



**Applies to:** All Purchasing staff and any person who makes a purchase of goods or services on behalf of the university.

**Responsible Office**

**Office of Business and Finance**

**POLICY**

Issued: 07/01/1972  
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The Board of Trustees grants the authority to purchase on behalf of the university to the Office of Business and Finance, which delegates that authority to University Purchasing (Purchasing), which is responsible for central purchasing functions. All records and documentation relating to purchases must be maintained for the minimum timeframes established in the [Records Retention Schedule](#) set by University Archives. The director of purchasing may delegate the authority to purchase goods and services, not to exceed \$5,000, to a designated buyer for a college or vice presidential (VP) unit, subject to responsibilities and restrictions.

**Purpose of the Policy**

To ensure that all university funded purchases are authorized and in compliance with the Ohio Revised Code (ORC), the Ohio Administrative Code (OAC), and The Ohio State University Board of Trustee resolutions.

**Definitions**

Term	Definition
After-the-fact purchase order	A purchase order issued after-the-fact of a purchase, except for skilled trade orders purchased through eStores.
Capital improvement	A project that is substantially architectural. Capital improvements can also include, and are not limited to, goods or services such as furniture, laboratory equipment, and software.
Gift-in-kind	Any non-cash, tangible gift given to the university; sometimes offered by a supplier in conjunction with a purchase from that supplier (e.g. fine art, computers, books, equipment, or real estate).

**Policy Details**

- I. Personal purchases and conflict of interest.
  - A. Negotiations or transactions for purchases of a personal nature are prohibited.
  - B. Purchasing is obligated to question requisitioned items that seem to be of a personal nature or an inappropriate expense against university funds.
  - C. Conflicts of interest in the purchasing process are to be avoided. It is the responsibility of all Purchasing staff, and any other individual authorized to conduct purchasing activities, to ensure that the university does not knowingly enter into any purchase commitment that could result in a conflict of interest.
  - D. Questionable purchasing situations are referred by Purchasing to the Office of University Compliance and Integrity.
- II. Ethics.
  - A. Purchasing staff and any other individual authorized to conduct purchasing activities must adhere to the principles and standards of the [Ohio Ethics Law](#).
  - B. University employees are prohibited from accepting gratuities, premiums, or other incentives of a substantial value.



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- C. The university subscribes to the [National Association of Educational Procurement \(NAEP\) Code of Ethics](#), which states that each employee involved in the expenditure of public funds is held to the highest degree of public trust and will abide by the following:
1. Give first consideration to the objectives and policies of the university.
  2. Strive to obtain the maximum value for each dollar of expenditure.
  3. Decline all personal gifts and gratuities.
  4. Grant all competitive suppliers equal consideration as required by state and federal law and university policy.
  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, advertisement, or product sample.
  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 be willing to submit any major controversies to arbitration or other third party review to the extent that university policy permits.
  9. Give a prompt and courteous reception to all who call on legitimate business missions, as far as conditions permit.
  10. Cooperate with trade, industrial, and professional associations; and 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.

III. Special buying considerations.

A. Buy American Act.

1. The university is required to give first consideration to goods that are mined or produced in the United States, unless:
  - a. The purchase is inconsistent with the public interest,
  - b. Quantities are insufficient or not reasonably available,
  - c. U.S. produced materials are not of a satisfactory quality, or
  - d. Goods are for use outside the U.S.
2. The Ohio Revised Code (ORC) Section (§) 125.09 and the Ohio Administrative Code (OAC) § 1.23.5-1-06 define the Buy American Act requirements.

B. Buy Ohio Program.

1. The university is required to participate in the Buy Ohio Program, defined by ORC § 125.11 and OAC § 123.5-1-06.
2. Under the Buy Ohio Program bidding procedures are unchanged; however, a 5% economic preference is afforded to those vendors located in Ohio and bidders from “border states,” as determined by the State of Ohio.
3. Current “border states” are: Indiana, Kentucky, Michigan, New York, and Pennsylvania.
4. The university Bid Certification form is used to determine if a bidder qualifies for the Buy Ohio Program.

