provided there is no conflict with federal, state and University purchasing rules.

- Supply, equipment and contractual services for less than \$25,000 and not on state term contract: Departments are required to obtain at least three quotations whenever competitive prices are available. Requests for Quotations (RFQ) should be obtained from small businesses known to provide goods or services desired.
- Supply, equipment and contractual services costing \$25,001 or more and not on state term contract: In evaluating sealed bids the NCCU purchasing department may consider

making multiple awards if a bid or proposal is received from a HUB supplier that is competitive but might not be capable of completing the entire requirement.

## **14 Federal Requirements**

### **14.1 [Federal Grants](#)**

North Carolina Central University has adopted the Uniform Guidance Procurement Standards. Purchasing agents and departments are responsible for complying with applicable federal provisions when establishing contracts or issuing purchase orders for partially or fully federally funded acquisitions.

### **14.2 [Federal Contracts](#)**

When the University enters into an Agreement with either the U.S. Government, or another entity who has itself entered into an Agreement with U.S. Government, that agreement requires certain federal contract provisions be made a part of any subsequent purchase order issued by the University related to furthering the performance or deliverables required under that agreement.