



University of Iowa

Purchasing Policy & Procedure Guide

A guide to the procurement of goods and services and processes of payment

Contents

Purchasing Department Mission Statement.....	1
Introduction	1
I. General Purchasing Policies and Procedures.....	2
A. The Purchasing Department	2
B. Conflict of Interest	2
C. Reference Catalogs	3
D. Requisitions.....	4
II. Board of Regents Policy Manual	9
Purchasing.....	9
III. Ordering Products and Services Via Purchase Order.....	18
A. Purchase Order and Payment Process.....	18
IV. The Purchase Requisition Process.....	19
A. Basic Procedures	19
B. Purchase Requisitions Tutorial.....	19
C. Facilitating the Purchasing Process.....	19
D. Freight	19
E. Online Receiving.....	20
V. Additional Purchase Order Types and Procedures	21
A. Blanket Orders:	21
B. Waiver of Bid Requirements	21
C. Prohibited Items.....	22
D. E-Pro.....	22
E. PReqs.....	22
F. eBuy Orders.....	23
G. e-Voucher.....	23
H. Procurement Card.....	23
VI. Appendices.....	27
A. Appendix A – Ship-to Codes.....	27
B. Appendix B - Protocol for Obtaining Equipment on a Trial Basis.....	27
C. Appendix C – Interdepartmental Services	28
D. Appendix D – Procurement Card Risk.....	28
E. Appendix E – University of Iowa Non-discrimination Statement	29
F. Appendix F – Anti-Kickback Regulations.....	29
G. Appendix G – National Association of Educational Procurement (NAEP) Code of Ethics.....	29
H. Appendix H – Purchasing, Accounts Payable and Travel Department Staff	30
I. Appendix I - Training Classes and Programs	30
J. Appendix J – Links	30

Purchasing Department Mission Statement

The mission of the University of Iowa Purchasing Department is to obtain quality goods and services at the lowest reasonable cost, while operating at the highest standards of ethical conduct. We accomplish this through cooperative team interaction and continuous quality improvement in support of the overall goals of Finance and Operations. Purchasing's authority is delegated from the Board of Regents through the President of the University in accordance with the statutes and administrative rules of the State of Iowa and the procedures of the Board of Regents.

Introduction

The purchasing process includes not only the ordering of goods and services and the receipt of ordered products, but extends to invoice processing and payment, involving many people and departments. Requisition information is entered into the Purchasing and Payables system, which Purchasing Agents use to process Purchase Orders. Purchasing Agents also work directly with vendors to negotiate fair and reasonable contracts for quality goods and services.

Departmental Requesters fill a key role in the purchasing and payment processes. They are the liaisons between the ordering departments and the Purchasing department. Since Requesters' names and phone numbers appear on Purchase Orders, Requesters are in many cases the first contacts between The University and the vendors. Depending on their department's organization, Requesters may be responsible for the completion and tracking of Requisitions, accounting, and receiving products and services. In short, The University relies on their valuable skills and expertise.

The Purchasing Policies and Procedures Guide is written for individuals with departmental responsibility and authority in The University's purchasing and payables processes. This guide contains references to the State Code of Iowa, Regents, and University policies, which govern the purchasing and payables processes. The Purchasing Department welcomes any questions that may arise regarding these policies and procedures. Names, telephone numbers, and areas of responsibility of Purchasing Staff members are included. Faxes, voice mail, and e-mail promote timely responses to your inquiries.

The University of Iowa has three methods for ordering products and services. **E-Pro** is the e-procurement web based application. It consists of **PREqs** and **e-Voucher** applications with a links to the **ProTrav** and **eBuy** applications. PREqs initiates a purchase order which is required for the purchase of goods and services. E-Voucher initiates a direct payments for memberships and certification fees, prepayments less than \$3,000, subscriptions, refunds, reimbursements, research subjects and utilities as well as some services. ProTrav is the procurement card reconciliation tool and web-based travel system. It is for low dollar goods and services and includes all travel processes and forms along with travel-related reimbursements and payments. eBuy is an easy-to-use central web-based shopping site. It is accessible to all UI employees for the procurement of goods from select contracted suppliers. eBuy streamlines the procurement process and promotes "best value" pricing. Shoppers search for products from Hosted or Punchout catalogs. Detailed descriptions of these processes can be found in the [PREqs Guide](https://uiowa.edu/ap-purchasing/preqs) on the Purchasing website <https://uiowa.edu/ap-purchasing/preqs>.

All individuals acting on behalf of The University in authorizing purchases have the responsibility to ensure compliance with the applicable Federal and State statutes and Regents' guidelines.

I. General Purchasing Policies and Procedures

Policies and procedures for The University purchasing and payments processes, detailed in this guide reference the State Code of Iowa, Regents and University Policies including but not limited to the 2009 edition of The University of Iowa Operations Manual, Part V. Administration, Finance, & Facilities, Chapter 11.

A. The Purchasing Department

The Purchasing Department administers the procurement of products and services for all University departments by the authority delegated through the President by the State of Iowa Board of Regents. The Director of Purchasing is vested with sole authority to obligate University funds, while ensuring adherence to the statutes and administrative rules of the State of Iowa and the policies and procedures of the Board of Regents.

The Purchasing Department follows the Code of Ethics of the National Association of Educational Buyers (NAEP), the professional association serving the purchasing and materials management professionals who support higher education and not-for-profit health care organizations. For the NAEP Code of Ethics see [Appendix G](#) or www.naepnet.org/.

B. Conflict of Interest

The Regents Policy Manual, is explicit regarding University business transactions with employees of Regents institutions and should be consulted directly as the need or question arises. "Employee shall mean a paid employee of the State of Iowa and any firm of which any of those persons is a partner or sole proprietor, as well as any corporation of which any of those persons holds five percent or more stock either directly or indirectly."

For more information on Conflict of Interest as it relates to state employees, see Iowa Code Section 68B.2A Conflicts of Interest at <http://www.iowa.gov/ethics/legal/68bcontent.htm>.

For more information on Conflict of Interest as it relates to public bids being required -- disclosure of income from other sales. See the link above.

1. Federal Standards

The Federal Government employs a slightly different standard of conflict of interest which may affect SUI employees purchasing goods and services with federal grant or contract funds.

The Federal Government also states that even the appearance of impropriety is to be avoided. The following section from the Office of Management and Budget Circular A-110 (OMB A-110) Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations deals with conflicts of interest.

"A-110.42 Codes of Conduct. The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient."

For a complete listing of purchasing guidelines when using federal funding refer to the Office of Management and Budget Circular A-110 at the following address: www.whitehouse.gov/omb/

a) Purchases from University Faculty or Staff

(1) Definitions:

(a) Personal relationship

Personal relationship means relationship with another sufficiently close that a reasonable person would believe that it would be most difficult for a faculty or staff member to deal with the person as he or she would deal with a stranger.

(b) Financial relationship

Financial relationship means a partnership or other commercial relationship involving a joint venture between the faculty or staff member and another person.

b) General Policy:

(1) Purchases from faculty or staff members exceeding \$1,000 for one transaction or \$2,000 in one year must be approved by the Director of Purchasing.

(2) Services of faculty or staff, or members of their immediate household other than those in established businesses providing such services as outside contractors, unless approved in the budget or in advance by the Vice President for Finance and Operations, are approved only after Purchasing has determined the services are either uniquely exclusive or otherwise beneficial to the University in comparison to other available sources of the required services.

(3) University faculty or staff members cannot be interested, directly or indirectly, in any contract to furnish material of any kind to or for the University. In addition, participation in direct sales (pyramiding) ventures is considered a direct or indirect interest in a contract and is encompassed by this policy. Based on special approvals, faculty or staff members may be reimbursed for out-of-pocket expenditures on presentation of approved vouchers with receipts or other acceptable evidence of actual amounts paid for items purchased for University use.

(4) Faculty or staff members who would benefit personally from the supplying of goods or services to the University by any prospective supplier may not participate in the decision process leading to the choice of supplier. Specifically, faculty or staff members who have or who reasonably anticipate having either an ownership interest in, a significant executive position in, or a consulting or other remunerative relationship with a prospective supplier may not participate in the recommendation of, drafting specifications for, or the decision to purchase the goods or services involved. Faculty or staff members who know that a member of their family (or any other person with whom they have a personal or financial relationship) has an ownership interest or significant executive position in a prospective supplier are also disqualified from participating in the purchasing of the goods and services. However, faculty or staff members whose sole ownership interest in a potential supplier is held by a fiduciary (such as TIAA-CREF, a blind trust, or a mutual fund) that has the power to acquire or dispose of the interest without consultation with the faculty or staff member are not disqualified from participation in the purchase decision.

