

IIT Purchasing Manual

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200 OVERARCHING POLICY

It is IIT's policy to purchase materials and services in compliance with applicable law and to ensure that IIT procures appropriate and needed materials and services under terms and conditions that protect the interests of IIT, its students, and benefactors.

IIT AS RECIPIENT OF FEDERAL FUNDS

IIT's Purchasing Procedures adhere, as applicable, to procurement standards as described in the Office of Management and Budget Circular A-110, Procurement Standards, Sections 40 through 48. These Purchasing Procedures apply to all IIT purchases whether or not they are related to federal funding.

The procedures that follow are consistent with the foregoing and are intended to:

- Avoid the purchase of unnecessary items;
- Conduct business in a way that fosters free and open competition;
- Support a positive effort to utilize small, minority-owned, and women-owned businesses;
- Where practically and economically feasible, support purchases for products and services that conserve natural resources and protect the environment and are energy efficient;
- Result in contracts that are appropriate for the purchase being made;
- Result in contracts with responsible vendors who have the ability to perform under the terms and conditions of IIT contracts;
- Determine the most beneficial means of paying for purchases; and
- Document the procurement process.

THESE PROCEDURES SET THE MINIMUM REQUIREMENTS

IIT's Purchasing Procedure provides the minimum requirements to be followed. Departments may adopt procedures that are more rigorous, but not less than the IIT Purchasing Procedure.

AVOIDANCE OF CONFLICTS OF INTEREST

Every person involved in the purchasing process is responsible for protecting the interests of IIT and avoiding any real or apparent conflict of interest. Conflicts of interest can arise from financial or other interest in firms selected as vendors and solicitation of gifts from contractors, See Procedure P.1 Conflict of Interest and Conflict of Commitment Policy.

[://www.iit.edu/general_counsel/policies/pdfs/procedure_p1_conflict_of_interest_policy.pdf](http://www.iit.edu/general_counsel/policies/pdfs/procedure_p1_conflict_of_interest_policy.pdf)

Also see Procedure P.2 Prohibition on the Acceptance of Gifts.

[://www.iit.edu/general_counsel/policies/pdfs/procedure_p2_prohibition_on_the_acceptance_of_gifts.pdf](http://www.iit.edu/general_counsel/policies/pdfs/procedure_p2_prohibition_on_the_acceptance_of_gifts.pdf)

AUTHORITY TO SIGN CONTRACTS

Every person involved in the purchasing process is responsible for protecting IIT from harm that could result from failing to follow IIT Policies and Procedures. Such failures include entering into contracts that use contract instruments that have not been reviewed and approved for use by IIT's General Counsel or entering into contracts that are not funded. See Procedure Q.1 Authority for Negotiation and Approval of Contracts.

[://www.iit.edu/general_counsel/policies/pdfs/procedure_q1_authority_negotiation_approval_contracts.pdf](http://www.iit.edu/general_counsel/policies/pdfs/procedure_q1_authority_negotiation_approval_contracts.pdf)

AVOIDANCE OF UNNECESSARY PURCHASES

No purchase requisition shall be initiated before the determination is made that the good(s) and/or services required are not already available internally for use in the quantity and quality required. A review

of goods on hand or services currently available to the ordering department constitutes the minimum requirement for making this determination.

Before the purchase of a capital asset, the IIT Controller's Office should be contacted to determine whether surplus assets are available and suitable for transfer. Transfer of capital assets are communicated by use of the DISPOSAL/TRANSFER/SALE OF INVENTORY EQUIPMENT FORM found at:

[://www.iit.edu/policy_procedures/forms/ga_disposal_transfer_sale_of_inventory_equipment_form.xls](http://www.iit.edu/policy_procedures/forms/ga_disposal_transfer_sale_of_inventory_equipment_form.xls)

201 RESPONSIBILITY FOR PURCHASING ACTIVITIES

Purchasing at IIT is accomplished through a combination of decentralized and centralized activities.

