

## **POLICY ON PURCHASING AND COMPETITIVE BIDDING**

1. Under the direction of the Senior Vice President for Business and Finance, the Director of Purchasing shall have the responsibility and requisite authority for the purchase of equipment, materials, supplies, and services for the university.
2. Unless otherwise provided, all equipment, materials, supplies, and services shall be purchased through solicitation of competitive bids or proposals except in the following instances:
  - A. Where such equipment, materials, supplies, or services are purchased pursuant to Sections 4115.31 to 4115.35 and 5147.07 of the Revised Code; or
  - B. Where the amount of such purchase of equipment, materials, and/or supplies is less than \$25,000; or
  - C. Where the purchase of services, or any combination of services, equipment, materials, and supplies, is less than \$50,000; or
  - D. Where the purchase is less than \$215,000 and is for the construction, addition, alteration, structural or other improvements of a university building or structure.

The above threshold amounts notwithstanding, the university may require competitive bidding for purchases below these threshold amounts if it determines that such bidding is in the best interest of the university. Contracts shall be awarded to the lowest responsible and responsive bidder. In accordance with policies and procedures established by the Office of Business and Finance, the university may accept or reject any or all bids or proposals in whole or by item. For any contract authorized by the university's policy on purchasing, the university is authorized to make multiple awards as provided for in the university's request for bids or proposals

3. The president and/or senior vice president for business and finance, or his or her designee, may grant a waiver from competitive bidding when he or she determines that an emergency or a sufficient economic reason exists, or that the equipment, materials, supplies, or services can be purchased only from a single supplier ("sole source").
4. The president and/or senior vice president for business and finance, or his or her designee, may grant a waiver from competitive bidding when he or she determines that the services to be purchased are technical and specialized consulting services that are temporary in nature and there are sufficient economic reasons to support such a waiver and where such terms and conditions as are in the best interest of the university. The exercise of this authority shall be subject to the oversight authority of the senior vice president for business and finance.
5. The president and/or senior vice president for business and finance, upon recommendation of the appropriate university office responsible for university collections and with any necessary budgeting approval, is authorized on behalf of the university, on a continuing basis, to purchase (including through the commissioning of such work or objects), without competitive bidding, objects of fine or decorative art or other objects to be collected for and on behalf of the university, from funds authorized for such purposes, upon such terms and conditions as are deemed to be in the best interest of the university, but not to exceed \$1 million per art work or collection based on an appraisal (or appraisals) acceptable to the university. This provision rescinds Resolution 1984-61.
6. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to purchase, without competitive bidding, equipment, materials, supplies, or services through any non-profit or governmental agencies or consortia (including but not limited to the February 10, 2012 meeting, Board of Trustees 478 Inter University Council Purchasing Group) whose contracts meet the competitive bidding requirements as determined by the university, upon such terms and conditions as are in the best interest of the university.

7. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to enter into agreements, without competitive bidding, for entertainment acts, performers, and artists, and their selected, required, or contractually mandated promoters or associated vendors, as scheduled by various university departments, upon such terms and conditions as are in the best interest of the university.
8. Resolution 1987-38 is hereby reconfirmed and the president and/or senior vice president for business and finance, in consultation with the vice president for research, is authorized on behalf of the university, on a continuing basis, to negotiate and to enter into, without competitive bidding, agreements, including purchase agreements, as are necessary or desirable to acquire, finance, install, equip, maintain, operate, and update current generation and subsequent new generation supercomputing equipment developed by or for use with Cray Research, Inc. supercomputing equipment.
9. In accordance with Section 5513.01(B) of the Revised Code, the president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to purchase, without competitive bidding, through Ohio Department of Transportation agreements, machinery, materials, supplies or other articles upon such terms and conditions that are in the best interest of the university.
10. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to purchase, without competitive bidding, books, periodicals, and other related items for the University Libraries' collections.
11. In compliance with Section 125.081 of the Revised Code and any applicable court decisions, the university shall set aside a number of purchases each year for bidding by certified minority businesses only. The bidding procedures for such contracts shall be the same as for all other contracts except that: 1) only minority business enterprises certified by the State of Ohio Equal Employment Opportunity Coordinator shall be qualified to submit bids; and 2) the cost of products and services may not exceed the estimated market price by more than approximately 10%. If bids are rejected because of this cost consideration, the purchase shall be offered again for bid by all interested vendors in accordance with standard bidding procedures.
12. Resolution 1995-17 is hereby reconfirmed, and notwithstanding any other provision of this policy on purchasing, the vice president of health services shall have the responsibility and requisite authority for the purchase of equipment, materials, supplies, and services for the hospitals of the university and their related facilities, in accordance with this University Purchasing Policy. The exercise of this authority by the vice president of health services shall be February 10, 2012 meeting, Board of Trustees 479 subject to the oversight authority of the senior vice president for business and finance who shall review the application of this delegation of authority every three years.
13. Resolutions 1987-39 and 1988-55 are hereby reconfirmed, and the president and/or senior vice president for business and finance is authorized, on a continuing basis, to purchase, without competitive bidding, equipment, materials, supplies, or services through the University Hospital Consortium, Inc., and the Hospital Helicopter Consortium of Central Ohio, whose contracts meet the competitive bidding requirements as determined by the university, and upon such terms and conditions as are in the best interest of the university.
14. The president and/or senior vice president for business and finance is authorized, on behalf of the university, on a continuing basis, to negotiate and enter into agreements, to purchase services for blood and organ products for transplantation, without competitive bidding, upon such terms and conditions as are in the best interest of the university. This provision rescinds Resolution 1986-41.
15. The president and/or the senior vice president for business and finance is authorized on behalf of the university to employ reverse auctioning procurement methods for the purchase of goods and services, in accordance with the competitive bidding requirements as determined by the university.