(5) When a faculty or staff member is disqualified from participating in a procurement decision, the fact of the disqualification and the reason for it must be reported to others involved in the decision. If necessary, a substitute may take the faculty or staff member's place under procedures established by the Vice President for Finance and Operations. Consult the Purchasing Policies and Procedures Guide for details.

C. Reference Catalogs

The Purchasing Department maintains an online file of catalogs and direct connection to vendor's databases via eBuy, reflecting current prices for equipment, goods and services for the information of all departments. Negotiations for

purchases, including requests for quotations, or requests for proposals, must be accomplished through the Purchasing Department.

D. Requisitions

1. General information

When possible, and when it makes good Purchasing sense, requisitions should be directed to Iowa Targeted Small Businesses. All state agencies have a goal of 10% of their overall business going to these minority and women-owned TSB. Sources of supply are also sought from the state and federal small business community to satisfy various social, economic, and political requirements.

State agencies are also encouraged to direct business to **Iowa Prison Industries**. Orders are reviewed for appropriateness, based on quality and competitiveness.

General Stores orders are placed via PReqs-Catalog orders. Orders for printing and copying services are directed to the **U of I Printing Department**. Orders that the Printing Department cannot fulfill are directed to outside vendors and paid on State Printing Orders, which the Printing Department issues. Bids for printing to outside vendors are also handled by the Printing Department.

Requisitions are also reviewed for possible purchase based on existing contracts and, if the items ordered are under contract, the purchase is directed to the appropriate vendor for the contracted price. Examples of the various available contracts are: University of Iowa, Joint Regent, E & I, State, CICPC, and UIHC Novation.

2. Requisitions and other transactions under \$10,000

Acquisitions of products and services under \$10,000 may be handled three ways: **Submission of a purchase requisition, an e-Voucher, or use of a procurement card**. Purchasing authority has been delegated to each department for those transactions <\$10,000. Purchasing encourages the use of the Procurement Card for these transactions, but other factors may be considered when making this purchasing decision. *Every department is encouraged* to apply for a departmental Procurement Card to process their transactions under \$10,000. This eliminates significant costly processes such as order writing, mailing or faxing of orders, processing invoices, and check writing. The card is issued in the name of the employee responsible for ordering supplies for the department

3. Requisitions \$10,000-50,000

The Department creates the requisition on the PReqs system and sends it to Workflow. Both are accessed via the U of I Self-Serve. The PReqs system assigns a Buyer to each requisition based on the Category Code of the first line item. Requisitions are routed via Workflow to the specified *Purchasing Agent* (Buyer) after the final departmental approval. The *Purchasing Agents* review, edit, and approve the requisitions in their Workflow inbox. An information competitive bid with an adequate number of vendors may be performed for purchase requisitions between \$25,001 and \$50,000. After the *Purchasing Agent* has approved the requisition, and if no additional approvers remain on the Workflow path, the PReqs system assigns a purchase order number. The *Purchasing Agent* does final PO edits to the Tolerances, Freight Terms, Payment Terms, PO Type, Dispatch Method, Match Action, and Match Rule, if needed and approves the order.

4. Requisitions > \$50,000

Purchase requisitions for goods and services greater than \$50,000 are entered by the department and sent to Workflow. After the final departmental approval, the requisition is routed to the *Purchasing Agent* based on commodity code. The *Purchasing Agent* reviews the requisition to determine the appropriate next steps. Once the purchase is reviewed and processed as needed, the requisition is routed to the Director of Purchasing or designee as the final approver in the Workflow path along with all necessary supporting documentation (RFQ, RFP, Sole Source documentation, contracts etc.) for their review. The purchase requisition must be competitively bid unless existing contracts are in existence or the user can provide justification for directing the order to a sole source. If the products are unique and cannot be supplied by any other known vendor, the sole source justification included with the purchase requisition is completed.

5. Request for Quotation/Request for Proposal

a) Competitive

(1) Bidder Selection

The Purchasing department shall be responsible for establishing procedures to ensure that goods and services are competitively selected. Competitive selection may incorporate multiple criteria of award, with awards made based on bidder whose proposal provides the best value. When selecting a vendor it is advisable to contact them if you are developing a vendor list at the department level. Purchasing often has pre-approved vendors and Targeted Small Vendors they would like to have included. When developing a vendors list the following sources can be useful; telephone yellow pages, Thomas Registry, sales representatives, industry contacts, trade journals, previous bids, and from peers and colleagues at other universities.

b) Capital Equipment over \$1,000,000 and less than \$2,000,000

Capital equipment requests over \$1,00,000 and less than \$2,000,000 must be submitted to the Regents Chief Operations Officer (COO) for review and approval prior to issuing a purchase order. Capital equipment costing more than \$2,000,000 will be submitted to the COO for approval. At the discretion of the COO, the equipment purchase may be submitted to the Board for approval.

c) Trade-in Equipment

If you are trading in University of Iowa tagged equipment against a new purchase, create a separate line item and include the Property Management tag number in the item description field and the trade-in amount, as a negative dollar amount, in the extension field on the Requisition form.

Property Management uses this information to remove assets and to correctly record the amount of the newly purchased equipment in the asset books for your department, or “in The University ledgers.”

If disposing of U of I tagged equipment, be sure to complete the Surplus Form and route to Property Management to review and pass on to Surplus. Surplus will assist departments in reselling equipment or disposing of obsolete equipment. Depending on the type and value of the item being resold, a percentage of the proceeds may be returned to the department. Contact Surplus Stores at 5-5001 for more information.

For additional information on disposing of equipment, see The University of Iowa Operations Manual, Division V, Chapter 12 at <https://opsmanual.uiowa.edu/administrative-financial-and-facilities-policies/equipment-and-personal-property-university-2>

d) Obtaining Equipment on a Trial Basis

Due to a variety of legal factors, including risk of loss, liability, audit trails, ownership, etc., the following protocol has been established to assist University departments wishing to test or evaluate equipment prior to purchase:

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

Vendors wishing to make arrangements for demonstrations of their product or equipment must coordinate these plans with the appropriate Purchasing Agent. The individual receiving the equipment for their department **must** submit a completed Equipment on Loan or Demonstration Agreement form to Purchasing prior to accepting the equipment for demonstration, testing, or evaluation.

User department personnel should not indicate to vendors that the loan, demonstration, testing, or evaluation of equipment constitutes a preference for that equipment or will result in an order to purchase that equipment. Competitive purchasing processes will be used as required by University policies and procedures. If the vendor who loaned the equipment is the successful vendor, new equipment must be supplied unless alternate quotations were allowed for or requested in the competitive purchasing process.

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

In the event of a loss, the department will contact Risk Management for instructions and claim forms.

Zero dollar requisitions for trial basis equipment cannot be entered into the PReqs system. Contact the Purchasing Agent for assistance with orders for trial merchandise.

For a copy of the Equipment on Loan or Demonstration Agreement form see [Appendix B](#) for cover letter and print form by accessing it at <https://uiowa.edu/ap-purchasing/sites/uiowa.edu.ap-purchasing/files/eldaf.pdf>

e) Sole Source Purchases

Sole source items are items performing a certain function for which no other items are known to exist. Superior products with new patents or uniqueness (art work) may limit the purchase to a sole source. Justification for specifying such items is extremely important and must be documented. Sole-source situations, however, can be minimized by use of performance specifications, and Requests for Proposals.

f) Single Source Purchases

Single source, or sole source, purchases are for items which are restricted to one manufacturer or source because of an emergency situation or standardization decisions. In some cases, emergency requests can be phone or fax quotes for price verification. Where standardization is justified, many purchases can be bid through several distributors. The justification may be that the supplier is the only source for the commodity, or they may operate in a limited competitive market where the manufacturer only authorizes one dealer for its products in each sales area. The vendor could have a patented design or feature, or merely be the closest producer from a transportation standpoint. They may have a higher quality product, have better engineering support, or have the best production capacity for the buyer's needs. They may also be the only supplier willing to deal with small volume. Other justifications may include superior customer service, low reject rates, favorable payment terms, or a good delivery track record.