C. State use requirement.

1. ORC §§ 4115.31-35 require instrumentalities of the state to use a qualified non-profit state agency for the purchase of products and services that are available from a work center employing persons with disabilities.
2. ORC § 5147.07 requires instrumentalities of the state to use the Department of Rehabilitation and Correction for the purchase of products available from state correctional and penal institutions.



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- D. The university has a goal consistent with the State of Ohio mandate to purchase 15% of its goods and services from Ohio-certified minority vendors.
- E. **Capital improvement** projects involving new or remodeled buildings require review by Facilities Operations and Development and Purchasing.
- F. Independent contractor versus employee relationship.
  - 1. All individuals providing services to the university must be paid directly by the university and appropriately identified as an employee or independent contractor. Purchase orders are not issued to university employees.
  - 2. Units should complete the [Documentation Form for Non-Employee Work Arrangements](#) to determine if an individual is an independent contractor or an employee.
- G. Purchases that require special review and approval – Certain purchases processed through Purchasing require additional approval from the offices listed below. A direct purchase order cannot be issued for these categories. A requisition must be entered that will workflow to Purchasing for the appropriate approvals.

<b>Category</b>	<b>Approving Unit</b>
Advertising (except classified advertising up to \$5,000)	University Communications
Aircraft	Business and Finance
Alcohol	Appropriate dean, chair, or vice president
Auditing and accounting services	Business and Finance, Internal Audit
Gas cylinders (hospital and lab gases)	Business and Finance, Purchasing
Insurance, liability (non-medical)	Business and Finance, Risk Management
Letterhead	University Communications
Master equipment lease	Business and Finance, Financial Services
Off-campus leased space	Administration and Planning, Planning and Real Estate
Office equipment (copiers)	Business and Finance, Purchasing
Painting services and renovations involving painting services	Business and Finance, Purchasing
Portable and mobile radio equipment	Administration and Planning, Public Safety
Radioactive material	Administration and Planning, Environmental Health and Safety
Repair, renovation, and construction	Administration and Planning, Facilities Operations and Development
Satellite dishes/antennae	Administration and Planning, Facilities Operations and Development
Security alarm systems	Administration and Planning, Public Safety
Signage (interior and exterior building)	Administration and Planning, Facilities Operations and Development
Telephone, pager equipment, and supplies	Office of the Chief Information Officer
Vehicles	Administration and Planning, Transportation and Traffic Management
Vending services	Business and Finance, Purchasing
Video production over \$5,000	University Communications
Weapons, ammunition, or explosives	Administration and Planning, Public Safety

- H. Equipment purchases that include trade-ins.
  - 1. When a purchase order includes the trade-in of equipment, a credit value is included in the purchase order total.
  - 2. The value of the credit is deducted from the cost of the new equipment and so noted on the order.
  - 3. Purchase orders that include the trade-in of equipment must include the equipment serial number, model number, and university inventory number of the trade-in.
  - 4. The Office of Sponsored Programs (OSP) must approve the trade-in of any OSP equipment prior to the issuance of a purchase order.