Ordering departments have the responsibility for:

- Budget management;
- Providing the specifications and performance standards of goods/services to be purchased;
- Determining the quality and quantity of goods/services to be purchased;
- Confirming, by submission of required paperwork and requisitions for approval, that IIT policies and procedures have been followed;
- Acting as an extension of the Purchasing Department regarding the retention requirements for purchase orders;
- Utilizing centralized purchasing programs developed by the Purchasing Department;
- Communicating directly with their vendors regarding clarification of specifications, order changes, and cancellations;
- Working with vendors on the resolution of problems related to incorrect or damaged shipments and warranty returns; and
- Maintenance of documentation supporting adherence to policies and procedures. (See Policy Q.4. Record and E-Mail Retention:
[://www.iit.edu/general_counsel/policies/pdfs/procedure_q4_record_retention.pdf](http://www.iit.edu/general_counsel/policies/pdfs/procedure_q4_record_retention.pdf)

The Purchasing Department has the responsibility for:

- Maintaining the IIT Procurement Policies and Procedures manual;
- Assuring that IIT Procurement Policies and Procedures have been followed before converting requisitions to purchase orders;
- Converting requisitions received in good form to purchase orders and transmitting these to vendors;
- Processing changes to purchase orders only after receipt of a fully approved Request for Change Order form;
- Identifying opportunities to lower costs and otherwise support the policies and procedures by formation of contracts for goods and services that are centrally purchased; and
- Assist departments in resolving disputes with vendors.

202 IIT STATE SALES TAX EXEMPTION

IIT holds a tax exemption certificate from the State of Illinois. Vendors should be informed of IIT's tax exempt status and be provided with a copy of the certificate which can be found at:

[://www.iit.edu/policy_procedures/forms/purc_illinois_sales_tax_exempt.pdf](http://www.iit.edu/policy_procedures/forms/purc_illinois_sales_tax_exempt.pdf)

IIT's tax exemption is not for personal use.

203 METHODS OF PURCHASE

Each purchase represents a contract between IIT and our vendors. The formation of these contracts is communicated verbally and/or in writing. IIT allows the following methods of order placement and payment:

1. Petty cash: for order amounts up to \$150.
2. Cash Disbursement Voucher (CDV) and vendor invoice for payment direct to vendor: for order amounts under \$500. No purchase order will be issued for less than \$500.
3. IIT Procurement Card: for purchases up to \$1,000 that are allowable by the IIT Procurement Card policy: [://www.iit.edu/policy_procedures/forms/purc_mastercard_cardholders_document.pdf](http://www.iit.edu/policy_procedures/forms/purc_mastercard_cardholders_document.pdf)
4. CDV for reimbursement to IIT personnel: for order amounts under \$500, which have been paid for out-of-pocket by IIT personnel.
5. Purchase Order: for purchases in excess of \$500.

To the fullest extent feasible and practicable, purchases should be documented, and oral contracts for the purchase of goods should be the exception and generally limited to purchases of less than \$500.

EXCEPTIONS TO \$500 MINIMUM ON PURCHASE ORDERS:

Exceptions to the \$500 minimum on purchase orders are purchases of industrial alcohol, animals, hazardous chemicals, drugs, and radioactive materials. These must be purchased by use of a purchase requisition and purchase order regardless of dollar amount.

ADEQUATE FUNDING AND PRIOR APPROVAL REQUIRED

All purchase contract activities must have adequate funding and prior approval before proceeding. It is the responsibility of the initiator of the purchase to check budgets and confirm availability to the approver. Approval is evidenced through the purchase requisitioning process; in the act of using the procurement card; and in affixation of approval signature for CDVs and petty cash requests.

USE OF BANNER FINANCE

Requisitioning and approvals are accomplished through use of the IIT Banner Finance System. Access to this system is requested through submission of a Banner Finance Self Service Access Request Form which is accessible at: [://www.iit.edu/policy_procedures/forms/ga_banner_finance_security_form.xls](http://www.iit.edu/policy_procedures/forms/ga_banner_finance_security_form.xls)

ADVANCED AUTHORITY TO INCUR COSTS - ELECTRONIC APPROVAL

The Purchasing Department will act only on requisitions that have been completed AND approved in the Banner system. It is the requisitioner's responsibility to follow the progress of submitted requisitions through the requisition approval process. The progress of requisitions is viewed through use of Banner Self Service. Justification for making the purchase as well as recommended vendor is provided to the Approver of the requisition before its approval. Approved requisitions drawing on grant related budgets queue up for review by Grant and Contract Accounting before queuing up with all other requisitions for Purchasing Department review.