The Purchasing Agent has the authority to approve or reject the justification. Approval does not preclude the Purchasing Department from securing a formal quotation for the product or service. Purchasing Agents are empowered to negotiate more favorable agreements or solicit better pricing, terms and conditions. Sole Source Justification forms can be obtained by accessing the Purchasing, Accounts Payable & Travel web site at: <https://uiowa.edu/ap-purchasing/departments-forms> or contacting the Purchasing Department.

g) Auditing the Competitive Bid Process

The Office of Naval Research (ONR) has Federal audit responsibility for all federal funds granted to The University, and the equipment obtained with those funds. Every 2-3 years ONR audits The University of Iowa purchasing system and equipment inventory system to evaluate compliance with Federal Acquisition Regulations. The results of this audit determine The University's eligibility to compete for Federal funds. The ONR regional audit offices recommend approval or disapproval of these systems to other Federal agencies based upon their audit findings regarding the degree of The University's compliance. The State Auditors and our own Internal Audit staff also ensure frequent, thorough review of our processes.

h) Tax Exemption

The University is exempt from paying sales tax on the gross receipts from goods and services rendered in fulfilling its purpose as an educational institution. Taxes are collected on the gross receipts of any activities for which an admission fee is charged, including athletic events, theater, concerts, student organization activities, and others. The University collects sales tax on sales of goods, food, and services which are available to the general public. Please see: <http://tax.fo.uiowa.edu/content/sales-tax> for more information.

i) Customs and Foreign Orders

Purchases of supplies and equipment from companies located outside the United States can present unique requirements. Departments should consult with the Purchasing Department prior to placing orders or shipping items outside the U.S. if there are any questions related to Customs Broker services.

Express carriers like FedEx and UPS will normally employ internal brokers to have items clear U.S. and another country's customs. If a carrier requests that you sign a form, which allows you to approve their customs broker, send the form to the Purchasing Department for approval and signature. These forms usually ask the University to sign over its power of attorney to the broker.

The University of Iowa has contracted with DB Schenker for customs brokerage. The average price for per clearance is typically around \$125 but this fee can vary depending on the classification of items and in some cases may be much higher. There may also be additional shipping charges to get the item(s) from the Port of Entry to the University. Shipping charges will also vary depending on required delivery timeline, method of shipment and size. Contact information for DB Schenker is below if customs broker services are needed.

Schenker, Inc.
860 Bue Gentian Road Suite 245
861 Eagan, MN 55121

Contacts:
universityimports@dbschenker.com
Phone #: 651-367-8810
steven.enger@dbschenker.com
Phone: (651)-367-2502

Contact a Purchasing Agent for Further Information or questions.

j) Gratuities, Conflict of Interest and Federal Anti-Kickback Legislation

By law, University employees are prohibited from receiving any gift, token, membership, gratuity, or service from a vendor as related to any purchase made on behalf of The University of Iowa. Immediately notify your supervisor(s), The University's Internal Auditor, or the Office of the State Auditor if you become aware of any state employee or vendor involved in the purchase or bid process accepting or offering a kickback, gift, token, membership, gratuity or service of any kind that might compromise the buyer-vendor relationship. (See [Appendix F](#), for further reference information.)

k) The Gift Law

In 1992 the legislature passed the Iowa Public Officials Act which amended the gift law in Iowa Code chapter 68B. The gift law was further amended in 1993. A gift is anything of value given to you for which you did not give something of equal or greater value in return. The law prohibits public officials, public employees, candidates for public office, and members of their immediate families from soliciting or accepting gifts from a "restricted donor." An example of accepted items would be available free of charge to members of the general public and non-monetary items worth three dollars or less, such as pencils or bumper stickers.

A transaction is prohibited if all three of the following exist:

- (1) the recipient (donee) is a public employee, a public official or one's immediate family member (defined as spouse or dependent child);
- (2) the recipient receives a "gift" as defined by the law; and,
- (3) the donor (person giving the gift) is a "restricted donor."

The gift law applies only when the donor is within one of four categories defined in the statute. The law uses the term "restricted donor" to mean a giver who is within these four categories.

- Anyone who contracts with your agency or is seeking to contract with it. This includes persons involved in sales, leases, purchases, or other contracts. The term "agency" includes all public bodies covered by the statute, including a city, school district, or county. (Certain agricultural commodity production boards are excluded.)

- If you are an official or employee of one of the 16 listed "state regulatory agencies," a "restricted donor" is also any person who is the subject of, or a party to, a matter pending before that part of the regulatory agency (or "subunit") in which you have discretionary authority as an officer or employee. The agent of persons with matters pending before your subunit is also a "restricted donor." Thus, for example, a member of the Board of Medical Examiners could not accept a gift from a doctor who is the subject of a pending investigation before that board nor from the doctor's lawyer. However, this would not make the doctor a "restricted donor" as to employees or officials of unrelated units in the Department of Health.
- Anyone who will be directly and substantially affected financially by performance or nonperformance of your official duties in a way that is greater than the effect on the general public or a substantial class to which the person belongs (such as all members of a profession or residents of a region). An agent of such a person is also a "restricted donor."
- Anyone who is a "lobbyist," or a client of a lobbyist, regarding matters within your agency's jurisdiction. A lobbyist is described as any individual who, for the purpose of encouraging the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order, by members of the general assembly, a state agency, or any statewide elected official, by acting directly, does any one or more of the following:
 - Receives compensation
 - Is a designated representative of an organization
 - Represents the position of a federal, state, or local agency in which the person serves or is employed as the designated representative
 - Makes expenditures of more than \$1,000.00 in a calendar year to communicate in person (other than to compensate another for lobbying services or to communicate with a person's own legislators).

See University Operations Manual Division II, Chapter 35: <https://opsmanual.uiowa.edu/community-policies/prohibition-giving-and-receiving-gifts>.

I) Prohibition on use of Purchasing or Payment Procedures for Personal Purposes

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

II. Board of Regents Policy Manual

Purchasing

The Regents affirm that the best interests of the State of Iowa and the Regent institutions are served through implementation of a fully competitive purchasing system.

A. Authority

- i. The Board of Regents is authorized by statute to contract for goods, services, and capital improvements. ([Iowa Code Chapter 262](#) and §§[8A.122](#) and [8A.302 \(PDF\)](#); capital improvements are addressed in Chapter 2.3 of this Policy Manual.)
- ii. The Board delegates authority to approve agreements and contracts for all goods and services purchased by the institutions, except for capital improvements, fire protection, legal services, and engineers. ([681 IAC 8.2\(3\) \(PDF\)](#))
- iii. Remedies for breach of contract shall be in accordance with [Iowa Code Chapter 554 \(PDF\)](#).

B. Organization

- i. The Board Office and institutions shall meet regularly to ensure coordination of purchasing policies and procedures.
- ii. The Regents Chief Operations Officer (COO) position will be responsible for setting the direction and prioritization of sourcing initiatives across the five Regents.
- iii. Each institution shall appoint a designee from the Purchasing Department to be a member of the Procurement Council.
- iv. The COO along with Procurement Council will be responsible for ensuring the coordination of regent strategic sourcing activities as well as the monitoring of compliance with campus utilization of the resulting master agreements.
- v. Goods and services are purchased through the institutional purchasing designee, on the basis of competitive procedures and vendor negotiations. Such purchases need not be reported to or approved by the Board of Regents, provided that the Director of Purchasing/Manager of Purchasing has determined that there is no unusual circumstance which requires the special attention of the Board and provided the purchase does not involve a lease which must be approved or reported.
Policies related to capital projects, including bidding, bid security, selection of architects/engineers for Regent institutions are in Chapter 2.3 of this Policy Manual.

C. Policies and Procedures

- i. **Competitive Bid Thresholds:** Each Regent institution, through an institutional purchasing department, shall be responsible for purchasing goods and services in compliance with all applicable state and federal laws and regulations. Institutions may delegate purchasing responsibility to departments. Low dollar procurement authority may also be delegated to

institutional units through the use of credit cards or other appropriate procurement instruments, consistent with prudent, contemporary business and audit practices.

- a. Regent Master Agreements shall be used whenever possible. Exceptions to the use of such agreements must be supported with sufficient justification – ie. Lower price, emergency need, etc.
 - b. Iowa State University will process purchases of \$15,000 or more for the special schools.
 - c. Purchases less than or equal to twenty five thousand dollars (\$25,000) may be delegated to individual department purchasers.
 - d. Purchases of goods and services between twenty five thousand and one (\$25,001) and fifty thousand (\$50,000) per transaction, may be purchased through an informal competitive bid with an adequate number of vendors.
 - e. Purchases of goods and services over fifty thousand dollars and above, shall be purchased through a formal competitive bid process.
- ii. **Equipment Procurement:**
Equipment purchases, except those included in a capital project, are subject to the following review procedures prior to the issuance of a purchase order or any other purchase commitment by the institution.
- a. Equipment with a unit cost of less than \$1,000,000, will be purchased by the Director of Purchasing of each institution, acting through the purchasing agent, as outlined in section C of this chapter.
 - b. Equipment with a unit cost greater than \$1,000,000 and less than \$2,000,000 will be submitted to the COO for approval.
 - c. Equipment costing more than \$2,000,000 will be submitted to the COO for approval. At the discretion of the COO, the equipment purchase may be submitted to the Board for approval.
 - d. The COO will provide a summary of all equipment purchases of \$1,000,000 or more to the Board on a quarterly basis.
- iii. **Purchases Exempt From Competition:**
- a. **Emergency Purchase** - An emergency includes but is not limited to one of these conditions:
 1. In which an immediate or emergency need exists for the item or service because of events and circumstances not reasonably foreseeable.
 2. Critical to sustaining patient care or human life, maintaining critical equipment or services, or similar.
 3. In which there is a need to protect the health, safety, or welfare of persons occupying or visiting a public property.

