Policy Statement

The purchase of goods and services for Rutgers, The State University of New Jersey, will be conducted in a manner that provides, to the maximum extent possible, open and free competition and adherence to competitive procurement practices and shall be in carried out based on the following general principles:

- Obtain the best value for the university;
- Comply with all applicable laws, university regulations, and the policies of the Board of Governors and the university administration;
- Be fair and ethical in all business relationships;
- Promote sustainability and supplier diversity; and
- Ensure stewardship of the university’s resources.

Reason for Policy

To assure that university purchases are made in accordance with applicable Federal, State and local laws, regulations, codes, and ordinances;
To assure the appropriate stewardship of university resources; and
To provide employees and suppliers with the requirements for purchasing at Rutgers.

Who Should Read This Policy

Members of the university community who use university funds for the purchase or lease of supplies, equipment or services.
4. Related Documents

Policies are available at the University Policy Library web site: [http://policies.rutgers.edu](http://policies.rutgers.edu)

Policy 20.1.16, Policy on Notification and Approval of Certain Contracts Awarded without Competitive Bids or Proposals
Policy 20.1.17, Engagement and Payment of Professional Service Provider Policy
Policy 40.4.1, Travel, Travel Incidental, and Meal Expense Policy
Policy 50.3.13, Signatory Authority Policy
Policy 80.1.3, Purchase of External Advertising
Policy 80.1.5, University Visual Identity
Policy 80.1.2, Trademark Licensing Policy

Rutgers Code of Ethics:
50.1.12, Conflict of Interest for Members of the BOG & BOT and University Officers
60.1.1, Employment of Relatives
60.4.2, Code of Ethics for Administrative and Professional Staff Members
60.5.9, Faculty or Staff Involvement with Commercial Enterprise

Rutgers Integrated Administrative System Procure to Pay Process (RIAS): Internet Procurement Application User Manual (rias.rutgers.edu)

5. Contacts
Executive Director of Procurement Services: 848-932-4375

6. The Policy

### 20.1.11 PURCHASING POLICY

#### I. ROLES AND RESPONSIBILITIES

A. **University Procurement Services Responsibilities**

The Rutgers University Board of Governors delegates authority for the procurement of goods and services to the President and to the Senior Vice President for Finance and Administration (SrVP/FA). The SrVP/FA is responsible for assuring compliance with the policies for the procurement of goods and services universitywide.

The SrVP/FA Designates to the Executive Director of Procurement Services the authority for the procurement of goods and services and implementing the purchasing policy and applicable procedures. The Executive Director of Procurement Services, or his or her designee(s), is authorized to approve purchases, purchase orders, and execute all purchasing contracts on behalf of the university. To meet local campus needs, the Director of Purchasing for Rutgers-Newark has delegated authority to conduct these activities up to $250,000.

B. **Department Responsibilities**

All university departments and employees are required to comply fully with the policies and established procedures related to the procurement of goods and services, including the use of the Rutgers Integrated Administrative System, Procure to Pay process (RIAS). Departments are responsible for the following when purchasing goods and services:

- Ensuring that individuals making purchasing decisions are knowledgeable of, and comply with, the university purchasing and related policies and procedures;
• Ensuring that all purchases made with university funds must be appropriate, necessary, reasonable and directly related to the goals and mission of the university. Under no circumstances may university financial resources be used for personal expenditures; and

• Using the RIAS Procure to Pay system for all purchases of goods and services. This includes appointing individuals as preparers and approvers capable of fulfilling the duties and responsibilities of these roles and who are properly trained in RIAS.

An unauthorized purchase is defined as any purchase by a Rutgers employee that violates this policy and any related policies and procedures. University employees who make an unauthorized purchase may have their purchasing responsibilities suspended or revoked, may face additional disciplinary action, and may be held personally liable for any charges incurred.

C. **Limited Delegation of Purchasing Authority**

Limited purchasing authority is delegated to the following departments, divisions or units of the university because of their unique purchasing requirements:

• University departments for purchases up to $5,000 in accordance with section III.B (Quick Orders) below
• Dining Services for food used in the dining operations
• Division of Intercollegiate Athletics-New Brunswick for hotel, motel, food and beverage, and car rental for team related activities
• Zimmerli Art Museum for art collections and exhibitions
• Office of University Facilities and Capital Planning for major renovation projects, new construction, selection of architects, and real estate purchases
• Office of the Senior Vice President and General Counsel for legal services
• Study Abroad program only for goods and services required during programs conducted in foreign countries
• University Libraries for books, periodicals, media and other library materials
• University Relations for printed matter
• Office of Research and Sponsored Programs for sub-awards

These departments shall undertake their purchasing activities in accordance with the established procedures approved by the Executive Director of Procurement Services.

II. **THE PURCHASING PROCESS**

Purchasing will be conducted in a manner that provides, to the maximum extent possible, open and free competition and adherence to competitive procurement practices. Rutgers’ commitment to the competitive purchasing process is as follows:

**For goods and services $40,000 and above**: University Procurement Services will seek formal competition between multiple suppliers.

