



LEHIGH

UNIVERSITY®

Policy Number: 102 (consolidation of policy 102, 103, 107)
Effective Date: circa 1990
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Applicability: All Purchases and Contracts

PURCHASING POLICY PERTAINING TO THE PROCUREMENT OF GOODS & SERVICES

Purpose:

To provide parameters related to appropriate supplier engagement, expectations regarding pricing and equal opportunity, and define approved methods of procuring goods and services for the University.

Policy:

SELECTION OF SUPPLIERS

Purchasing Services is responsible for selecting and approving sources of supply. Purchasing Services selects potential suppliers based upon their ability to serve the needs of the University in a safe, economical and efficient manner on a continuing basis. Important factors in supplier selection include past performance of suppliers and cooperation with the University.

Purchasing Services is committed to maintaining multiple sources of supply. Whenever possible, Purchasing will seek and consider more than one source. Purchasing prefers to maintain alternate or multiple sources of supply as a means of ensuring good value, performance, and service, and minimizing costs.

Requisitioners are encouraged to suggest sources of supply, particularly for unusual or non-standard items. Purchasing will follow a department's recommendation as much as possible. If a department requests a specific supplier with no substitutions, the department must provide adequate "sole source" justification on the requisition form for Purchasing's consideration.

EQUAL OPPORTUNITY

Suppliers doing business with Lehigh University are expected to be in full compliance with all applicable federal and state laws, rules, regulations and executive orders.

CONFIDENTIALITY OF PRICES

Pricing information solicited from suppliers is confidential and shall not be revealed to any other supplier or person. All University employees are responsible for conducting themselves with high ethical standards regarding pricing and supplier information.

The University is not responsible for the security of unsolicited information given to Purchasing by suppliers. However, the University will exercise normal diligence so that such information is not willfully used in a manner harmful to the supplier.

COMPETITIVE BIDDING

The University will generally receive greater discounts, service, and overall value through competitive bidding. Competitive bidding is required for all purchases \$25,000 or over, except as noted below (the bidding threshold is \$10,000 for federally funded purchases). The Requisitioner is responsible for contacting a minimum of three suppliers to obtain competitive bids for the materials or services needed. Bids must be submitted to Purchasing with the requisition. The

requisitioning department should contact Purchasing for assistance if unsure about procedure.

Competitive bidding is not required for requests of \$25,000 or greater when one or more of the following circumstances exist:

- a. Bids have recently (within the previous 12 months) been received for the exact same items or service, and the bids are still valid.
- b. Item is a university standard (furniture, computers, etc.).
 - o LTS Standards:
<https://lts.lehigh.edu/services/explanation/lehigh-university-library-technology-services-standards-0>
 - Facilities Services/Campus Planning & Projects Standards:
<https://financeadmin.lehigh.edu/facilities/standards>
- c. The item must be purchased from a sole source distributor or manufacturer, meaning it cannot be purchased from another supplier. A valid sole source justification is required.
- d. There is other justification for not soliciting competitive bids (memo of explanation must be provided).
- e. Item or service is purchased at university auxiliary business operations such as Dining Services, Mountain Hawk Design & Printer Center, or The Lehigh Store.

Purchasing has the right and responsibility to question and to require sole source justification regarding supplier selection.

PURCHASES UNDER \$25,000

Competitive bidding:	Not required unless the purchase is federally funded, then required at \$10,000
Procedural methods:	OneCard (up to card limits) Blanket Purchase Orders Standard Purchase Order Retrofit Purchase Order

PURCHASES \$25,000 OR OVER

Competitive Bidding:	Required
Procedural method:	

CAPITAL EQUIPMENT \$5,000 OR OVER

The Controller's Office defines capital equipment as any individual item over \$5,000 that is capitalized, regardless of source of funding, with a useful life of more than one year. A PO must be used for procuring capital equipment.

PROFESSIONAL SERVICES \$5,000 OR OVER

Professional services \$5,000 or over (such as consulting services, construction, etc.) require the issuance of a PO and, if necessary, an appropriate contract created by Purchasing Services. Part of the contract process involves determining if the consultant should be classified as an independent contractor or an employee. Purchasing will involve the Controller's Office if the classification is not clearly that of independent contractor.

ONECARD

The OneCard provides an alternate, cost-effective and efficient method of purchasing and paying for smaller dollar transactions. The card can be used to replace the PO process.

Benefits of OneCard include:

- Faster order placement
- Reduces the number of purchasing forms and processes
- Reduces the use of personal funds for university business transactions
- Reduces the number of reimbursements

For additional OneCard information, see the Purchasing website and the OneCard Policies and Procedures for more

information (<https://financeadmin.lehigh.edu/onecard-program>).

RESEARCH GRANTS AND CONTRACTS (Please see Policy 105)

Requisitions for purchases of \$2,000 or more against research accounts (accounts range between 529000-592999 or 610500 – 611499) must be approved by the Office of Research and Sponsored Programs (ORSP). Requisitions submitted to Unimarket with these accounts will automatically route to ORSP for approval prior to routing to Purchasing Services. The PI is responsible for ensuring that the equipment screening process is followed. If the equipment is not available on campus, he/she must sign the ESC.

It is important that the University complies with rules and regulations in the Office of Management & Budget (OMB) *Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards* – 2 CFR 200 regarding competitive bidding requirement and bidding thresholds when purchasing equipment or supplies against research grants or contracts. In order to minimize any potential delay to a Principal Investigator (PI), the competitive bidding process may be initiated prior to receiving formal notification of the grant or contract from the sponsoring agency. The PI should secure a written statement from ORSP indicating that approval is expected on a pending application. If an item is to be purchased from a sole source supplier, the PI must provide sole source justification. Please note that NSF approval of an application is NOT approval of the equipment. The quote is used to satisfy the “reasonableness” test related to the funding request. It is not a sole source approval of the specific makes and models of quoted equipment and competitive bidding must still be performed.

Under the requirements of the federal Office of Management and Budget (OMB) Circular A-110 and A-133 audit requirements, the University is required to screen existing equipment to determine availability for use prior to purchasing new equipment. The PI is responsible for ensuring that the equipment screening process is followed. If the equipment is not available on campus, he/she must sign the ESC.

PURCHASE ORDER ACCURACY

It is the Requisitioner’s responsibility to ensure the accuracy of the data on requisitions submitted to Unimarket. If there are any errors, the Requisitioner must contact Purchasing Services as soon as possible so the appropriate corrective action(s) can be taken. Purchasing will not be responsible for any incorrect information on the requisition or corresponding PO.

There are several types of expenditures that do not require purchase order authorization. Payment for these goods and services should be authorized by submitting a Payment Approval Form to the Accounts Payable Department or by use of the OneCard program. Consult the Purchasing Manual for a list of these goods and services.

Keywords: Suppliers, Vendors, Contractors, OneCard