PURCHASING GUIDELINES

GOAL - To purchase the right product for the right price in the right quantity, delivered to the right place at the right time. Competition is to be sought when buying with state/research funds and departments are to buy from the responsible vendor with the low bid meeting specifications.

PURPOSE - This brochure is for all Kansas State University staff whose duties include purchasing. It provides an outline of the policies and procedures of spending State of Kansas money. This guide is meant to summarize the purchasing guidelines; it is not a final authority. When in doubt please call the Purchasing office at 785-532-6214 or refer to the KSU Policies & Procedures Manual (PPM), Chapters 6310 and 6312. The PPM is available at www.ksu.edu/policies/ppm. Kansas State University is an agency of the State of Kansas and is subject to the rules and regulations of the State of Kansas, Department of Administration Division of Purchases (K.S.A. 75-3738...75-3740).

DETERMINING PURCHASE SOURCE/METHOD

1.) When making a purchase the first question to consider is “Are the items/services available from a State of Kansas contract, KSU Printing Services or KS Division of Printing, Catalog for Blind & Severely Disabled Made Products (Catalog), Kansas Correctional Industries (KCI), or a KSU department?”. A listing of the contracts established by KSU Purchasing and Division of Purchases for the University plus Catalog and KCI items is available at www.ksu.edu/policies/ppm/6312.html. Copies of the Catalog and information on KCI products are available at the KSU Purchasing office.

Regardless of the dollar amount, departments are required to purchase items from these sources:
- State of Kansas / KSU Contracts
- Catalog for Blind & Severely Disabled Made Products - KSA 75-3317 to 75-3322
- Kansas Correctional Industries - KSA 75-5273 to 75-5278
- KSU Printing Services/Division of Printing - KSA 75-1005
- Office Supply Store (stocks items from State Contracts & Catalog)

Any exemption requests from State Contracts are to be addressed in writing to KSU Purchasing Office. Exemption requests from the other statutes are to be in writing and sent directly to the appropriate governing agency (i.e. KSU Printing Services, Dept. of Social & Rehabilitation Services, Dept. of Corrections, etc.) with a copy to Purchasing. Call for further information.

2.) The next question would be “Has the appropriate KSU dept. been notified/given approval?”.

Written approval on certain items is required from the overseeing departments listed below.
- Facilities Mgmt. - moving services, building repair or modifications, etc.
- Printing Services - printed material
- Purchasing - insurance
- Telecommunications - phones, radios, etc.
- Travel - registrations, hotel &/or plane reservations, etc.
- Vice President of Administration & Finance - motor vehicle

3.) If the items/services are not available from the previously mentioned sources and the
appropriate approvals have been received, then the remaining question is “What is the total dollar amount involved?”.

A.) If the total cost of the purchase is under $5000, departments may purchase items directly under their own authority. Solicitation of bids is recommended. Always include freight and any handling costs in determining total cost. Departments are not to split orders to avoid the $5000 limitation.

B.) For purchases of $5000 and up, a purchase requisition (PR) with specifications must be submitted to the KSU Purchasing Office electronically, in Microsoft Word or WordPerfect. A “Request For Quotation” is then written and posted, bids are solicited, and an award made.

C.) On purchases over $25,000 in value, the purchase requisition will be sent to the Division of Purchases in Topeka for the bid process, which includes advertisement in the Kansas Register and subsequent award. Again the PR and specifications must be submitted electronically to the KSU Purchasing Office.

**RESEARCH** - purchases on research money (accounts 5-20000 through 5-38999) have special requirements. These special purchasing procedures apply when purchases are 50% or more from research funds.

A.) Research funds are exempt from the purchasing statute and therefore not required to use State of Kansas contracts. However, research funds are still required to purchase from Printing Services, Kansas Correctional Industries, and Catalog of Blind & Severely Disabled Made Products.

B.) Dept.’s local authority without bids is up to $5000.

C.) Any purchases equal to or over $5000, must be submitted electronically to the KSU Purchasing Office on a purchase requisition.

Departments are to include the following statement on Agency Purchase Orders utilizing research money, regardless of amount: “An obligation of sponsored research project. K.S.A. 76-752 and/or 76-770 exemptions apply.”