16. Resolution 2002-97 is hereby reconfirmed, and the president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to purchase without competitive bidding, equipment, materials, supplies, or services through participation in state of Ohio term schedules in which the vendor guarantees that the state will receive the lowest price as offered to the federal government and in which the vendor agrees to accept all of the state's terms and conditions.
17. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to purchase without competitive bidding, the renewal of licenses and maintenance agreements for existing mission critical enterprise-wide software applications, upon such terms and conditions as are in the best interest of the university.
18. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis and without competitive bidding, to negotiate and enter into real estate lease agreements in accordance with existing university procedures, upon such terms and conditions as are in the best interest of the university.
19. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to purchase without competitive bidding, municipally based and other single-source supplies of utility services, upon such terms and conditions as are in the best interest of the university.
20. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing February 10, 2012 meeting, Board of Trustees 480 basis, to purchase without competitive bidding and in support of the mission of WOSU Public Media, products and services available solely through the Public Broadcast Service, National Public Radio and the National Program Service (including but not limited to programming fees and promotional products), upon such terms and conditions as are in the best interest of the university.
21. The president and/or senior vice president for business and finance is authorized on behalf of the university, on a continuing basis, to purchase without competitive bidding, necessary services for authorized student exchange programs with other institutions of higher education, upon such terms and conditions as are in the best interest of the university.
22. The president and/or senior vice president for business and finance is authorized, on behalf of the university, on a continuing basis, to negotiate and enter into agreements to purchase physician services in support of the University Health System, without competitive bidding, upon such terms and conditions are in the best interest of the university.
23. Notwithstanding any other provision of this policy to the contrary, any contract or purchase, whether competitively bid or not, for goods or services which contract or purchase is in excess of \$1 million must have the prior written approval of the senior vice president for business and finance or his or her designee within the Office of Business and Finance.

Notwithstanding any other provision of this policy to the contrary, any contract or purchase for goods or services for which competitive bidding is waived, and which contract or purchase is in excess of \$500,000 must have the prior written approval of the senior vice president for business and finance or his or her designee within the Office of Business and Finance.

24. Only the president and/or senior vice president for business and finance is authorized, on behalf of the university, on a continuing basis, to negotiate and enter into agreements, to engage in and sign agreements with various financial institutions and advisors relating to financial consulting services, banking, brokerage, leasing, asset financing, and related financial services without competitive bidding, upon such terms and conditions are in the best interest of the university.

25. All contracts or purchases for goods or services for which contract or purchase is in excess of \$250,000 for which competitive bidding is waived, shall be reported to the Board on a quarterly basis.

A report of all contracts or purchases for goods or services for which competitive bidding is waived shall be provided to the Board of Trustees Office on an annual basis.

This policy applies to all funds administered by The Ohio State University and applies to the purchases of all products and services that are not conditions of existing contracts that have been previously negotiated and competitively bid. Also this policy applies only to purchases of products and services acquired from outside The Ohio State University and its affiliates.

**REVISIONS TO THE POLICY ON PURCHASING AND COMPETITIVE BIDDING**

Synopsis: Authorization for the adoption of the revised policy on purchasing and competitive bidding, is proposed.

WHEREAS it is the policy of The Ohio State University to solicit competitive bids or proposals in making university purchases in all cases wherein the best interest of the university will be served by such competition; and

WHEREAS the university's policy on purchasing and competitive bidding has been established by the Board of Trustees through Resolutions 1984-61, 1985-29, 1986-41, 1987-38, 1987-39, 1988-55, 1992-78, 1995-17, 2002-97, 2008-70, 2011-78, 2012-64, and 2014-72; and

WHEREAS the existing university's policy on purchasing and competitive bidding established a bidding threshold of \$200,000 for the construction, addition, alteration, structural or other improvements of a university building or structure; and

WHEREAS Ohio Administrative Code Section 153:1-9-01, effective January 13, 2017, increased the bidding threshold for public improvements to \$215,000; and

WHEREAS a recommendation has been made to revise and update the university's policy on purchasing to align with the state-wide bidding threshold for public improvements:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the attached revision to the policy on purchasing and competitive bidding effective immediately.