**For goods and services between $5,001 and $39,999**: The university will obtain at least three quotes in writing.

**For goods and services below $5,000**: Departments may generally purchase directly from a supplier.

A. **Competitive Bidding**

The university, at its sole discretion, may use one of a variety of methods of soliciting information and pricing from a supplier to promote a competitive procurement environment. These may include:
Informal Quotes: Multiple quotations via fax, letter, or email.

Request for Proposal (RFP): A competitive bid solicitation generated by University Procurement Services used when the requester wants multiple suppliers to describe how they would address a defined project or task. Price is usually not the single determining factor in evaluating RFPs.

Request for Quotation (RFQ): A competitive bid solicitation generated by University Procurement Services used when price is the single factor used to select the best source of supply.

Request for Information (RFI): A method for soliciting information from suppliers generated by University Procurement Services and normally used to obtain general information about products, services or suppliers. It is also used when a large or complicated purchase is being considered and the potential pool of suppliers must be pre-qualified. In this case, the RFI is a questionnaire or inquiry into the suppliers’ background and used to determine if the supplier meets the minimum standards needed to successfully bid on the project.

B. Request for Sole/Single Source Procurement

There are circumstances when the competitive procurement processes for the purchase of goods and services over the established bid threshold may not be possible. The following types of purchases may qualify:

**Sole Source:** Only one supplier is capable of providing a good or service and it is not possible to obtain competitive bids.

**Single Source:** Multiple sources of supply are available but, for specific reasons, the good or service should be purchased from a specified supplier.

**Emergency:** A purchasing emergency will be considered as the following:

- Abating an imminent life safety hazard
- Necessity of keeping vital equipment operative
- Preventing the deterioration of an experiment
- Preventing substantial economic loss or interruption of a vital service

Emergency procedures may be used only to purchase that quantity of a good or service which is necessary to cover the emergency. Subsequent requirements shall be obtained using normal purchasing procedures. More information on emergency purchases is available at: [http://purchasing.rutgers.edu/fs_guide.html#E](http://purchasing.rutgers.edu/fs_guide.html#E).

A "Request for Sole/Single Source Procurement" will be considered in limited circumstances. Requests must be submitted using the Request for Single/Sole Source Procurement Form ([http://rias.rutgers.edu/formsrequirements.html](http://rias.rutgers.edu/formsrequirements.html)). All requests must be approved by University Procurement Services prior to the purchase of the goods or services.

For purchases of a one-time service, equipment or good valued at $1 million dollars or more, the contract and completed Request for Sole/Single Source Procurement form must be reviewed and approved by the Board of Governors in accordance with Policy 20.1.6, Policy on Notification and Approval of Certain Contracts Awarded without Competitive Bids or Proposals.
C. Preferred Supplier Contracts
Preferred Supplier Contracts are established by University Procurement Services for the purchase of goods or services, which are either competitively bid or negotiated with suppliers that meet the requirements for sole/single source procurement. These agreements may include group and cooperative purchasing agreements that the university may utilize. When making a purchase for goods and services contracted with a Preferred Supplier, departments do not have to obtain additional quotations.

III. PURCHASING MECHANISMS
University departments may use several mechanisms to facilitate the purchase of goods and services. The university employs the following mechanisms:

A. Purchase Orders
A purchase order must be issued prior to the goods being shipped or services being rendered and is initiated by a department with a requisition and processed by University Procurement Services. The university’s purchase order is a legal document that contains a description of the good or service, payment terms, and terms and conditions specifying protections for the requesting department and the university.

Purchase Orders are used for items prohibited on a Quick Order, items not available through the Exchange or with an Internal Supplier, and for purchases in value of $5,001 or more.

The university requires that certain purchases must be made by, or in consultation with, the departments listed below. Please contact the appropriate department to coordinate your purchase:

- Advertising (Contact University Relations)
- Alterations, repairs and renovation services (Contact University Facilities)
- Asbestos abatement services (Contact Rutgers Environmental Health and Safety - REHS)
- Biological agents (Contact REHS)
- Controlled substances (Contact REHS)
- Firearms and ammunition (Contact Public Safety)
- Fundraising (Contact the Rutgers University Foundation)
- Hazardous waste disposal (Contact REHS)
- Imported Items (Contact University Procurement Services)
- Inspection or service of fire suppression systems (Contact Public Safety)
- Investment advisors and other financial consultants (Contact Treasury Operations)
- Insurance (Contact the Department of Risk Management)
- Legal services (Contact the Office of the Senior Vice President and General Counsel)
- Lobbyist services (Contact the Office of the Executive Vice President for Academic Affairs)
- Particularly hazardous chemical substances (Contact REHS)
- Radioactive materials (Contact REHS)
- Real Estate Leases (Contact the Office of Real Estate)
- Select agents and toxins (Contact REHS)
- Signage affixed to university property (Contact University Facilities)
- University “branded” communications, printed matter, electronic media, and other materials and merchandise (Contact University Relations)
B. Quick Orders
The university authorizes departments to make purchases up to $5,000 for most goods and services through the use of a Quick Order. A Quick Order is a type of purchase order that does not require the review of University Procurement Services and may be sent directly to the supplier by the department. Departments must obtain maximum value for each purchase and comply with the university’s ethical standards when obtaining price quotations. Departments must also maintain all documentation related to quick order transactions including the supplier quote or additional quotes obtained during the process.

