GENERAL PURCHASING POLICY

Policy Title: General Procurement Policy
Policy Type: Administrative
Policy Number: 43-14 (2015)
Approved: 02/15/2021
Responsible Office: Procurement Services
Responsible Executive: Vice President for Finance and Administration
Applies to: University Employees

POLICY STATEMENT
The University has established policy that applies to all procurement transactions. If there is a contract between Norfolk State University and a nongovernmental vendor, the Virginia Public Procurement Act (VPPA), the Agency Procurement and Surplus Property Manual and the Vendors’ Manual apply regardless of the source of funds by which the contract is to be paid or which may or may not result in monetary consideration for either party. This applies whether the consideration is monetary or nonmonetary and regardless of whether the public body, the contractor, or some third party is providing the consideration.

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DEFINITIONS
High-Risk Contract – means any public contract with a state public body for the procurement of goods, services, insurance, or construction that is anticipated to either (i) cost in excess of $10 million over the initial term of the contract or (ii) cost in excess of $5 million over the initial term of the contract and meet at least one of the following criteria: (a) the goods,
services, insurance, or construction that is the subject of the contract is being procured by two or more state public bodies: (b) the anticipated term of the initial contract, excluding renewals, is greater than five years; or (c) the state public body procuring the goods, services, insurance, or construction has not procured similar goods, services, insurance, or construction within the last five (5) years.

CPSM – shall mean procurements governed by the Construction and Professional Services Manual.

CONTACT(S)
Procurement Services officially interprets this policy. The Vice President for Finance and Administration is responsible for obtaining approval for any revisions as required by BOV Policy #01 (2014) Creating and Maintaining Policies
https://www.nsu.edu/Assets/websites/policy-library/policies/01/BOV-Policy-01-Creating-and-Maintaining-Policies.pdf through the appropriate governance structures. Questions regarding this policy should be directed to Procurement Services.

STAKEHOLDER(S)
University Community

GENERAL PURCHASING POLICY CONTENTS
If there is to be a contract between the University and a nongovernmental vendor, the Virginia Public Procurement Act (VPPA), state regulations, and University policies apply regardless of the source of funds by which the contract is to be paid. These documents also apply whether the consideration is monetary or nonmonetary and regardless of whether the public body, the contractor, or some third party is providing the consideration.

All procurements governed by VPPA must be initiated via a purchase requisition through the Commonwealth's electronic system and/or University Enterprise Resource Planning (ERP) System unless otherwise authorized by the Procurement Services policy or the Director or Associate Director of Procurement Services.

Delegated Procurement Autonomy
Delegated procurement autonomy is authorized to specific individual employees up to specified dollar thresholds. All individuals with delegated authority must ensure compliance with procurement law, regulations, policies and procedures, and that prices received are fair and reasonable and should report to their immediate supervisor and Procurement Services any procurement that appears risky or controversial.

Listed below are positions with expressed authority to approve certain justifications and contractually bind the University along with dollar limitations.
<table>
<thead>
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<th>POSITION</th>
<th>DELEGATED AUTHORITY</th>
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| **Vice President for Finance and Administration** | • Goods, nonprofessional services, professional services, and all construction up to the University’s delegated authority  
• Sole Source justifications up to the University’s delegated authority  
• Emergency Justifications  
• Change Order Approval  
• All other procurement transactions not itemized herein |
| **Director or Associate Director, Procurement Services** | • Goods, nonprofessional services, and professional services up to the University’s delegated authority  
• Sole Source justifications up to the University’s delegated authority  
• Emergency Justifications  
• Change Order Justification and Approval  
• All other procurement related transactions not itemized herein |
| **Procurement and Contracts Manager, Facilities Management** | • Up to $500,000 or delegated authority – whichever is less- for Construction and professional services when handled under the Construction and Professional Services Manual  
• $100,000 non-capital construction, maintenance reserve, goods and services handled under the Agency Procurement and Surplus Property Manual.  
• Unlimited for eVA Purchase Orders after capital outlay construction contract is signed by Vice President for Finance and Administration or designee |
| **Chief Information Officer, Office of Information Technology** | • Sole Source Requests for Technology  
• Equipment Technology Approvals |
| **Procurement Officer II, Procurement Services** | • Up to $100,000 goods and nonprofessional services  
• Change Orders up to 25% |
| **Procurement Officer I, Procurement Services** | • Up to $75,000 goods and nonprofessional services  
• Change Orders up to 25% |
<table>
<thead>
<tr>
<th>Administrative and Office Specialist III- (Procurement Services)</th>
<th>• Up to $30,000 goods and nonprofessional services</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPCC Users</td>
<td>• As outlined on User Agreement &amp; Profile</td>
</tr>
<tr>
<td>eVA Users</td>
<td>• As outlined on User Profile</td>
</tr>
</tbody>
</table>