VENDORS MUST REFERENCE PURCHASE ORDERS

Except for purchases under \$500, no vendor should be providing goods or services without a Banner generated purchase order number. A vendor that acts without a purchase order does so at its own risk.

DEPARTMENTS ONLY RECOMMEND VENDORS

The vendors entered into requisitions are only “recommended” for use. The Purchasing Department has the right to evaluate the recommended vendors and may direct an order to an alternate vendor when goods or services may be obtained more economically or efficiently from the alternate.

COMMUNICATION OF ADHERENCE TO POLICY AND PROCEDURES

All aspects of adherence to these policies and procedures are communicated to the Purchasing Department exclusively through the use of the Vendor Selection Form (accessible through the Purchasing Department website at: [://www.iit.edu/policy_procedures/forms/purc_vendor_selection_form.pdf](http://www.iit.edu/policy_procedures/forms/purc_vendor_selection_form.pdf)). It is the ordering department’s responsibility to maintain files locally, as evidence of adherence to these policies and procedures. These files are to be maintained per the terms of Procedure Q.4 Record and Email Retention for a term no shorter than that required for purchase orders and invoices as retained by the Purchasing Department.

EMERGENCY ORDERS

An emergency is defined as a situation in which IIT students; faculty, staff, visitors, the surrounding community, or facilities are at risk of imminent injury or damage thus affecting the continuing operations of IIT. In case of an emergency, purchase contracts may be formed based on verbal approvals; however, the methods of purchase described above still apply. If an emergency occurs on a non-business day or after normal business hours, a requisition must be entered on the following business day, must be identified as an emergency order, and must contain notation regarding the nature of the emergency.

204 COMPETITIVE BIDDING

Regardless of purchase amount, IIT encourages the purchaser to do comparison shopping in order to identify the best price.

DOCUMENTATION

Purchases of \$25,000 or more shall include at a minimum: (a) basis for vendor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

The basis for vendor selection must include 3 written proposals which should be retained by the ordering department and available for audit review. These must be retained in the ordering department's files for seven (7) years per Record and Email Retention Policy – Q.4. issued 08/07.

The [Source Justification Form](#) is required to provide justification for lack of competition when competitive bids or offers are not obtained and the basis for award cost or price.

The [Selection Form](#) is used to communicate to Purchasing, a summary of the three written proposals gathered indicating award to the bidder or offeror whose bid is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered.

COMPETITION

All procurement transactions shall be conducted in a manner that provides, to the maximum extent practical, open and free competition.

The following requirements regarding solicitations for bids and proposals must be taken to avoid restricting or eliminating competition:

- A contractor that is relied upon to draft specifications; requirements; statements of work; invitations for bids and/or requests for proposals will have an unfair advantage over competition and must be excluded from competing for such procurements.
- Awards shall be made to the bidder whose bid or offer is responsive to the solicitation and is most advantageous to IIT taking into consideration price, quality, and other relevant factors. Other factors include the total cost of ownership including expected service life, operating costs including maintenance and energy consumption and end of life cycle disposal costs.
- Solicitations for bids, whether verbal or written, shall clearly set forth all requirements that the bidder shall fulfill in order for the bid to be evaluated by IIT.
- Any and all bids or offers may be rejected when it is in IIT's interest to do so.

REQUIREMENTS FOR A SUCCESSFUL COMPETITIVE PROCESS

The following requirements greatly enhance the chances of a successful competitive bid process:

1. Specifications/Scope of Work that are/is communicated clearly to bidders - You must know what it is you want and be able to describe it in a way that is consistent and clear to all who read the specifications or scope of work.
2. Adequate time in which to conduct the bid process – you must have enough time to communicate to all potential bidders and for them to respond to your solicitation.
3. Interested and qualified bidders – there must be enough bidders interested in competing for the purchase in order to get meaningful results

METHODS FOR SOLICITING COMPETITIVE BIDS

Below is a list of methods for soliciting competitive bids and the definition of each. The table that follows describes the circumstances under which each is appropriate and whether a competitive bid process (formal or informal) is required.

