

## **Purchasing Policy Revision**

### Summary of Changes Effective January 7, 2021

Current [Purchasing](#) policy.

### **Summary of Substantive Changes**

This revision updates the policy to include the roles of the Office of Sponsored Programs and Health System Supply Chain. It also:

- Relocates procedural content from Policy Details to Procedure, ensuring consistency with the [University Policy Template](#).
- Clarifies the roles of University Purchasing, Health System Supply Chain, and Office of Sponsored Programs.
- Updates the policy statement and definitions (Policy, pp. 1-2).
- Updates the Ethics and Conflicts of Interest section (Policy Details IV, pp. 2-3).
- Prioritizes purchasing methods (Policy Details V, p. 3) and purchase order types (Procedure IV.J, p. 5).
- Removes information addressed in other policies and references those policies:
  - [Board Policy on Purchasing and Competitive Bidding](#) (Procedure I, p. 3),
  - [Board of Trustees Review and Approval of Facilities Improvement Projects and Real Estate Transactions 3.30 policy](#) (Procedure IV.B, p. 4),
  - [Asset Management](#) policy and the [Health System Capital Record Keeping and Asset Tagging policy](#) (Procedure IV.C, p. 4), and
  - [University Fleet 2.72 policy](#) (Procedure IV.D, p. 4).
- Moves purchases requiring special approval into a resource document, [Special Approval Spend Categories](#) (Procedure IV.A, p. 4).
- Requires policy waivers to be approved in advance (Procedure VI, p. 6) and addresses policy violations (Procedure VII, p. 6).

### **Individual Substantive Changes**

#### **Policy (Page 1)**

- Updates the policy statement to include:
  - The roles of University Purchasing, Health System Supply Chain, and Office of Sponsored Programs.
  - The university is a purchase-order organization with approved purchase methods, approved suppliers, and unit authorizations required in most cases.
  - The university is not bound by purchasing obligations made by unauthorized persons or methods.
  - That purchasing practices are often driven by contractual agreements between the university and approved suppliers.
  - That individuals can be held personally liable if appropriate signature authority is not obtained or a contract is executed without the requisition authority if they executed the contract or were involved in the transaction (p. 1).

#### **Definitions (Pages 1-2)**

- Updates existing definitions: gifts-in-kind (Definitions, p. 2).
- Adds new definitions: exception, Health System, internal supplier, MarketPlace, PCard, purchase order, sponsored project, The Ohio State University Wexner Medical Center, trackable asset, unit, waiver (Definitions, pp. 1-2).
- Deletes existing definitions: after-the-fact purchase order, delegated buyer (Definitions, pp. 1-2).

### Policy Details (Pages 2-3)

- Relocates and reorders procedural content from Policy Details to Procedure (Procedure pp. 3-6) to adhere to the [university policy template](#).
- Adds that 3 things are generally needed to purchase an item: approved purchase method, approved supplier, and authorization (Policy Details, I, p. 2).
- Adds that purchases must be made for official university business only (Policy Details, II, p. 2).
- Adds that purchases must conform to federal, state, and local laws; university policies and rules; and applicable Health System and OSP requirements (Policy Details, III, p. 2).
- Adds that Business and Finance may require competitive bidding for projects under threshold amounts in accordance with the [Board Policy on Purchasing and Competitive Bidding](#) and that units may also request a competitive bid for such purchases (Policy Details, III.A, p. 2).
- Updates the Ethics and Conflicts of Interest section:
  - Expands responsibility to all individuals to avoid conflicts of interest in the purchasing process and to ensure that the university does not knowingly enter into any purchase commitment that could result in a conflict of interest (Policy Details, IV.B, p. 3).
  - Adds that sponsored projects purchases must adhere to [OMB Guidance §200.318\(c\)\(1\)](#) (Policy Details, IV.C, p. 3).
  - Adds that Ohio State Wexner Medical Center employees are subject to the Ohio State Wexner Medical Center Vendor Interaction policy (Policy Details, IV.E, p. 3).
  - Adds that staff are subject to the [Conflict of Interest and Work Outside the University 1.30 policy](#) (Policy Details, IV.F, p. 3).
  - Adds that faculty are subject to the [Faculty Financial Conflict of Interest policy](#) (Policy Details, IV.G, p. 3).
  - Adds that University employees are subject to the [Financial Code of Ethics](#) that addresses financial ethical expectations and reporting requirements (Policy Details, IV.H, p. 3). *The Financial Code of Ethics is being updated prior to July 1, 2020.*
  - Links to the [National Association of Educational Procurement \(NAEP\) Code of Ethics](#), rather than duplicating it (Policy Details IV.I, p. 3).
- Prioritizes purchasing methods in this order, regardless of dollar value: internal supplier orders, MarketPlace orders, non-catalog or special requests, PCards, reimbursement (Policy Details, V, p. 3).