4. In which an institution must act to preserve critical services or programs.
 5. Purchases that are considered time sensitive and would result in increased costs due to delay or the inability to continue to provide necessary services to patients, students, public, etc.
 6. Each institution will submit a quarterly summary of emergency purchases over \$50,000 to the COO.
- b. Sole Source Purchase - In some instances equipment, supplies or services may be required which are obtainable only from a sole source. Sole source purchases must be documented and reviewed/approved by the institutional purchasing designee.
 - c. Negotiation - Competitive and non-competitive negotiation may replace competitive bidding when in the best interest of the institutions. Justification for such use must be documented and available upon request.
- iv. Evaluation and Award Process
- a. Each institution will evaluate and award based on pre-defined criteria.
 - b. Scoring and assignment of points will be done in a consistent and defensible manner to ensure the integrity of the process. Both objective and subjective criteria may be used.
 - c. The names of the bidders and the amounts bid shall be supplied once the evaluation of the bids is completed and the award is made via a formal request for information. Information will not be released in situations in which the release would provide a competitive advantage to any of the bidders.
 - d. Nothing contained in these conditions shall be construed to mean that the lowest priced goods or inferior or substandard goods must be purchased. The Regent institutions are to purchase goods at the lowest cost consistent with the quality and service required.
 - e. Should a buyer recommend an award to other than the low compliant and responsible bidder, a review of the recommendation shall be conducted by the institutional purchasing director or designee including a documented rationale for the recommendation. It shall be the responsibility of the chief business officer or his/her designee to monitor the low bid rejections.
- v. Withdrawal of Bids. Bids may be withdrawn prior to the time set for receipt of bids. Bids shall not be withdrawn after that time, except as noted herein, without penalty. Only in the event of an obvious and documented error where it would be a manifest injustice to require the vendor to perform, can a vendor withdraw a bid after the time set for receipt of bids. Such withdrawal of bids can be done only upon the recommendation of the institution under procedures approved by the CPO/COO.

- vi. Bid Security. Regent institutions have discretion to use bid security as an incentive to vendors to enter into contractual requirements.
- vii. Iowa Prison Industries. Regent institutions are encouraged to include Iowa Prison Industries in competing for Regent's business.
- viii. Iowa Products. All state agencies shall use those products produced within the State of Iowa when they are of a quality reasonably suited to the purpose intended and can be secured without additional cost over foreign products or products of other states. ([I.C. §73.1 \(PDF\)](#))
- ix. Targeted Small Business. It is the policy of the Board of Regents, State of Iowa to provide contract opportunities to targeted small businesses. All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply to targeted small businesses. ([681 IAC7.7 \(PDF\)](#))
- x. Professional Service Contracts.
 - a. "Professional service agreements" are contracts for unique, technical and/or infrequent functions performed by an independent contractor qualified by education, experience and/or technical ability to provide services. In most cases these services are of a specific project nature, and are not a continuing, on-going responsibility of the institution. The services rendered are predominately intellectual in character even though the contractor may not be required to be licensed. Professional service agreements may be with partnerships, firms or corporations as well as with individuals.
 - b. Selection of a Provider. Professional service agreements for greater than \$50,000 must be selected through a competitive Request for Proposal (RFP) process unless the service is a sole source purchase that is appropriately documented and approved by the COO. The \$50,000 threshold is not based on a one-time cost, but rather on a cumulative cost for on-going services under the terms of the project engagement or extension of the project engagement. Professional service agreements, which are less than \$50,000 over the course of service, may be entered into without using the required competitive bidding process. Total payment to a professional services provider for services provided to any one university department may not exceed \$50,000 in a fiscal year, unless subject to competitive bidding or review and approval by the institutional purchasing department and COO. Selection of a professional service provider shall be based on a variety of criteria including, but not limited to, demonstrated competence, knowledge, references and unique qualifications to perform the services, in addition to offering a fair and reasonable price that is consistent with current market conditions. Additional criteria may be used as appropriate to the circumstances.
 - c. Provider Accountability. Work requirements should clearly define all performance objectives, work expectations, project milestones, and specific final deliverables and hold the contractor accountable for successful completion of the resultant agreement. Requirements may include, but not be limited to, reports, training sessions, assessments, evaluations or other tangible services.

- d. Provisions of Professional Service Agreements. The following terms and conditions must be addressed:
 - e. Performance Requirements. Performance requirements should be precise and written in such a way that it can easily be determined if and when the contractor has successfully fulfilled his/her obligations under the Agreement. Consequences for noncompliance such as non-payment and/or termination of the contract must also be defined. Scheduled due dates that specify milestone targets must be clearly identified and may include, but not be limited to, regular meetings scheduled to evaluate progress, identification of problem areas to determine actions to be taken to resolve any concerns, dates for formal written reports, required oral progress reports, and contract monitoring requirements.
 - f. Period of Performance. The resultant agreement must specify a start date and a completion date. While there may be exceptions, in most circumstances an end date to the agreement will be required. If an end date cannot be determined, a maximum time limit or maximum number of hours must be stated. Agreements with organizations are typically written for a specific term of successive years. In some instances, these agreements are annually renewable. Other provisions of an agreement may include a renewal clause beyond the original term of the agreement. Extended term agreements for individuals are discouraged.
 - g. Compensation and Payment. Compensation and payment terms include elements relating to cost and payment, such as maximum cost, (i.e. not to exceed cost), cost per deliverable, hourly rates for individuals providing services, number of hours required, allowable expenses and total authorized for expenses, payment and invoicing procedures. Compensation and payment terms should also include a statement as to whether the Regent institution will pay expenses incurred by the contractor and if so, which ones. Such expenses may include, but not be limited to, airfare (economy or coach class), lodging and subsistence necessary during periods of required travel; expenses incurred during travel for telephone, copying and postage, and private vehicle mileage. If other types of expenses are allowed, they must be clearly defined.
 - h. Performance Monitoring. The institution shall monitor the compliance with the terms and conditions of the agreement and applicable laws and regulations.
 - i. Provision of Liability. The provider may be required to show proof of insurance coverage and workers compensation in compliance with statutory requirements, in the form specified by the institution.
- xi. Qualified Vendors of Goods and Services
- a. Each institutional purchasing department shall maintain an electronic master list of prospective suppliers. Any person, agency, or firm wishing to supply goods or services may request to be added to the institutional master vendor list. The name is added to the institutional master list if, in the professional judgment of the Purchasing agent, the addition would aid in fostering a competitive situation. The Purchasing agent may require the requesting party to furnish information on qualifications to supply the

item(s) indicated and financial responsibility prior to determining whether to add a vendor's name to the institution's master list.

- b. Exceptions to Policy: Third party bid subscription services, who themselves do not supply goods or services utilized by Regent institutions, are not approved vendors.
- c. Nonresponsive and Nonresponsible Vendors - Once a supplier is added to the master list, the name shall not be removed from the list by an institution except for good and sufficient reasons. Removal for cause is not to exceed three years, except upon specific authorization of the COO. Each institutional purchasing designee shall report such vendors to the COO. Reinstatement requires application to the institution. Such reasons shall include, but not be limited to, the following:
 - 1. Delivery of goods and services that do not comply with specifications;
 - 2. Refusal to deliver after submitting a quotation, bid, or proposal and after receiving an order;
 - 3. Withdrawal of quotations, bids, or proposals prior to the placing of an order;
 - 4. Failure to comply with state and federal laws and regulations;
 - 5. Illegal purchasing practices;
 - 6. Consistent failure to respond bid opportunities requested in the last consecutive two-year period;
 - 7. Failure to timely cure contract compliance issues;
 - 8. Removal from an institutional master list of another Regent institution.

xii. Vendor Appeal Procedures

The following procedures shall be used by any Vendor who wishes to file a complaint regarding a Purchasing action made pursuant to Chapter 2 of this policy manual, with the exception of disputes involving the terms, conditions, obligations and interpretations of executed contracts or purchase orders; including, but not limited to, change orders. If an executed contract or purchase order contains a dispute resolution clause, that clause shall apply and not the procedure outlined in this section. The filing of a complaint shall not delay the award process if it is determined to be in the best interest of the institution. Failure to raise a timely complaint in accordance with the following procedure shall be deemed a waiver of the right to contest the matter further.

a. Informal Dispute Resolution with the University Department

A Vendor who has a concern with a decision made by a Purchasing Agent shall contact the Purchasing Agent within five (5) working days of when the Vendor became aware, or reasonably should have become aware, of the decision or action which forms the basis of the concern. The Purchasing Agent shall discuss the issue(s) with the Vendor in an attempt to resolve the dispute.