**GOODS PURCHASE**
The purchase of nontechnology goods shall be made in accordance with the Agency Procurement and Surplus Property Manual (APSPM). The purchase of technology goods shall be made in accordance with the Virginia Information Technology Agency Procurement Manual (BUY IT). Individuals with delegated procurement autonomy are authorized to make purchases up to their delegated authority. To promote the standardization of goods, purchases shall be made from Mandatory Sources, Commonwealth’s Optional Use Contracts and University Term Contracts.

**SERVICE CONTRACTS**
All Procurement Services contracts for services must be executed by a university official specifically designated in writing by the President, which, is currently, the Vice President for Finance and Administration or Procurement Services staff unless otherwise authorized by Procurement Services. Procurement Services may require a valid certificate of insurance to be furnished prior to commencement of work performed on state owned or leased property or facilities.

The General Term and Condition for insurance will be included on service contract purchases when the contractor is required to work on state owned, leased, or rented property. The contractor must have the proper liability insurance and worker's compensation to protect the Commonwealth from claims resulting from the contractor's work or personnel.

Generally, Procurement Services will issue a Purchase Order after receipt of the required electronic requisition. The purchase requisition should include

- Scope of work/statement of needs
- Desired delivery date(s) and time(s)
- Specify whether price includes freight; freight charge is $; or estimated freight is $ ___
- Compensation – hourly rate or service and parts
- Vendor price quote
- Documentation – inclusion of small business
- Any special or additional requirements

A summary of certain two-party contracts that require payment by the University is shown below:

These procurements require a Colleague and eVA requisition and are handled through Procurement Services. Additionally, a summary of non-procurement transactions that are not handled through Procurement Services is provided for informational purposes. These non-procurement transactions require no payments by the University; therefore, no Colleague or
eVA requisitions are required. Instead the Contract Approval Request form http://www.nsu.edu/getattachment/About/Administrative-Offices-Services/Procurement-Services/Forms/Contract-Approval-Request-4-04-17.docx.asps may be used to gain management approval.

**TWO-PARTY CONTRACTS**

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Speaker</td>
<td>• Management approves electronic requisition&lt;br&gt;• Preferred contract document is an eVA Purchase Order&lt;br&gt;• If user department desires to utilize a NSU Standard Speaker's Engagement Agreement, attach to electronic requisition&lt;br&gt;• Procurement Service Staff signs contract</td>
</tr>
<tr>
<td>Government-to-Government MOU or MOA</td>
<td>• Management approves electronic requisition&lt;br&gt;• Preferred contract document is an eVA Purchase Order&lt;br&gt;• MOU and/or MOA attached to eVA requisition, if applicable&lt;br&gt;• Procurement Service Staff signs MOU/MOA</td>
</tr>
<tr>
<td>Sub-grant award passed through NSU</td>
<td>• Requirement of grant&lt;br&gt;• Management or designee approves electronic requisition</td>
</tr>
<tr>
<td>Honorarium (one-time gift where no fee is contractually required)</td>
<td>• No contract to sign&lt;br&gt;• Management or designee creates and/or signs documents</td>
</tr>
<tr>
<td>Grant award to NSU</td>
<td>• Handled by Sponsored Programs</td>
</tr>
<tr>
<td>Government-to-Government MOU or MOA - no payment required by NSU</td>
<td>• Department completes Contract Approval Request&lt;br&gt;• Dean or Director signs Contract Approval Request</td>
</tr>
<tr>
<td>Agreement for NSU to provide classes to another party</td>
<td>• Provost or appropriate Vice President signs Contract Approval Request</td>
</tr>
<tr>
<td>International Travel (considered as pass-through when students pay travel costs)</td>
<td>• Provost or appropriate Vice President refers contract to University Counsel to review for legal sufficiency</td>
</tr>
<tr>
<td>Internship</td>
<td>• Vice President for Finance &amp; Administration advises President, as needed</td>
</tr>
<tr>
<td>Student Liability Waiver</td>
<td>• Vice President for Finance &amp; Administration signs contract</td>
</tr>
</tbody>
</table>