- **Determination That Pricing Is Fair And Reasonable** – comparison to prior purchases, catalogs (printed and Internet), and expectations based on general knowledge of the marketplace.
- **Verbal Price Quotes** – obtained by face-to-face, phone, fax, or email interaction and resulting in a number of offers to compare.
- **Invitation for Bid** – a formal process where the specifications are provided to interested bidders in written format. Complete specifications include description, quantity, when required, IIT terms and conditions of purchase, insurance requirements (if any), and shipping costs. Because the specifications will be well defined, the lowest, responsive bid is awarded the contract.
- **Request for Proposal** - a formal process used in the purchase of services that cannot be precisely defined and/or price is only one factor for evaluation.
- **Request for Qualifications** - a formal process used in choosing providers of professional services for requirements anticipated, but yet to be specified.

Method	Dollar Amount of Purchase	Nature of Product/Service	Documentation required
Verbal Price Quotes and/or determination that pricing is fair and reasonable.	Total under \$25,000	Standardized product/service	A statement entered on the requisition regarding the determination that the price is fair and reasonable and indicating how the determination was made .
Invitation for Bid (IFB)	Greater than \$25,000	Standardized product/service	Yes, formal process is to be followed and supported by written documentation.
Request for Proposal (RFP)	Greater than \$25,000	Services cannot be precisely defined and/or price is only one factor for evaluation	Yes, formal process is to be followed and supported by written documentation.
Request for Qualifications (RFQ)	Annual requirements anticipated to be greater than \$25,000.	Architectural, Engineering work, and Professional Services when requirements are anticipated, but yet to be specified.	Yes, formal process is to be followed and supported by written documentation.

RESPONSIBLE BIDDER

A responsible bidder is one who has the ability to perform the contract if awarded. Bidders must provide evidence that they meet the following minimums:

- Adequate financial and technical resources to perform the contract;
- Ability to deliver or perform on schedule, taking into consideration all of their existing business commitments;
- Satisfactory record of performance;
- Satisfactory record of integrity and business ethics; and
- The bidders must not appear on any list of debarred, suspended or ineligible concerns or individuals that would compromise the funding agency's ability to comply with Executive Orders 12549 and 126898 related to "Debarment and Suspension"

DEBARMENT AND SUSPENSION

IIT purchase contracts shall comply with the nonprocurement debarment and suspension common rule implementing E.O.s 12549 and 12689, "Debarment and Suspension." This common rule restricts subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. In order to determine the status of a vendor regarding debarment and/or suspension, formal solicitations for bids and proposals shall require certification related to this status prior to order placement.

BIDDERS LISTS

Development of a bidders list for any solicitation is predicated on the principle that only "responsible" bidders will be invited to bid. However, as conditions may change, or bids may be submitted by bidders with which IIT has no experience, it is important that all bidders be evaluated as being responsible.

SOLICITATION

A solicitation is any request by IIT for a vendor to provide a bid or proposal, no matter what the value.

205 REQUIREMENTS FOR INCLUSION IN SOLICITATIONS FOR GOODS AND SERVICES

The following elements are required for all solicitations for goods and services:

4. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
5. Requirements that the bidder must fulfill and all other factors to be used in evaluating bids or proposals.
6. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
7. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation. Solicitations should indicate what criteria are to be used to determine that a substituted product is "equal" to the brand name product.
8. A statement accepting, to the extent practicable and economically feasible, products and services dimensioned in the metric system of measurement.
9. A statement indicating preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

A GENERAL DESIGN FOR SOLICITATION PACKAGES

The solicitation package for Invitation for Bid (IFB) and Request for Proposals (RFP) should follow a general design consisting of 3 parts:

1. General Instructions to Bidders
 - a) Cover sheet containing a brief synopsis of the requirement
 - b) Procurement Schedule giving dates for various submission deadlines and anticipated award of contract
 - c) Instructions, conditions, and notes to bidders which include contact information for bidder questions, evaluation criteria determining award of contract
 - d) Approved equals, exceptions, and clarifications to provide instructions for bidders on how they can request changes or clarifications in the bid package
 - e) Certification of compliance with bid specifications to indicate that the bidder agrees that the goods and services as finally specified after modification by approved equals or exceptions are what will be delivered after contract award
 - f) Evaluation factors for award to provide a statement of the basis upon which bids will be evaluate and the award made.
 - g) Terms of payment
 - h) The place and manner of inspection and acceptance by IIT
2. Specifications or Scope of Work
 - a) Supplies/services and quantities required
 - b) Delivery or performance
 - c) Special provisions defining optional features, quantity options, which support the requirements
 - d) Requirement for reporting pricing
 - e) Requirement for descriptive literature and/or samples to be supplied
 - f) Specifications – defined as a clear and accurate description of the technical requirements for a material, product or service, including any procedures by which it will be determined that the requirements have been met, including:
 - g) Design specifications
 - h) Performance specifications
 - i) Options to be quoted