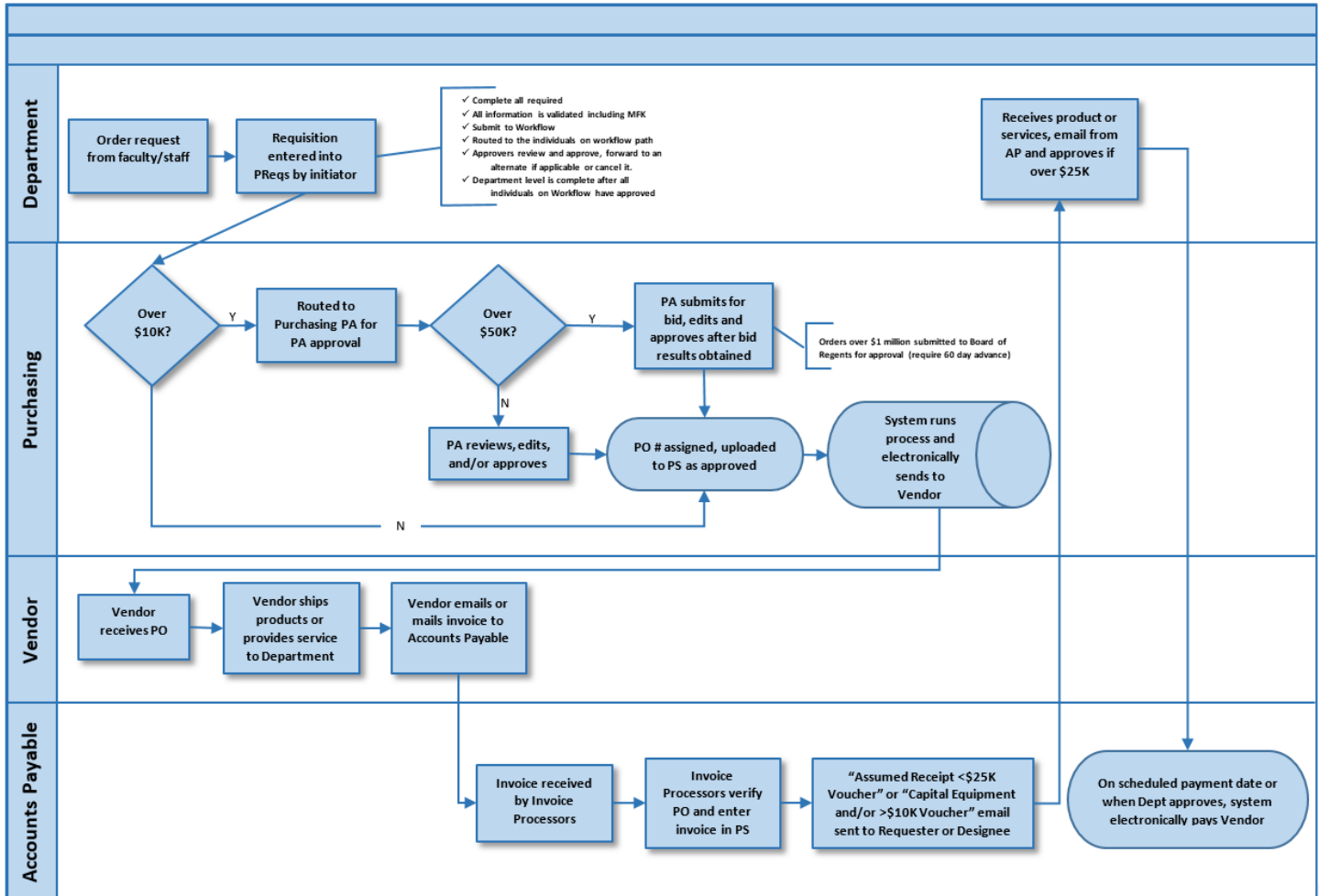
- b. Initiation of Complaint to University Administration
 1. Within five (5) working days of discussing the matter with the Purchasing Agent, a Vendor (hereinafter “Complainant”) shall outline the concern in writing to the institutional Purchasing Director or Purchasing Designee.
 2. The complaint shall be in writing and shall include the following information:
 - a. Name, address, and contact information of the Complainant;
 - b. Identification of the purchasing action complained of, including the RFQ/RFP number if available;
 - c. A detailed statement of the legal and factual grounds of the complaint, including copies of relevant documents;
 - d. The specific relief requested; and
 - e. Signature of the Complainant
 3. Upon receipt of the complaint, the Purchasing Director or Purchasing Designee shall conduct a review of the complaint and render a decision within ten (10) working days. Where information needed for the decision must be obtained from sources outside the Purchasing Department, the university’s response may be delayed up to ten (10) additional working days.
 4. The Purchasing Director’s or Purchasing Designee decision shall be in writing and shall contain the name and contact information of the individual to whom the decision may be appealed.
 5. The decision of the Purchasing Director or Purchasing Designee is final unless written appeal is filed with the individual identified in the written decision to receive the appeal. The appeal must be filed within five (5) working days of receipt of the Purchasing Director’s or Purchasing Designee written decision, and shall contain the specific grounds upon which appeal is made.
- c. Appeal to University Administration
 1. Upon receipt of the appeal, the institution’s Business Vice President, or his/her designee, shall conduct a review of the written record of the complaint and render a decision in writing within ten (10) working days.
 2. Copies of the decision of the institution’s Business Vice President, or his/her designee, shall be provided to the Complainant and the institution’s Purchasing Director.
 3. The written decision of the institution’s Business Vice President shall be final unless written appeal is filed with the General Counsel for the Board of Regents.

4. Should the complaint be affirmed at any stage of institutional review, the institutional representative responsible for reviewing the complaint may, in his/her discretion, grant the requested relief or fashion an alternate remedy as deemed appropriate. The issuance of a specific remedy shall not be subject to appeal under this procedure.
 5. Copies of any written complaint received by the institution and any decision rendered pursuant to this procedure shall be forwarded to the Office of the Board of Regents.
- d. Appeal to the Board of Regents
1. Written appeal to the Board of Regents must be filed with the General Counsel for the Board of Regents within five (5) working days of receipt of the final decision of the institution's Business Vice President. The appeal must state the specific grounds on which appeal is made and include copies of all relevant documents and written institutional decisions.
 2. Upon receipt of an appeal to the Board of Regents, the COO, or his/her designee, shall take steps to assist the Complainant and the Institution in resolving the issue(s)
 3. If the issue(s) remain unresolved, and in the opinion of the COO the complaint involves serious questions of law or allegations of procedural error having a material impact on the award process, the appeal maybe reviewed by the Executive Director. The Executive Director shall notify the parties in writing of the date on which the appeal will be heard.
 4. If a right of review is granted, the parties may submit additional written argument for review by the Executive Director. The Executive Director shall notify the parties of the deadline for submission of additional written materials. Oral argument before the Executive Director shall not be permitted.
 5. Following review and determination by the Executive Director and in consultation with the COO, the appeal may be docketed for the next regularly scheduled Board Meeting. The Board, if docketed, may affirm, reverse, modify or remand all or any part of the final institutional decision. The decision of the Board of Regents is considered final agency action.
- xiii. Cooperative Purchasing
- a. Regent institutions are encouraged to participate in interagency cooperative purchasing agreements. It is the Regents' intent that such cooperative purchasing continue to provide the lowest competitive price consistent with quality and service requirements of Regent institutions.
 - b. Regent institutions may purchase from state central purchasing contracts if it is in the best interest of the institution.

- c. State agencies, by prior agreement, may purchase items through Regent institutions providing that such purchases shall not jeopardize educational discounts accruing to Regent institutions.
 - d. Regent institutions are encouraged to participate in interinstitutional cooperatives with other universities, health care organizations, and similar affinity groups to gain better prices and choices.
- xiv. Reporting
An annual report on purchasing shall be submitted by each institution to the COO.

