

IIT Purchasing Policy and Procedures

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.

Purchasing at IIT is accomplished through a combination of decentralized and centralized activities. Responsibility for vendor sourcing, budget management, and submission of requisitions for approval is held at the department level. The Purchasing Department has the responsibility for assuring that IIT Procurement Policies and Procedures have been followed before converting requisitions to purchase orders.

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 http://www.iit.edu/~controller/pdf/self_serve_access_form.pdf

The Purchasing Department can only act 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.

All involved in the purchasing process are responsible to protect the interests of IIT and to avoid any conflict of interest. (See Procedure P.1 Conflict of Interest and Conflict of Commitment Policy)

Documentation supporting adherence to procedures resides at the department level and is communicated to the approvers of requisitions and Purchasing by use of the **Vendor Selection Form** (accessible through the Purchasing Department website at: http://www.iit.edu/~controller/pdf/IIT_vendor_selection_form.pdf) and, when available, to be appended to the electronic purchase requisition in Banner.

If operating under procedures more rigorous than the IIT Purchasing Procedure, a department shall have a written procedure that is approved by the Director of Purchasing and the Associate VP and Controller.

Our process requires:

- Advanced approval to incur costs. This approval is manifest in the requisitioning process. (See Procedure Q.1 Authority for Negotiation and Approval of Contracts)
- Use of a competitive process to insure optimal quality and service at minimum cost; to guard against manipulation of the purchasing process; and to provide opportunity for qualified vendors and Minority Business Enterprises (MBEs). Competitive bids may be gathered by the requisitioner, or by others per policy.

Printing is purchased under procedure K.2 Purchase of Printing and purchases for facilities improvements and modifications are made under procedures B.3 Facilities Modification: Initial Approval and B.4 Facilities Modification: Construction Design and Contract Approval Process.

- Inclusion of MBEs in all competitive bid opportunities.
- Managed risk by requiring proof of insurance whenever services are provided on IIT property. (See Procedure E.6 Insurance Requirements for Third Parties)
- Written change order requests. Changes to purchase orders will only be initiated with the participation and approval of the requisitioner as communicated to Purchasing by use of the **Request for Change Order** form (accessible through the Purchasing Department website: http://www.iit.edu/~controller/pdf/po_change_order_form.pdf) submitted per its instructions.
- Purchases over \$100,000 utilizing non-standard IIT contracts are subject to legal review. (See Procedure Q.1 Authority for Negotiation and Approval of Contracts)

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

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.

All aspects of adherence to these policies and procedures are communicated to Purchasing exclusively through the use of the **Vendor Selection Form** (accessible through the Purchasing Department website). 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 as required for purchase orders and invoices as retained by the Purchasing Department.

Exceptions to Competitive Bidding Requirement (All are communicated to the approver of the requisition and to Purchasing through the use of the Vendor Selection Form.)

1. Sole Source Purchase - Sole source means that there is no other source for the goods or services being purchased.

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” would be:
 - 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.
 - d. Where, after solicitation of a number of sources, competition is deemed inadequate. 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. A written explanation of the specific nature of skill set is required.
4. Emergency order situations that don’t permit the delay resulting from competitive solicitations.
5. The 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 Purchasing’s website) and agreements in which IIT is a participant along with other schools.

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

1. For order amounts up to \$150, petty cash can be used.
2. For order amounts under \$500, use of Cash Disbursement Voucher (CDV) and vendor invoice for payment direct to vendor. No purchase order will be issued for under \$500.
3. For purchases up to \$1,000, the IIT Procurement Card may be used to for those purchases allowable by the IIT Procurement Card policy.
http://www.iit.edu/~controller/pdf/mastercard_pocurement_doc.pdf
4. For order amounts under \$500, submission of a CDV for reimbursement to IIT personnel for payments made by them to vendors.
5. For Purchases in excess of \$500, a requisition **must** be entered into the Banner System.

Prepayments: 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.