3. Documents and Attachments
 - a) Insurance requirements
 - b) IIT Terms and conditions
 - c) M/WBE requirements

Recommended formats for Invitation for Bid (IFB) and Request for Proposals (RFP) can be found at:
[:/www.iit.edu/purchasing/](http://www.iit.edu/purchasing/)

206 ADVERTISING SOLICITATIONS FOR GOODS AND SERVICES

In order to generate the maximum competitive response to the solicitation, vendors should be made aware of the solicitation by direct vendor contact; use of web page, email blasts, and other such means that will result in the greatest response to the solicitation. Additionally, advertisements and information regarding upcoming and current solicitations should be communicated to small, disadvantaged and women owned companies in order to encourage and facilitate their participation.

207 EVALUATION PROCESS USED TO SELECT VENDORS

- **Invitation For Bid (IFB)** – The design specifications of goods and services to be procured under an IFB are not subject to negotiation. Bids that deviate from the specifications are rejected as non-responsive. In the IFB process, the award is given to the lowest responsible bidder. Care must be given to insure that the requirements are well specified and communicated. The selection criterion is Price.
- **Requests for Proposal (RFP)** – An evaluation of several criteria is required in the RFP process. Price may not be the primary selection criterion. The criteria for selection should be identified in the RFP document and instructions given to the respondents to include enough information to enable IIT to evaluate these criteria. The request for proposal process requires evaluation and scoring of the proposals pursuant to the criteria. The proposal scored highest determines the vendor selected for final negotiations and contract award.
- **Request for Proposals (RFP) Very Large Purchases (Not Construction)** – In those cases where the RFP is for contracts with an aggregate value of \$1,000,000 or more (aggregate value defined as the expected value of payments to be made during the initial term of the agreement), the evaluation of proposals must utilize a committee of three members in addition to the Director of Purchasing or designee. The members of the committee shall be chosen to represent the constituency most affected by the services to be provided. The committee shall be given copies of the RFP document, the selection criteria weighted as to importance, a summary of the proposals prepared by the department conducting the RFP and, if requested, copies of the proposals. The recommendation of the committee will determine the vendor selected for final negotiations.

208 PURCHASE OF CAPITAL ASSETS – EQUIPMENT

In order to provide IIT's Accounting Department with the information necessary to correctly classify an asset purchase, the purchaser must fill out and submit an Equipment Acquisition Request form which can be found at: [://www.iit.edu/policy_procedures/forms/ga_equipment_acquisition_request.pdf](http://www.iit.edu/policy_procedures/forms/ga_equipment_acquisition_request.pdf)

209 EXCEPTIONS TO COMPETITIVE BIDDING REQUIREMENT

The following is a list of exceptions to the competitive bidding requirement. All requests for exceptions are to be communicated to the approver of the requisition and to the Purchasing Department through the use of the [Source Justification Form](#).

1. **Sole Source Purchase** - Sole source means that one of the following apply:
 - a) There is no other source for the goods or services being purchased, or
 - b) After a solicitation of a number of sources, the competition is determined inadequate.

2. **“Disadvantageous to Competitive Bidding”** - These purchases are directed to vendors that, while not sole source providers of goods and services, are in a unique position to deliver maximum value to IIT. The written request for exemption from the competitive bid process documented on the Vendor Selection Form must describe why its use would be “Disadvantageous”. The Director of Purchasing may: approve the request; ask further questions for clarification; or may reject the request and require competitive bidding. Some examples of “Disadvantageous to Competitive Bidding” include, without limitation:
 - a) Situations in which the competitive bid process would require IIT to put at risk confidential information;
 - b) Where “set-up costs” involved in changing vendors would be excessive;
 - c) When the purchase is for goods and/or services from a vendor that had previously been chosen to provide those goods and/or services through a competitive bid process conducted within the last six (6) months AND there has been no change in the cost of those goods and/or services; or
 - d) Where, after solicitation of a number of sources, competition is deemed inadequate, provided that written description of the extent to which attempts were made to solicit bids is required.