III. Ordering Products and Services Via Purchase Order

A. Purchase Order and Payment Process



IV. The Purchase Requisition Process

A. Basic Procedures

Departments enter Requisitions for goods and services into the Purchase Requisitions Application (PREqs) on the FUS Self Service page at <https://hris.uiowa.edu/portal/> under Purchase Requisitions Production. The information required on the Requisition form varies depending upon the type of order, however all required fields must be completed. The Requisition is validated and submitted to Workflow for the department approvals. After the departmental approvers have approved the requisition, the requisition is then routed to Purchasing via Workflow. Requisitions less than \$10,000 are completed, and a Purchase Order number is assigned, after all of the departmental approvals are obtained.

Requisitions \$10,000 and greater are routed to the Purchasing Agent after the final departmental approval. The Purchasing Agent reviews and edits the requisition, and approves it in Workflow. The purchase order number is assigned and the purchase requisition is then uploaded to the system as an open purchase order. Orders are then approved in the system, printed, and dispatched to vendors. (Note: Under normal circumstances Confirming Purchase Orders are not sent to vendors.)

The printed Purchase Order contains the Requester name and phone number and the Purchasing Agent name and phone number. If a question arises, the vendor may contact either the Purchasing Agent or the Requester. After the invoice has been received and processed by Accounts Payable, a voucher is created for payment.

B. Purchase Requisitions Tutorial

To view step-by-step instructions for completing a requisition on the Purchase Requisition (PREqs) System see the on-line tutorial on the Training menu at <https://uiowa.edu/ap-purchasing/preqs>

C. Facilitating the Purchasing Process

Plan ahead, allow 30 days or more for Requisitions for purchases over \$50,000 which will require competitive bidding. For large capital equipment purchases or projects requiring the purchase of multiple pieces of equipment, contact Purchasing well in advance with specifications and lists of potential bidders. Purchases of equipment with a unit cost greater than \$1,000,000 and less than \$2,000,000 will be submitted to the Regent Chief Operations Officer (COO) for approval. Purchases of equipment costing more than \$2,000,000 will be submitted to the COO for approval and at the discretion of the COO, the equipment purchase may be submitted to the Board for approval.

Prior to starting a Requisition, plan ahead and search for the vendor in PREqs. PREqs vendor searches will only show Active, Approved vendors. A vendor application is needed before any transaction or payment can be made if the vendor is not in the database.

A 10-digit Requisition number is assigned electronically to each requisition and should be referenced if you need assistance. A minimum of two electronic signatures on the Requisition Form is required at the departmental level. Reference quote number and/or person providing quote in the Vendor Comments field. Enter any pertinent comments for Purchasing regarding estimated pricing in the Internal Comments field. Orders over \$5K and new vendors will be routed to the Purchasing Agent.

The Item Description should include, where applicable, the vendor product number, catalog number, item and/or model number(s). This number should be first in the Item Description field, followed by descriptive text. Be precise when specifying the quantity and the corresponding unit of measure.

D. Freight

UI has negotiated rates with preferred vendors for both inbound/outbound shipments. Business and residential rates are included in our contract. See <https://uiowa.edu/ap-purchasing/freight> for more information.

The default Freight Terms are DEST-UI. These terms may be overridden if either the department or vendor specifies other terms. The following Freight Terms are available in the Purchasing and Payables System:

- Dest-UI (FOB Destination, U of I pays freight, vendor owns goods in transit.)
- Dest-VNDR (FOB Destination, Vendor pays freight, vendor owns goods in transit.)
- Origin-UI (FOB Shipping Point, U of I pays freight, U of I owns goods in transit.)
- Origin-Vdr (FOB Shipping Point, Vendor pays freight, U of I owns goods in transit.)

The default freight terms in **PeopleSoft** are DEST-UI. The *Purchasing Agent* is responsible for changing the freight terms on the purchase order, if necessary, based on a vendor's quotation or other information related to the order.

Departments are encouraged to provide their carrier account numbers on their purchase requisition so that this information can be provided to the vendor on the PO and we can take advantage of the University's freight discounts. See additional information in the following section.

E. Online Receiving

Online receiving is required for vouchers for capital assets (\$5,000 and over) and other purchases of \$25,000 or greater. The person entering the receipt is designated on the purchase requisition by the requester as either the primary or secondary receivers. When receiving is required an initial email will be sent to the designated receiver(s) indicating a need for a receipt. The email will include payment information for the voucher and a link to "Enter Receipt". If receipts have not been entered, the system will send additional follow-up emails to the receiver(s) until a receipt is entered. Once a receipt is entered and the voucher passes system matching the voucher will pay. If the voucher does not pass system matching, the receiver will be contacted by the AP-Receiving team to make corrections that will allow payment. Online receiving is not required for non-capital asset invoices under \$25,000, in those cases vouchers are paid when they pass system matching to the purchase order which is called assumed receipt.

V. Additional Purchase Order Types and Procedures

A. Blanket Orders:

A Blanket Order is a Purchase Order from which goods and services may be purchased over a given period of time rather than in a single transaction. Contact your Purchasing Agent for more information about Blanket Orders. Blanket Orders differ from standard Purchase Orders as follows:

- Twelve vouchers/invoices or
- \$5000 per year minimum
- contract or non-contract
- are not to be used for the purchase of equipment items
- encumber funds
- may have limits on dollar amounts set by your department
- One MFK

B. Waiver of Bid Requirements

The Purchasing Department has sole discretion to waive competitive bidding requirements in certain situations, including but not limited to:

1. Immediate need.

It can be demonstrated without question that the requiring department could not have foreseen the required purchase in sufficient time for normal purchasing procedures to be used.

2. Emergency need.

Life will be endangered, property will be destroyed, or considerable cost will be incurred because of events beyond the control of the department if the procurement is not completed without delay.

3. Sole source.

There is only one person or firm that can provide the requirement. No other known person or firm is available with an equivalent service or supply. Departments must complete a sole source justification form (see <https://uiowa.edu/ap-purchasing/departments-forms>) and receive approval from Purchasing prior to commencing the purchase process.

In order to justify a sole source purchase, one or more the following criteria must be substantiated in support of the justification:

a) Compatibility with existing equipment.

This justification may be used if the goods or services are being purchased to directly interface with or attach to equipment of the same manufacturer, and no other manufacturer's goods will correctly interface with existing equipment.

b) Compatibility for instructional purposes.

This justification may be used if the goods are being purchased to supplement existing equipment in a classroom. The goods must match the existing equipment and is being purchased to provide uniformity for instructional purposes.

c) Compatibility for Research.

This justification may be used if the main purpose for acquiring equipment or supplies is to replicate specific experiments, using the exact goods that produced the original results. You may also use this justification if you are collaborating with another researcher and can show that identical goods are required to fulfill your part of the research grant or contract.

Only one supplier can be identified to supply compliant goods or services. In limited cases, only one supplier may exist to provide particular goods or services. When providing a justification based on the availability of one supplier, the goods or services must be defined in generic terms. Specifying patented products or processes, when not necessary to meet functional requirements, is not acceptable as a sole source justification. Justifications can be accepted more readily by providing information regarding attempts to locate other suppliers, such as letters, informal quotations, or telephone contacts.

d) Noncompetitive Justification:

The following may be reasons for using noncompetitive procurement methods:

- (1) Patent rights, copyrights, secret processes, or control of basic raw materials may preclude competition, although they do not in and of themselves always justify using noncompetitive procurement.
- (2) Bids have been solicited and no responsive bid (conforming to the central requirements of the solicitation) has been received

C. Prohibited Items

1. **Personal items** such as desk pen sets, etc., except where necessary by reason of public use.
2. **Luxury items** -- items in which a more elaborate design or appointment has no practical advantage over a less elaborate and more economical item.
3. **Printing-related equipment**, which unnecessarily duplicates or replaces services provided by University service units. The Printing Department Manager, who shall conduct a need determination and, if necessary, develop equipment specifications on which prospective vendors may base quotations, must approve requests for purchase. Printing-related equipment includes presses, photocopiers, typesetting devices, photomechanical transfer machines, and other graphic arts equipment in use by University service departments, or which performs a service or creates a product already provided on the campus.
4. **Personalized items of printing** such as letterheads, noteheads, memorandum sheets, etc. However, University business cards may be purchased from the University's Printing Department upon requisition by which the ordering department signifies approval of personalized cards for persons whose duties require them to represent the University in business and professional matters.
5. **Printing and printing-related work**, including photocopying. See [VI-21 Printing Department](#).