Departments cannot split a single purchase costing $5,001 or more into a series of smaller individual purchases to bypass the Quick Order threshold.

Quick orders cannot be used to purchase the following:

- Animals (Newark Only)
- Biological agents
- Controlled substances
- Equipment requiring utilities hook-up
- Furniture, carpeting, and window treatments
- Hazardous waste disposal
- Imported equipment requiring customs clearance
- Leases
- Legal Services
- Lobbyists
- Plaques to be affixed on buildings or university-owned property and monuments
- Professional services
- Radioactive materials
- Select agents and toxins

C. Exchange Orders
An exchange order is a type of purchase order that is used within the RU Oracle Exchange marketplace with a Preferred Supplier. The department is able to shop an online catalog of products and check-out with a purchase order that is sent directly to the supplier, after the appropriate department approvals.

D. Internal Purchase Orders
An internal purchase order is used to procure goods and services from an internal university service unit (e.g., Dining Services, Facilities Maintenance Services, Continuing Studies Conference, and Material Services). A complete list of active internal suppliers is available at http://rias.rutgers.edu/IPOSuppliers.html. Departments must contact the internal department directly to determine the required type of requisition.

E. Travel and Business Expenses (TABERS)
The university will reimburse individuals for reasonable, necessary, appropriate, and approved travel and business expenses incurred in the performance of university business in accordance with university policy 40.4.1, Travel, Travel Incidentals, and Meal Expense Policy.
F. **Check Requests**
A Check Request is generated through RIAS by a university department and is an official request to University Accounting to process and issue payment to a supplier. It is used to initiate payment for goods or services that do not require a university purchase order. Check Requests must be accompanied by supporting documentation and an explanation of all charges. For a current list of the types of payments allowed to be processed on a Check Request see: http://ua.rutgers.edu/disbursement/files/WHEN_SHOULD_I_USE_A_CHECK_REQUEST.pdf

IV. **CONFLICT OF INTEREST AND ETHICS**
All individuals shall act in accordance with the standards of professional ethics set forth in university policies and procedures, including those outlined below.

A. **Use of Companies Owned by Rutgers Employees**
The university will not buy goods or services from suppliers that are wholly or partially owned by university employees or their immediate family members (excluding minimal equity/interests, such as stock holdings of 10% or less), unless competitively bid and with the prior written consent of the Executive Director of Procurement Services.

B. **Prohibition on Gifts and Gratuities**
Employees shall not accept or solicit any fees, duties, gifts or favors, business meals, or anything else of value from any current or prospective supplier.

C. **Personal Purchases**
University funds must not be used for personal purchases for university faculty, staff or students at any time. Similarly, a department may not place an order for an individual employee or student and then have those individuals reimburse the department.

V. **INSURANCES AND TAXES**

A. **Insurance**
Rutgers requires that all suppliers who conduct operations on university premises provide evidence of having appropriate insurance coverage in the form of a valid Certificate of Insurance as determined by University Procurement Services and/or the Department of Risk Management and Insurance.

B. **Taxes**
University purchases are exempt from the payment of New Jersey sales and use tax. Several other states also allow this exemption. A list of those states is available at http://www.rci.rutgers.edu/%7Eunivcont/sales%20tax%20chart.pdf.

VI. **AUDITS**
All university purchasing transactions, including Quick Orders, as well as all supporting documentation (e.g., Requests for Competitive Bid Waiver, contracts, agreements, memos, letters, notes, etc.) are subject to audit for compliance with university policies and regulations.

VII. **SUPPLIER DIVERSITY PROGRAM**
Rutgers is committed to the outreach, development, and inclusion of small, minority and women-owned businesses (M/WBE) in the procurement process. Departments are expected to support this policy in accordance with established guidelines and procedures.
VIII. SUSTAINABLE ("GREEN") PURCHASING
Rutgers is committed to the use and purchase of environmentally and socially responsible materials and products. Departments are expected to support this policy in accordance with established guidelines and procedures.

IX. OPEN PUBLIC RECORDS ACT AND COMPLIANCE WITH STATE CONTROLLER REPORTING REQUIREMENTS
Rutgers is committed to working with the State of New Jersey to promote a transparent process. Rutgers procurement is subject to the Open Public Records Act. In addition, Rutgers complies with N.J.S.A. 52:15C-10 in reporting competitive bids of $10 million or more and contracts of $2 million or more to the Office of the State Comptroller.