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5. Trade-in information should be submitted to Asset Management by the equipment owner and removed from inventory records.
- I. Vehicles.
1. Purchasing coordinates the lease or purchase of vehicles in conjunction with Transportation and Traffic Management.
  2. An approved [Vehicle Acquisition Form](#) and an approved requisition should be submitted to Purchasing for each purchased or leased vehicle requested.
  3. Once the required reviews have been completed, Purchasing will process the lease/purchase via a purchase order.
- J. Vending services.
1. All requests for the installation of vending equipment and concession service must be directed to the Purchasing vending services coordinator.
  2. Purchasing represents the university in administering all vending machine service and concession agreements and contracts.
  3. Specifications for competitive bids for any proposed vending or concession service are developed by Purchasing.
- K. Use of university name.
1. The university regulates and controls the use of its name and other identifying marks in advertising conducted by suppliers that provide goods or services to the university.
  2. Requests by any person or business to use the university name or other identifying marks must be forwarded to Trademark and Licensing Services for approval.
- L. International purchases.
1. Shipments from international sources are cleared by the university's contracted customs broker who works with the United States Customs Office.
  2. Brokerage fees will be charged to the unit chart field shown on the purchase order.
- M. **Gifts-in-kind.**
1. Units must report all offers for gifts-in-kind to University Development to begin the gift credit process.
- N. Equipment leases.
1. Equipment may be financed using various types of lease transactions. For the purposes of determining bidding thresholds, an equipment lease is considered a service and a lease/purchase is considered goods. The master lease, administered through the Office of Financial Services, provides low interest rates for equipment purchases valued at \$10,000 or more.
- O. Waiver of competitive bidding.
1. The senior vice president for business and finance may approve requests to waive the competitive bid process for certain purchases.
  2. The following are justifications for granting a waiver of the competitive bid process:
    - a. Sole source. A sole source justification exists if the required goods or services are only available from one supplier.
    - b. Emergency. The goods or services are needed to correct or prevent an emergency health, environmental, or safety hazard; to provide for the completion of special or time sensitive events; or for emergency repair or replacement of existing equipment essential for daily operations.
    - c. Economic. Responsible economic procurement relieves the university of potential additional expenses that would result from not making the purchase; use of another supplier would result in incompatibility with existing conditions; use of another supplier would require considerable training, time, and money to evaluate; the goods or services are being used in ongoing long-term projects; or the product or service offered is at a substantial discount below current market conditions and price structures.



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- 3. Specific products for resale to the general public by the university may be purchased without competitive bidding...
4. There are several Board of Trustees resolutions in place to allow for purchases of unique requirements without competitive bidding...
P. Building maintenance and repair.
1. Building maintenance and repair may include changes in walls, doors, electrical, plumbing, heating, venting, air conditioning systems, site work, etc.
2. Requisitions for a building maintenance and repair or similar projects are processed after review and approval by Facilities Operations and Development.
3. ORC § 4115, relating to the payment of prevailing wage rates on public improvements, requires that prevailing wages be paid on projects whose estimated or actual values equal or exceed the current prevailing wage threshold levels.
Q. After-the-fact purchase orders must follow the exceptions section of the Expenditures 4.11 policy.

PROCEDURE

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- I. Delegated buying authority.
A. The authority to purchase goods and services on behalf of the university (not to exceed \$5,000.00) can be delegated to a designated buyer in units outside Purchasing.
B. This designation, authorized by the college/VP unit senior fiscal officer, and approved by the director of purchasing, is subject to certain responsibilities and restrictions.
II. To become a delegated buyer, complete the required checklist of tasks, which includes training.
III. The following charts describe the methods available to purchase goods and services at Ohio State:
A. Purchases from eStores and internal suppliers

Table with 3 columns: Method, Purpose, Considerations. Rows include eStores MarketPlace and eRequest.

B. Purchases from external suppliers

Table with 3 columns: Method, Purpose, Considerations. Row includes Purchasing card (PCard).



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Purchase order	Used for purchases of goods and services not in the eStores MarketPlace and in excess of the PCard dollar limits.	Subject to bid limits of \$25,000 for goods and \$50,000 for services including planned purchases that will cumulatively reach or exceed these totals during a fiscal year.
Blanket purchase order	Used for recurring purchases of a specific service or commodity when the quantity or frequency of delivery cannot be fully determined at the time the purchase order is initiated.	<ul style="list-style-type: none"> <li>- Each release against a blanket purchase order must be documented on the standard <a href="#">Blanket Purchase Order Release Form</a> or eRequest.</li> <li>- Subject to bid limits of \$25,000 for goods and \$50,000 for services including planned purchases that will cumulatively reach or exceed these totals during a fiscal year.</li> </ul>