**SOLE SOURCE PURCHASES** - The purchasing statute requires competition to be sought in all purchases. However there are times when the competitive bid process is not reasonable because competition doesn’t exist, i.e. proprietary product, continuity in equipment &/or chemicals for research is required, maintenance or repair by manufacturer, etc. When these sole source purchases occur, departments are to submit a written justification on the KSU Prior Authorization form regarding the solitary source situation to KSU Purchasing Office for approval. All sole source purchases are reported to the Division of Purchases and the State Legislature.

**EMERGENCY PURCHASES** - At times situations occur due to weather, equipment failures, etc., which create a threat to public health, welfare, safety, &/or property. During these situations normal procurement requirements cannot be met. In cases of emergencies, departments are to notify KSU Purchasing as soon as possible to explain the situation and receive verbal approval to proceed with purchase. KSU Purchasing will direct the dept. to solicit three bids, if possible, and submit a phone bid sheet and written documentation of the problem within one business day of the original call. If cost cannot be determined due to the type of problem, a goods received APO instead of a phone bid sheet may be allowed at a later time. All
emergencies purchases are reported to the Division of Purchases and the State Legislature.

**CONTRACTS** - New agreements for leases, rentals, software licenses, equipment maintenance, consulting services, etc., are to be sent to KSU Purchasing for review & approval. Providing all purchasing conditions have been met (i.e. bidding, sole source, etc.), the appropriate paperwork with vendor and department head signatures outlining the agreement including the “Contractual Provisions Attachment” (DA146a) is to be submitted for verification, legal review, assignment of contract number, if necessary, and Controller’s signature.

If the contract is a continuance of a previously approved agreement with payments repeated annually, the department may send a “goods received” APO with all appropriate paperwork to KSU Purchasing for processing.

If the agreement involves several payments over the course of the fiscal year, then the funding must be encumbered and a Contract Cover Sheet (DA146) must accompany the paperwork. The Contract Cover Sheet is an encumbrance form required for purchases involving multiple payments within a year and a contract total of $25,000 or over.

If the agreement is a renewal of an already approved contract (e.g. the second or third year of a three year agreement) involving multiple payments in a year, then the funding may be encumbered on an Encumbrance Authorization or Adjustment form (DA107). No other paperwork is needed. The terms and conditions of the original agreement complete with signatures are on file and approval has already been established.

Any contracts for professional lecturers, speakers, or entertainers (object code 2770) involve a different set of papers and must be approved in advance by KSU Purchasing. Contact Purchasing for further information.

**COMPLAINTS** - If problems arise with a product/vendor, departments are asked to contact the vendor first and give them the opportunity to correct the situation. Keep a log of calls made to the vendor’s staff throughout the problem resolution attempt. Should the problem persist and the vendor is not responding, a “Complaint to Vendor” form needs to be filled out and sent, with any appropriate documentation, to the KSU Purchasing Office. Depending on the problem, KSU Purchasing or the Division of Purchases will review the situation and contact the vendor. Failure on the vendor’s part to respond may result in their removal from the State’s & KSU’s vendor list.

**NEGOTIATED PROCUREMENT** (KSA 75-37,102) - Negotiated purchasing is used when a service or commodity involves complex situations and technical requirements, vendor input, high dollar amount, and/or does not adapt to the sealed bid process. The Director of Purchases, upon request by the KSU Vice President for Administration & Finance and with approval from the Secretary of Administration, may convene a procurement negotiating committee. If the department desires a negotiated procurement for an item/service, a letter from the department head to the Vice-President for Administration and Finance, requesting a committee be established, must be sent to the KSU Director of Purchasing along with the purchase requisition outlining the purchase.
**BUSINESS PROCUREMENT CARD PROGRAM** - The Business Procurement Card (BPC) is a program established for the purchase of small dollar items/services via a credit card. Personnel with a BPC can charge purchases of supplies & services, total cost per purchase not to exceed $5000. Advantages include less paperwork with only one invoice to pay per month, ease in ordering via phone or Internet, faster delivery, and quick payment to the vendor. The BPC cannot be used for registrations or travel. All purchasing guidelines would still apply. Call the KSU Purchasing Office for further information.

**EQUIPMENT LEASE PURCHASE PROGRAM** - Financing for purchases is available through the Department of Administration, Div. of Accounts & Reports from the Equipment Lease Purchase Program. Loan requests and approvals, coordination of encumbering funds, and processing of loan payments are handled through KSU Purchasing.