3. **Purchase of services for a specific professional, technical, or artistic skill.** In this situation, a written explanation of the specific nature of skill set is also required.

4. **Emergency order situations** that don’t permit the delay resulting from competitive solicitations.

5. **Purchase is covered by a consortium purchase agreement.** This includes agreements that IIT has entered into on its own behalf (the preferred vendor agreements as listed on the Purchasing Department’s website) and agreements in which IIT is a participant along with other schools.

210 LEASE VS. BUY EVALUATIONS

When appropriate, the method of payment for a purchase will be subject to a Lease vs. Buy evaluation. The determination of whether it is more appropriate to lease rather than buy depends on the life cycle of the item to be purchased, the expected duration of its service to IIT, IIT's cash management requirements as determined by IIT's Chief Financial Officer, and other factors that may arise. The final determination of a financing option is determined by the Chief Financial Officer.

211 PREPAYMENTS

Prepayments are discouraged. When necessary, purchases over \$500 that require prepayments or deposits can be facilitated through the use of the requisition process and conversion to purchase order. After a purchase order number has been assigned, the vendor should submit an invoice for the deposit amount. Vendor invoicing should reference the purchase order number. Checks for prepayments will be mailed directly to the vendor unless other arrangements have been made with the approval of the Controller.

212 ASSESSMENT OF VENDOR FINANCIAL STRENGTH

In the case of prepayments, there must be an assessment of the vendor's financial strength and determination of risk of loss of prepayment.

213 WIRE TRANSFERS

Purchases made from overseas contractors may require payment by use of wire transfer. The process for arranging wire transfers is described on the Request for Wire Transfer Form which can be found on the Banner Finance - Controller Office Forms site:

[://www.iit.edu/policy_procedures/forms/ap_wire_transfer_form.xls](http://www.iit.edu/policy_procedures/forms/ap_wire_transfer_form.xls)

After a wire transfer payment has been made, and the cost has been allocated, the department requesting the wire transfer should check to make sure that the related purchase order has been closed so that funds are not double encumbered.

214 REVOLVING CHARGE ACCOUNTS

No purchase shall be made utilizing a vendor's credit card or similar vendor-serviced financing method.

215 IIT PROCUREMENT CARD

Reference [://www.iit.edu/policy_procedures/forms/purc_mastercard_cardholders_document.pdf](http://www.iit.edu/policy_procedures/forms/purc_mastercard_cardholders_document.pdf) for current policy and procedure regarding IIT Procurement Cards.

Every cardholder shall be a full-time permanent employee of Illinois Institute of Technology,

216 PREFERRED VENDORS

The Purchasing Department maintains a list of “preferred vendors.” This list is maintained on the Purchasing Department website. These vendors have been granted “preferred” status through their response to a request for proposal process or through direct negotiations and have entered into agreements with IIT. Purchases from these vendors fulfill the competitive bid requirements as long as the items or services being purchased are within the scope of the agreement negotiated with IIT.

217 USE OF MINORITY/WOMEN-OWNED BUSINESS ENTERPRISES (M/WBES)

With respect to the use of minority or women-owned business enterprises (M/WBES), IIT requires that ordering departments:

1. Ensure that MWBEs are utilized to the fullest extent possible.
2. Make information on forthcoming opportunities available to M/WBES, and encourage and facilitate their participation in these opportunities.
3. Consider in the contract award process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
4. Consider contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance as appropriate of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

218 CONTRACTING METHODS

In most cases, the use of the IIT Purchase Order with attachments will be appropriate for contracting. Additionally, standard contracts are available from the General Counsel's Office for use in buying Consulting and Construction services.

The use of "cost-plus-a percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

219 STANDING ORDERS

Standing orders may NOT be used for the purchase of goods.

A standing order may only be used for the purchase of services in which the terms, description of services, price per unit of measure and total budgeted maximum cost of the order is known at time of order placement, but the frequency and required times of deliveries of service during the life of the order is unknown.

A regular order is one which covers a complete transaction in which the quantity, description, required delivery, and price is known at the time of order placement.