*eVa registration is required

**HIGH RISK CONTRACTS**

Section §2.2-4303.01 of the *Code of Virginia* defines “high risk contracts”. Review, evaluation, and approval for procurement of goods, services, insurance or construction that meet the definition of high-risk must be conducted by both the Office of the Attorney General (OAG) and the Department of General Services (DGS); and in the case of contracts involving goods and services related to information technology, review and evaluation must be conducted by the Virginia Information Technologies Agency. This oversight for high-risk contract is required prior to issuing the solicitation and prior to final award. Therefore, additional processing time will be required for each contract.

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Any existing contract for goods and nonprofessional services that are not for information technology that meet the definition of high-risk contracts and has two or more remaining renewal provisions must be submitted, prior to renewing, such contract to DGS for review.

The review is based on a number of factors including:
- Complies with applicable state law and policy
- Appropriateness of the solicitation’s terms and conditions;
- Measurable performance metrics; and
- Clear enforcement provisions (Code of Virginia, §2.2-4303.01C)

Departments are required to contact Procurement Services during contract preparation for assistance and to determine if the solicitation meets the definition of high-risk. Procurement Services shall be responsible for submitting contracts for review and/or approval. The final determination of contract status as “high risk” is the responsibility of the Procurement Services Director or Associate Director.

PURCHASES FOR PERSONAL USE OF EMPLOYEES
State and University policy generally prohibit the University from entering into contracts established for the personal use of employees. Unless otherwise authorized by law or state regulations, all goods purchased by the University remain the property of the University, until consumed or disposed of through State mandated surplus property procedures. All purchase orders issued by the University must be for official use by the University.

MANDATORY SOURCES
All departments are required to check the listing for contracts, contract changes, renewals, and mandatory use prior to placing orders. In accordance with the terms and conditions, purchase orders shall be issued in any amount for any goods or service on a term contract available to that participant. Departments shall place all orders on mandatory use contracts through eVA. If an item is available on a DGS/DPS mandatory contract, agencies and departments may not establish a contract for the same or similar goods or services or purchase from another source.

Mandatory sources include but not limited to: Virginia Correctional Enterprises, Virginia Industries for the Blind, Virginia Distribution Center, the Office of Graphics Communications, and various state contracts identified as mandatory by the Department of General Services and the Virginia Information Technologies Agency.

Departments are required to contact Procurement Services for guidance during purchase order preparation. A listing of state contracts is available on at https://eva.virginia.gov

NONMANDATORY SOURCES
Efforts will be made to utilize non-mandatory sources in daily work to take advantage of price volume discounts. Non-mandatory sources include optional use contracts, Surplus Property and Employment Services Organizations.

ADEQUATE COMPETITION
A sufficient number of sources (a minimum of four) must be solicited for the procurement of goods or services consistent with the method of procurement used. Methods of procurement used most are Small Purchase Procedure, Competitive Sealed Bidding, Competitive
Negotiation, Sole Source and Emergency. Small, Micro, Women, Minority and Veteran-Owned business will be solicited in our procurements.

UNAUTHORIZED PURCHASE
All desired purchases of goods, printing, non-capital outlay construction, rentals and services must be initiated via a purchase requisition to Procurement Services for approval and further processing.