D. E-Pro

E-Pro is the e-Procurement web-based application. It consists of e-Voucher and PReqs applications and a links to the eBuy and ProTrav applications. The e-Voucher system will be used for direct payments via Non Purchase Order vouchers. When you initiate a voucher, you will load information into a new form in the e-Voucher System. The "initiator" is the person who enters the information into the e-Voucher system. After you complete your voucher, you will send the form into the Workflow System, following a predetermined path established by your Org/Department/Unit. You will be able to determine at any time where your form is. Access the e-Voucher system through the Employee Service Portal at <https://hris.uiowa.edu/portal/>. For more information regarding this system, please see: <https://uiowa.edu/ap-purchasing/evoucher>

E. PReqs

Purchase Requisition Transaction System creates a web based requisition, sends it through campus workflow for electronic approvals and then on to Purchasing for sourcing.

1. Catalog Orders

The **Catalog Order form** via PReqs is used for Items Sourcing from a Warehouse and Items Sourcing from a Vendor that have a PeopleSoft UI Item number. With this form you will be able to place orders for items without knowing or caring if they are stocked in the warehouse or purchased from an external vendor. The system will make this determination and create multiple requisitions when necessary. Currently there are items set up for warehouse ordering at UIHC, General Stores, Dentistry Stores, Biochemistry Stores, and University Housing. New items can be set up by contacting the Catalog/Items Team at purchasing-items@uiowa.edu.

F. eBuy Orders

eBuy is accessed via PReqs and is an easy-to-use central web-based shopping site. *eBuy* will be accessible to all UI employees for the procurement of goods from select contracted suppliers. *eBuy* simultaneously streamlines the procurement process and promotes “best value” pricing. Shoppers search for products from Hosted or Punchout catalogs.

- **Hosted** catalogs are “housed” directly in eBuy using the University’s server. There is no redirect to access the supplier’s commodities. All search function will span across hosted catalogs.
- **Punchout** catalogs are accessed online via a supplier’s external website. The user “punches-out”, or exits, eBuy to search and select products from a supplier’s web site catalog, with specific UI pricing, then returns the items to an eBuy shopping cart.

G. e-Voucher

The e-Voucher system will be used for non-purchase order vouchers only. This application is also used to make all payments to research subjects, including payments previously processed through payroll. When you initiate a voucher, you will load information into a new form in the e-Voucher system. The “initiator” is the person who enters the information into the e-Voucher system.

After you complete your voucher, you will send the form into the campus Workflow System for electronic approvals, then on to AP for auditing and payment. You will be able to determine at any time where your form is in the Workflow process.

e-Voucher Transaction Examples

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ● Memberships/Subscriptions ● Food ● Reimbursements/Refunds ● Leases/Rentals ● <i>*(Long Term-6 months or greater should be processed via PReqs)</i> | <ul style="list-style-type: none"> ● Certification Fees ● Travel ● Research Subjects ● Utilities ● Miscellaneous <li style="padding-left: 20px;"><i>Certification Fees and Prepayments <\$3000</i> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Sales Tax: University is Tax Exempt

(Exemption forms are available on the Controller’s website at <http://tax.fo.uiowa.edu/content/sales-tax>)

H. Procurement Card

The University of Iowa Procurement Card is a primary vehicle for low-dollar transactions. Procurement cards are issued to a department under an individual staff member’s name with the agreement to observe specific rules and procedures. The University shares responsibility and risk with departments when those rules and procedures are followed. See [Appendix D Procurement Card Risk or Best Practices document https://uiowa.edu/ap-purchasing/article/pcard-best-practices](https://uiowa.edu/ap-purchasing/article/pcard-best-practices)

The Procurement Card has many advantages over other low-dollar purchasing tools. These include:

- No geographical limits.
- Available 24 hours per day, 365 days a year.
- Only one Voucher per month covers all Procurement Card transactions.
- Provides users speed and control of low-dollar purchases.
- May charge most of their travel expenses directly to their departmental procurement card rather than using a personal charge card and submitting expenses for reimbursement.

1. Allowed Charges

- **Airline Tickets** – Coach class
- **Alumni and Fund Raising Expenses**
- **Animals** – unfertilized chicken eggs, fish eggs, flies, crickets, termites, and worms. Also included are crayfish, hermit crab, sponge, planaria, red footed sea cucumber, sea pansy, sea urchins, star coral and yellow ball sponge – if fish present in the tank, MUST have an approved protocol for fish thru Institutional Animal Care and Use Committee. For additional information please contact Office of Animal Resources (OAR), oar-veterinarian@uiowa.edu.
- **Business meals** – Refer to the University of Iowa Operations Manual for further detail on the food policy
- **Car Rental** – while traveling only
- **Conference Registrations** – Departments must provide a copy of the registration form, travelers' name, trip dates, and conference location
- **Copier lease and maintenance payments** – this does not include equipment purchases. Contracts will still need to be signed by the Purchasing Director
- **Express Freight** (Federal Express, Airborne Express, etc.)
- **Fax and Telephone charges** – those that are business related and incurred while traveling
- **Foreign Transactions** – The \$20 foreign draft fee charged by the bank is eliminated
- **Ground transportation** – Travel related (i.e. taxi, shuttle service)
- **Hotel Deposits**
- **Interdepartmental Expenses** (where the Procurement card is accepted)
- **Lodging** – room, room tax, telephone access charges
- **Meals for individual travel** – Refer to the University of Iowa Operations Manual for further detail on the food policy
- **Memberships** (non-UIHC staff)
- **Phone orders**
- **Subscriptions**

2. Allowed with Conditions

- **Alcohol**-If approved by the ORG Budget Officer and the Director of Accounts Payable
- **Any purchase made for the personal benefit of faculty/staff or their family members** must meet specific requirements outlined in the department's Reward and Recognition policy – Staff (Refer to the University of Iowa Operations Manual, Part III, <https://opsmanual.uiowa.edu/human-resources/taxation-gifts-prizes-and-awards-employees> for details)
- **Copying/Printing** – Mandated by the Iowa Board of Regents policy, the official printing and copying purchaser for the University of Iowa is the Printing Department. This is mandated by law (Chapter 5 of the Iowa Code, Administrative Rules, Printing Division, Department of General Services, of the State of Iowa); and by the Operations Manual for The University of Iowa. All purchasing of printing, copying or related products must be routed through, and purchased by The University of Iowa's Printing Department. For all of your printing and copying related needs contact the Printing Department at 384-3700 and you will be assigned a Customer Service

Representative. You can visit the Printing Department web site through The University of Iowa Business Services or directly at <https://printmail.bo.uiowa.edu/printmail/>. Exceptions to this policy would include copying done while on business travel or exception by the University of Iowa Printing Department.

- **Flowers, Gifts, and Other Incidental Expenses** – Flowers, gifts, and other incidental expenses may be purchased on the procurement card if the following conditions have been met: There is a clear University purpose for incurring the expense that is documented in writing. Approval of the expense requires two approval signatures. The person coordinating the event and one of the following: DEO, business officer of the college or division, dean or vice president of the employing division.

This policy applies to all University funding sources, which include funds transferred to the University from affiliated organizations

- **Purchases over \$5000** - With pre-approval, travel related purchases and advertising may be purchased over this dollar amount
- **Telephones, related equipment** – Telecommunications provides the University with their phones and related needs. If your need can't be met through Telecommunications, then another provider may be used.

3. Excluded Charges

The excluded items are not to be purchased with The University of Iowa Procurement Card per University of Iowa policy:

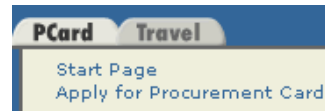
- **Airline Club Membership**
- **Animals** – Fish, Frogs, and all other vertebrates (rodents and larger animal species) not mentioned previously. For additional information please contact Office of Animal Resources (OAR), oar-veterinarian@uiowa.edu
- **Automotive Repairs** – Pertains to personal vehicles or vehicles owned and operated by Motor Pool
- **Business Cards**
- **Capital Equipment**
- **Conflict of Interest Vendors** – See Purchasing website for list under Policies.
- **Cylinder Gases and Liquid Nitrogen** – including Propane and Helium
- **Gasoline** – Pertains to personal vehicles or vehicles owned by Motor Pool. Vehicles obtained through Motor Pool must use the Motor Pool gas card. However, the purchase of gasoline to fill rental trucks to move University property is allowed. Gas can be purchased on the Procurement Card when traveling and using a rental vehicle *
- **Leases, Rentals of Equipment** – Long-term leases and rentals of equipment (6 months or longer). Exception to this is leasing of copy equipment (please see section under eligible charges) *
- **Leases, Storage** – Any lease of property including storage space
- **Personal Expenses at Hotel** – Movie charges, personal phone calls and spa charges
- **Personal Items** – Be sure to store the card in a safe location. The card should not be carried permanently in a purse or billfold because of the possibility of its use in place of a personal credit card. Personal expenses processed on The University of Iowa Procurement Card are considered to be in violation of the Procurement Card guidelines and can be punished by cardholder termination for any flagrant misuse. If the card is inadvertently used for personal expenses, the individual will need to send a check or a copy of the Money Received Form with their PCV.
- **Radioactive Materials**
- **Weapons, Ammunition**

Bottom Line

Personal expenses processed on the University of Iowa Procurement Card are considered to be a severe violation of the Procurement Card program and may be punished by cardholder termination for any

*These charges maybe allowed if expense is travel related.