At a minimum, the following requirements for a standing order must be clearly described:

1. Description of unit(s) of measure as applied to the service being provided;
2. Price per unit of measure;
3. Method of authorizing delivery;
4. Method of determining whether delivery has been made;
5. Start and expiration dates of the order; and
6. Total maximum dollar amount of the order.

The resulting purchase order must have enough detail that the vendor's invoice can be audited against it.

220 INSURANCE

Any vendor performing a service on IIT property is subject to IIT Insurance Requirements per Policy E.6. Insurance Requirements for Third Parties:

[://www.iit.edu/general_counsel/policies/pdfs/procedure_e6_insurance_requirements.pdf](http://www.iit.edu/general_counsel/policies/pdfs/procedure_e6_insurance_requirements.pdf)

Information is available to vendors regarding IIT's insurance requirements at:

[://www.iit.edu/policy_procedures/forms/purc_insurance_letter_to_contractors.pdf](http://www.iit.edu/policy_procedures/forms/purc_insurance_letter_to_contractors.pdf).

Insurance certificates should be submitted directly to the Purchasing Department who will review the certificate for compliance with the language requirements, will record in the vendor's Banner profile (if a current vendor) that a certificate has been submitted, and will send a copy to the General Counsel's Office for final review.

221 PRINT PURCHASING

The purchase of printed materials is managed by the Communications and Marketing Department per Procedure K.2. Purchase of Printing:

[://www.iit.edu/general_counsel/policies/pdfs/procedure_k2_purchasing_of_printing.pdf](http://www.iit.edu/general_counsel/policies/pdfs/procedure_k2_purchasing_of_printing.pdf)

222 PREPAYMENTS FOR POSTAGE

In those cases for which postage is required for the mailing of printed goods, the following options are available:

1. The ordering person or department may submit a CDV for the amount of the postage with the check payable to the US Postmaster. The US Postmaster will then credit the postage check to the vendor's account.
2. The ordering person or department may submit a CDV for postage (including the PO number) accompanied by a postage invoice from the vendor. This action will result in a payment directly to the vendor for the amount invoiced.

As there can be a variance between the estimated amount for postage and the actual amount, the vendor may invoice IIT for the difference owed. If the postage amount is to be shown on the PO, the cost of postage **MUST** be charged to the account for postage, not printing.

223 PURCHASES SUBJECT TO PERMITS AND SPECIAL HANDLING

Purchases of the following items are subject to additional IIT policies as well as Federal or State permits and special handling requirements and MUST be made by use of an itemized requisition and purchase order:

- Industrial alcohol (not denatured);
- Lasers;
- Hazardous chemicals;
- Animals;
- Drugs; and
- Radioactive materials.

224 ANIMALS

The purchase of animals is subject to the Standard Operating Procedure for Animal Purchasing at IIT as recommended by the IIT Institutional Animal Care and Use Committee (IACUC) Subcommittee on Purchasing, August 2007 (updated May 2008).

225 TRAVEL

The purchase of travel falls into two categories:

- Travel services for employees which are handled per Procedure J.4. Travel; [://www.iit.edu/general_counsel/policies/pdfs/travel_j_4.pdf](http://www.iit.edu/general_counsel/policies/pdfs/travel_j_4.pdf) and
- Transportation services for non-employees, which are handled as a purchase per these IIT Purchasing Policy and Procedures.

226 PERSONAL PURCHASES

Personal purchases are not allowed.

227 INDEPENDENT CONTRACTORS

Purchases from individuals require verification that the individual has not been an employee of IIT during the current calendar year. Those individuals that have been employed during the current calendar year and are selling services to IIT will be compensated through the Payroll Department.

Independent contractors can be compensated through the requisition/purchase order process or other methods as described in Methods of Purchase above.

228 ADDITION OF NEW VENDORS

Controlling the process of adding new vendors is intended to:

- Slow the proliferation of vendors added to Banner
- Enforce the appropriate sequence of steps in making purchases
- Improve vendor performance and reduce costs

There are three classifications of vendor:

1. All vendors
2. Vendors that have applied to be considered as IIT Vendors
3. Vendors that have been entered into Banner and have been given orders for goods or services.

Before any transaction takes place that requiring IIT's processing of a vendor invoice, the vendor must already be entered into the IIT Banner vendor database.

NOTE: IIT cannot conduct business with any vendor that is debarred or suspended from selling to the federal government.