### Procedure (Pages 3-6)

- References and links to the [Board Policy on Purchasing and Competitive Bidding](#), removing language contained in the Board policy rather than duplicating some of its content (Procedure I, p. 3).
- States that OSP adheres to federal bidding regulations (Procedure I.A, p. 3).
- States that trackable assets must be managed consistent with the [Asset Management](#) policy (Procedure II, p. 3).
- Adds that for OSP sponsored projects, requirements are defined by [48 CFR Part 25](#), Foreign Acquisition (Procedure III.A.3, p. 4).
- Refers to the [Reemployment of Faculty and Staff 4.25 policy](#) for restrictions on OPERS and STRS retirees working for the university as independent contractors (Procedure III.F.3, p. 4).
- Removes list of purchases that need special approval from the procedure and links to a resource document entitled [Special Approval Spend Categories](#) with updated requirements; adds that some purchases also require review or certification prior to initiating the requisition; adds that OSP must additionally approve these purchases when using sponsored project funds (Procedure IV.A, p. 4).
- Streamlines section that addresses facilities improvement projects and real estate transactions by referring to the [Board of Trustees Review and Approval of Facilities Improvement Projects and Real Estate Transactions 3.30](#) policy (Procedure IV.B, p. 4).
- Adds that OSP must review and approve all sponsored project funded capital improvements (Procedure IV.B.4, p. 4).

- Removes information regarding purchases that include trackable asset trade-ins and refers to the [Asset Management](#) and [Health System Capital Record Keeping and Asset Tagging](#) for guidance on purchases including trackable asset trade ins (Procedure IV.C, p. 5).
- Streamlines section that addresses vehicles by referring to the [University Fleet](#) policy (Procedure IV.D, p. 5).
- Adds for international purchases that if the freight terms indicate the supplier is responsible for the brokerage fee/arrangements, the supplier may use their own selected freight broker (Procedure IV.G.1.A, p. 5).
- Adds that goods and services offered at no cost by suppliers or other parties cannot always be accepted and are not automatically approved for use (Procedure IV.H.1, p. 5) and to refer to the [Gift Acceptance policy](#), University Purchasing, or Supply Chain for guidance on accepting gifts-in-kind (Procedure IV.H.3, p. 5).
- Adds that for all areas except the Health System, all equipment leases must be approved by Financial Services, regardless of amount (Procedure IV.I.2, p. 5).
- States that for the Health System, approval of equipment leases under \$100,000 is within the chief supply chain officer approval; \$100,000 or greater requires approval of the Office of Business and Finance (Procedure IV.I.3, p. 5).
- Adds that University Purchasing must approve purchase orders for all areas except the Health System if the transaction value is \$5,000 or more (Procedure IV.J, p. 5).
- Prioritizes purchase order types in order: standard, standing (term), blanket (Procedure IV.J, pp. 5-6).
- Adds that [Policy Waiver Requests](#) must be approved in advance by Business and Finance (Procedure VI, p. 6).
- Requires that all policy violations must be tracked as an exception in accordance with the [Fiscal Stewardship policy](#) and outlines actions that the university may take in response to policy violations (Procedure VII.A, p. 6).
- Deletes references to delegated buying authority.

### **Responsibilities (Pages 6-7)**

- Updates the table to reflect the responsibilities of offices or positions as required by the policy.

### **Resources (Pages 7-8)**

- Lists all resources referred to in the policy.

### **Contacts (Pages 8-9)**

- Lists all offices referred to in the policy and their contact information.