**Responsibilities**

Position or Office	Responsibilities
Board of Trustees	Grant authority to purchase to Business and Finance.
Purchasing	<ol style="list-style-type: none"> <li>1. Delegate authority to purchase to delegated buyers.</li> <li>2. Question requisitioned items that seem to be of a personal nature or an inappropriate expense.</li> <li>3. Refer questionable purchasing situations to University Compliance and Integrity.</li> <li>4. Coordinate the lease/purchase of vehicles with Transportation and Traffic Management.</li> <li>5. Process lease/purchase of vehicles.</li> <li>6. Develop specifications for competitive bids for proposed vending or concession services.</li> </ol>
Purchasing staff and all who purchase on behalf of the university	<ol style="list-style-type: none"> <li>1. Avoid conflicts of interest.</li> <li>2. Ensure the university does not knowingly enter into any purchase that could be a conflict of interest.</li> <li>3. Adhere to the Ohio Ethics Law.</li> <li>4. Do not accept gratuities, premiums, or other incentives of a substantial value.</li> <li>5. Adhere to the NAEP Code of Ethics.</li> <li>6. Follow Ohio law as outlined in this policy.</li> <li>7. Do not issue purchase orders to university employees.</li> <li>8. Submit Vehicle Acquisition Form and approved requisition to each purchase or leased vehicle.</li> <li>9. Direct requests for vending equipment and concession service to Purchasing-vending services coordinator.</li> </ol>
Employees	Do not accept gratuities, premiums, or other incentives of a substantial value.
Units	<ol style="list-style-type: none"> <li>1. Complete the Documentation Form for Non-Employee Work Arrangements.</li> <li>2. Report all gifts-in-kind to University Development</li> </ol>
Office of Sponsored Programs	Approve the trade-in of any OSP equipment prior to issuance of a purchase order.
Office of University Compliance and Integrity	Review questionable purchasing situations.
Facilities Operations and Development	<ol style="list-style-type: none"> <li>1. Review capital improvement projects.</li> <li>2. Review and approve requisitions for building maintenance and repair or similar projects.</li> </ol>
Transportation and Traffic Management	Work with Purchasing on the lease/purchase of vehicles.
Trademark and Licensing Services	Approve requests to use the university name or other identifying marks.
Office of University Development	Facilitate gift credit process.
Office of Financial Services	Administer the master lease.
Senior vice president for business and finance	Approve requests to waive the competitive bid process.





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Position or Office	Responsibilities
Senior fiscal officer	Authorize delegated buying authority to be approved by the director of purchasing.
Director of purchasing	Approve delegated buying authority.

**Resources**

University Policies (all are at [policies.osu.edu/](http://policies.osu.edu/))

Expenditures policy 4.11, [busfin.osu.edu/sites/default/files/411\\_expenditures.pdf](http://busfin.osu.edu/sites/default/files/411_expenditures.pdf)

PCard policy 2.23, [busfin.osu.edu/sites/default/files/223\\_purchasingcard.pdf](http://busfin.osu.edu/sites/default/files/223_purchasingcard.pdf)

Trademark Placement for University Licensees, policy 2.61, [busfin.osu.edu/sites/default/files/261\\_trademarkplacement.pdf](http://busfin.osu.edu/sites/default/files/261_trademarkplacement.pdf)

Ohio State resources

Blanket Purchase Order Release form, [busfin.osu.edu/policies-forms](http://busfin.osu.edu/policies-forms)

Documentation Form for Non-Employee Work Arrangements, [busfin.osu.edu/policies-forms](http://busfin.osu.edu/policies-forms)

Purchasing training, [busfin.osu.edu/financial-training](http://busfin.osu.edu/financial-training)

Records Retention Schedule, [library.osu.edu/documents/records-management/general-schedule.pdf](http://library.osu.edu/documents/records-management/general-schedule.pdf)

Vehicle Acquisition Form, [ttm.osu.edu/sites/default/files/vehicleacquisitionform.pdf](http://ttm.osu.edu/sites/default/files/vehicleacquisitionform.pdf)

External resources

National Association of Educational Procurement (NAEP) Code of Ethics, [naepnet.org/general/custom.asp?page=CodeOfEthics](http://naepnet.org/general/custom.asp?page=CodeOfEthics)

Ohio Ethics Law, [ethics.ohio.gov/education/overview.shtml](http://ethics.ohio.gov/education/overview.shtml)

Prevailing wage threshold levels, [com.ohio.gov/documents/dico\\_prevailingwagethresholds.pdf](http://com.ohio.gov/documents/dico_prevailingwagethresholds.pdf)