To obtain a Procurement Card for your department's low-dollar purchases, log on to Self-Serv.
<https://protrav.bo.uiowa.edu/travel/load.cfm> click PCard tab and fill out the on-line agreement form.



Once the application has been processed and card received, the Procurement Card team will notify the new cardholder and instruct them of upcoming training times and locations. Training is required for all cardholders.

Questions regarding statements, vouchers, payments or ProTrav contact acntpay@uiowa.edu or 5-0115 in Accounts Payable.

Contact protrav@uiowa.edu or 5-0115 for questions on how to obtain a Procurement Card, cancel a card, or to discuss a higher monthly limit.

VI. Appendices

A. Appendix A – Ship-to Codes

These Ship-to codes are available for use by all departments. Most departments use these codes when they want goods delivered to a special address, or they want to pick up the goods, or on confirming orders to avoid duplicate shipments.

Ship To/Payer Code	Definition
A001	Ship To address per verbal instruction. If address unknown contact expediter.
A002	Further address information is listed in the text below.
A003	Do not deliver: order has already been received.
A004	Do not deliver: contact requester per the information in the text below when order is ready for pick up.
A005	Does not require delivery of goods with this order. Purchase order is for services only.

B. Appendix B - Protocol for Obtaining Equipment on a Trial Basis

Memorandum

Due to a variety of legal factors, including risk of loss, liability, audit trails, ownership, etc., the following protocol has been established to assist University departments wishing to test or evaluate equipment prior to purchase:

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

Vendors wishing to make arrangements for demonstrations of their product or equipment must coordinate these plans with the appropriate Purchasing Agent. The individual receiving the equipment for their department submits completed Equipment on Loan or Demonstration Agreement form to Purchasing prior to accepting the equipment for demonstration, testing, or evaluation.

User department personnel should not indicate to vendors that the loan, demonstration, testing, or evaluation of equipment constitutes a preference for that equipment or will result in an order to purchase that equipment. Competitive purchasing processes will be used as required by University policies and procedures. If the vendor who loaned the equipment is the successful vendor, new equipment must be supplied unless alternate quotations were allowed for or requested in the competitive purchasing process.

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

In the event of a loss, the department will contact Risk Management for instructions and claim forms. Zero dollar requisitions for trial basis equipment cannot be entered into the PReqs system. Contact the Purchasing Agent for assistance with orders for trial merchandise.

For a copy of the Equipment on Loan or Demonstration Agreement form see <https://uiowa.edu/ap-purchasing/sites/uiowa.edu.ap-purchasing/files/eldaf.pdf>.

C. Appendix C – Interdepartmental Services

The following is a list of some departments that provide goods and services to other departments on campus. Remember that Interdepartmental Requisitions do not flow through the Purchasing Department, so all questions should be directed to the department providing the service. Since departments do not always have access to the ship-to codes mentioned earlier, please include any ship-to information in the body of an interdepartmental requisition. This will help ensure that the material or service is delivered to the correct destination. Although Interdepartmental Requisition forms are used for most interdepartmental transactions, note that Material Services Processed Stores require the use of their own order forms. Use <https://uiowa.edu/eforms/sites/uiowa.edu.eforms/files/idreq.pdf> found on E-Forms.

Bioengineering	5-7932	ITS Information	4-0800
Chemistry Stores	5-1378	ITS Data/Phone Services	5-2945
Copy Center	4-3717	Medical Instrument Shop	5-9840
Daily Iowan	5-5786	Motor Pool	4-0564
Facilities Services Operations & Maintenance	5-5071	Printing	4-3700
Design & Construction	5-1283	Rental Pool	4-3922
Iowa Memorial Union	5-3055	University Book Store, IMU	5-3179

D. Appendix D – Procurement Card Risk

The University agrees to share with the department the risk associated with the use of the Procurement Card when the following measures have been taken:

- The Cardholder/Department promptly contacts Purchasing (335-0389 or 335-0385) Department when there is reason to believe that a card has been lost, stolen, or misused.
- The Cardholder/Department maintains the actual card and card number in a secure and safe place to avoid "unauthorized" individuals access to credit card information.
- Cardholder/department adheres to the written terms and agreements contained in the University Procurement Card Manual and Procurement Card Agreement.
- Cardholder/Department instructs all authorized users of the above mentioned guidelines, and periodically reminds users of the accountability requirements.
- Cardholder/Department reviews Procurement Card billing monthly to confirm that the card's use is limited to purchases for the benefit of the University.

- Should a Cardholder terminate employment with the University or transfer between departments, the user department has the specific obligation to reclaim the Procurement Card and return it to the Accounts Payable or Purchasing Department prior to the employee's termination date.

E. Appendix E – University of Iowa Non-discrimination Statement

The University of Iowa prohibits discrimination in employment, educational programs, and activities on the basis of race, creed, color, religion, national origin, age, sex, pregnancy, disability, genetic information, status as a U.S. veteran, service in the U.S. military, sexual orientation, gender identity, associational preferences, or any other classification that deprives the person of consideration as an individual. The university also affirms its commitment to providing equal opportunities and equal access to university facilities. For additional information on nondiscrimination policies, contact the Director, Office of Equal Opportunity and Diversity, the University of Iowa, 202 Jessup Hall, Iowa City, IA 52242-1316, 319-335-0705 (voice), 319-335-0697 (TDD), diversity@uiowa.edu.

F. Appendix F – Anti-Kickback Regulations

United States Code Annotated

Title 41 Sec. 51-58 Anti-Kickback Act of 1986

Code of Federal Regulations

Title 29 Sec. 3.1 et seq. Kickbacks and Federal Funding

The State Code of Iowa

Iowa Code Chapter 68B Conflicts of Interest of Public Officers and Employees

The Iowa Administrative Code

Chapter 681-8.9 Prohibited Interest in Public contracts

The Board of Regents Procedural Guide

Sec. 10.09 Conflicts of Interest of Public Officers and Employees

Sales and Purchases and Prohibited Interest in public contract

Sec 10.20 Conflicts of Interest of Public Officers and Employees

The University of Iowa Operations Manual

Sec 30.012 Other Accounts

Sec 30.050 Policy and Procedures on Gifts, Grants, and Contracts

Sec 30.112 Conflict of Interest

Sec 30.113 Purchases from Staff

G. Appendix G – National Association of Educational Procurement (NAEP) Code of Ethics

Purchasing professionals must have a highly developed sense of professional ethics to protect their own and their institution's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for its Members, NAEP has long promoted a code of ethics.

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 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.

H. Appendix H – Purchasing, Accounts Payable and Travel Department Staff

For current up to date staff listing, see <https://uiowa.edu/ap-purchasing/people>

I. Appendix I - Training Classes and Programs

Purchasing and Accounts Payable/Travel Departments offer a variety of classes for those who are responsible for various procurement and payables processes. These classes are highly recommended for all Requesters. Check our Purchasing Accounts Payable, Travel, and Procurement Card Training Web pages at <https://uiowa.edu/ap-purchasing/tools-departments>

J. Appendix J – Links

Commodity Assignment List <https://uiowa.edu/ap-purchasing/purchasing/preqs/purchasing-agents>

Iowa Sales and Use Tax Exemption Form <http://tax.fo.uiowa.edu/content/sales-tax>

Library Electronic Journals Listing www.lib.uiowa.edu/

Vendor Application form
https://uiowa.edu/ap-purchasing/sites/uiowa.edu.ap-purchasing/files/wysiwyg_uploads/uivaf_050718.pdf

https://uiowa.edu/ap-purchasing/sites/uiowa.edu.ap-purchasing/files/wysiwyg_uploads/uivaf_050718.pdf