Vendors come to the attention of IIT in two ways: INTERNALLY, through the efforts of faculty and staff and EXTERNALLY, through direct contact by vendors interested in selling to IIT.

INTERNALLY: Faculty and staff are responsible for initiating requests to add a new vendor to IIT's Banner vendor database by submission of a [Nomination Form](#) (VNF) to Purchasing.

This form provides contact information for the vendor, the submitter's reasons for asking for the addition of a new vendor and indicates whether this vendor will be subject to any special terms and conditions (due to use of a contract with terms and conditions that vary from IIT's standards.)

Upon receipt of the VNF, Purchasing will send a new vendor package to the prospective vendor.

The new vendor package consists of the following:

Vendor Application;
Request for Taxpayer ID;
IIT Conditions of Purchase;
Vendor Payment Terms;
Certificate of Insurance;
IIT Credit References
Illinois Tax Exemption Letter
Certificate regarding suspension and debarment

Exceptions to acceptance of the above will be allowed based on IIT and the vendor entering into a contract specifically negotiated to better address the nature of the purchase relationship.

In order to be considered for addition to the IIT Banner vendor files, the prospective vendor must:

- Complete the [Application](#)
- Provide a completed and signed [-9 form](#)
- Sign acceptance of IIT's terms and conditions
- Return these forms to Purchasing.

Purchasing will review the documents submitted by the vendor and consider the commodities and/or services offered to determine whether they are already offered by current vendors and to consider how adding the new vendor to the list of IIT vendors will be beneficial to IIT.

Purchasing makes the final decision to accept or reject the addition of a vendor to the database.

If information supplied by the vendor indicates ownership by a current IIT employee or an IIT employee is a member of the proposed vendor's senior management team, the decision to add the vendor will be dependent on the acceptability of the relationship as determined following [P.1. Conflict of Interest and Conflict of Commitment Policy](#).

EXTERNAL REQUESTS TO ADD VENDORS

Vendors wishing to conduct business with IIT, but not currently in IIT's vendor database, can request a new vendor package. Upon completion of the package these vendors will be categorized by primary commodity/service offered and their files will be maintained for reference for a period of one year.

229 NEW VENDOR FORM

Vendors wishing to conduct business with IIT can begin the process by completing a [APPLICATION](#) and a [-9](#) form.

230 COPIERS AND TONER BASED PRINTERS AND FAX MACHINES

Copiers, printers and fax machines are designated as a centrally purchased item. Acquisition of this type of equipment must be done through the IIT Purchasing Department.

231 CONSTRUCTION

Construction-related purchases are subject to: Procedure B.4. Facilities Modification: Construction Design and Contract Approval Process:

[://www.iit.edu/general_counsel/policies/pdfs/procedure_b4_facilities_modification_construction_design_contract_approval.pdf](http://www.iit.edu/general_counsel/policies/pdfs/procedure_b4_facilities_modification_construction_design_contract_approval.pdf)

232 CHANGE ORDERS

IIT Change Order Policy:

- Change orders are to be communicated to the Purchasing Department via a written change order form which specifies the nature of the change and provides the ordering department's approval for the change.
- Change orders require approval at the level appropriate to the new total amount of the purchase order after the change order has been applied.
- Changes to purchase orders involving grant funds also require approval by Grant and Contract Accounting.
- All approval signatures are required on a written change order form before the change order will be processed by the Purchasing Department.
- The Change Order must be signed by an approver who is authorized at or above the dollar limit resulting after the change order. (See example in the textbox below.)

EXAMPLE: (For the following example, assume that the requisitioner has approval authority up to \$25,000.)

An initial purchase that totals \$20,000 is made. Later the purchase needs to be increased by change order to a new total of \$26,000.

Before the change order: The resulting purchase order amounted to \$20,000 and was within the approval limits of the requisitioner so no additional approval was required.

A change order is submitted to increase the purchase order amount to \$26,000.

Therefore, the change order **MUST** be signed by an approver who has the authority to approve requisitions at the \$26,000 level or higher.

Exceptions to this approval process are change orders that:

- result in a decreased cost of the order;
- provide additional description without increasing the cost of the order;
- are required to change the accounts charged;
- cancel or complete purchase orders; and/or
- reflect revisions to construction contracts which are subject to contract specific language pertaining to the change order process.