Ohio Revised and Administrative Code

OAC § 1.23.5-1-06, Implementation of domestic, Ohio bid preference, [codes.ohio.gov/oac/123:5-1-06](http://codes.ohio.gov/oac/123:5-1-06)

ORC § 125.09, Bid conditions or terms – preferences, [codes.ohio.gov/orc/125.09](http://codes.ohio.gov/orc/125.09)

ORC § 125.11, Contract award, [codes.ohio.gov/orc/125.11](http://codes.ohio.gov/orc/125.11)

Prevailing wages

ORC § 4115, Wages and hours on public works, [codes.ohio.gov/orc/4115](http://codes.ohio.gov/orc/4115)

Products and services of persons with severe disabilities

ORC § 4115.31, Products and services of persons with severe disabilities definitions, [codes.ohio.gov/orc/4115.31](http://codes.ohio.gov/orc/4115.31)

ORC § 4115.32, State committee for purchase of products and services of persons with severe disabilities, [codes.ohio.gov/orc/4115.32](http://codes.ohio.gov/orc/4115.32)

ORC § 4115.33, State committee – powers and duties, [codes.ohio.gov/orc/4115.33](http://codes.ohio.gov/orc/4115.33)

ORC § 4115.34, Procurement lists, [codes.ohio.gov/orc/4115.34](http://codes.ohio.gov/orc/4115.34)

ORC § 4115.35, Approval and audits of central nonprofit agencies, [codes.ohio.gov/orc/4115.35](http://codes.ohio.gov/orc/4115.35)

ORC § 5147.07, Convict labor, purchasing supplies, [codes.ohio.gov/orc/5147.07](http://codes.ohio.gov/orc/5147.07)

**Contacts**

Subject	Office	Telephone	E-mail/URL
Policy questions	Purchasing, Office of Business and Finance	614-688-8200	<a href="http://busfin.osu.edu/purchasing">busfin.osu.edu/purchasing</a>
Building maintenance and repair requisitions	Facilities Operations and Development, Office of Administration and Planning	614-292-0257	<a href="http://fod.osu.edu/">fod.osu.edu/</a>



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Subject	Office	Telephone	E-mail/URL
Conflicts of interest and related questionable purchases	Office of University Compliance and Integrity	614-247-5832	<a href="mailto:compliance-integrity@osu.edu">compliance-integrity@osu.edu</a> <a href="http://compliance.osu.edu/compliance-focus-areas/conflicts-of-interest/">compliance.osu.edu/compliance-focus-areas/conflicts-of-interest/</a>
Financials/procurement training	Financial Training, Office of Business and Finance	614-292-8791	<a href="http://busfin.osu.edu/financial-training">busfin.osu.edu/financial-training</a> <a href="mailto:FinancialTraining@osu.edu">FinancialTraining@osu.edu</a>
Gifts-in-kind	University Development, Office of University Advancement	614-292-2141	
Prevailing wages	Prevailing Wage Coordinator, Design and Construction, Facilities Operations and Development, Office of Administration and Planning	614-292-4458	<a href="http://fod.osu.edu/resources">fod.osu.edu/resources</a>
Records retention	University Archives, University Libraries	614-292-2409	<a href="http://library.osu.edu/archives">library.osu.edu/archives</a>
Trade-in information	Asset Management, Office of the Controller, Office of Business and Finance	614-292-6048	<a href="http://busfin.osu.edu/controller/asset-management">busfin.osu.edu/controller/asset-management</a>
Trade-in information on sponsored programs funded equipment	Office of Sponsored Programs, Office of Research	614-247-5833	<a href="http://osp.osu.edu/">osp.osu.edu/</a>
Use of university name and identifying marks	Trademark and Licensing Services	614-292-1562	<a href="http://trademarklicensing.osu.edu/page/home/">trademarklicensing.osu.edu/page/home/</a>
Vehicle purchase	Transportation and Traffic Management, Office of Administration and Planning	614-292-7433	<a href="mailto:ttminfo@osu.edu">ttminfo@osu.edu</a> <a href="http://ttm.osu.edu/">ttm.osu.edu/</a>

**History**

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