Any university employee authorizing a contractor to furnish goods or perform services without expressed authority to do so is committing an unauthorized purchase may be held personally liable to the supplier or the University. University employee who authorizes a vendor to commence work on the University’s campus without authorization to commit the University May be held liable to the contractor or the University for payment. This includes contract agreements whether oral or written signed by an individual without authority to do so. The employee will be required to submit a completed Unauthorized Procurement Justification Form and may be held personally liable for payment to the University or the contactor.

CONFIRMING ORDERS
Confirming orders are permissible for urgent request(s) totaling less than $10,000 and approved via email by Procurement Services. Departments are required to contact the vendor, obtain current price, name of individual quoting price, determines who pays freight and availability of needed items/service.

A requisition must be processed within five (5) days after the occurrence and/or approval by Procurement Services. Orders placed without prior Procurement Services approval are unauthorized purchases. Individuals awarding unauthorized request may be held personally liable for payment to the contractor.

REPEAT ORDERS
When preparing Purchase Requisitions for redundant type purchases, the requisitioning department/activity should use the specifications appearing on the previous purchase order and reference the previous purchase order number in the body of the requisition. Furnishing this information can expedite the processing and determine if it is advantageous to enter into a term contract.

SALES/VENDOR REPRESENTATIVES
Suppliers’ and manufacturers’ representatives may be contacted when developing purchase requirements. Vendors’ visits should be arranged in a manner that will assure a full, courteous, and mutually beneficial exchange of information. Such assistance must be considered normal sales effort and does not entitle a vendor to any preference. Commitments cannot be made which would lead a vendor to believe they will subsequently receive an order. If vendor assistance is used in preparing a specification, a written notification to that effect must accompany the requisition to Procurement Services. Under no circumstances shall a bidder or offerer be permitted to review nor discuss information received from another vendor. Vendors/sales representatives are not allowed to take orders directly from university departments and activities.
**ORDER SPLITTING**
The placement of multiple orders to one or more vendors for the same, like, or related goods or services to avoid using the appropriate method of procurement or to remain within delegated purchasing authority is prohibited. Requirements should be combined when practical to obtain quantity discounts and other administrative efficiencies. Evaluation will be completed to determine if it is advantageous to enter into a term contract.

**COMMONWEALTH ELECTRONIC PROCUREMENT SYSTEM**
Every procurement transaction should originate from a requisition, except for SPCC purchases made over the counter at the point-of-sale. Every department shall utilize the Commonwealth’s central electronic procurement system beginning at the point of requisitioning for all procurement actions including, but not limited to, technology, transportation & construction.

**CHANGE ORDERS**
Departments are to submit any request to modify an existing contract, purchase order and/or agreement to Procurement Services for review and processing. All modifications must be in strict compliance with the law and the terms and conditions outlined in the document.

No additional consideration or increase in contract price may be paid to the contractor because of renewal unless specifically authorized under the original contract. The issuance of a change order or contract modification is required when the purchasing office has issued an agency purchase order or contract or eV A order and the approved change exceeds $500.

Cumulative contract modifications up to and including $50,000 shall not exceed 25% of the original contract price without advance written approval of the Associate Director or Director of Procurement Services.

A public contract may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than 25% of the original amount of the contract or $50,000, whichever is greater, without the advance written approval of the Director of the Department of General Services.

Under no circumstance should a contractor be informed or advised to proceed without the advance written approval from Procurement Services.

Procurement Services shall secure any approvals needed for change orders.

**PUBLICLY POSTED NOTICES**
Procurement Services must post all Quick Quotes, Invitations to Bid, Requests for Proposal and addenda; sole source award notices; emergency award notices; award notices; intent to award notices; and contract modifications; Future procurements, certain government-to-government purchases for services and the required proposals submitted in accordance with PPEA in the DGS central electronic procurement system, commonly known as eVA, Sourcing and Contracting Module.

**PROFESSIONAL SERVICE**
Professional Services is work performed by an independent contractor within the scope of the
practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, professional engineering, and the services of an economist procured by the State Corporation Commission. Competitive negotiation shall be used for the procurement of professional services at Norfolk State University. Public posting is required for professional service procurements as outlined in the Agency Procurement and Surplus Property Manual.

**EMPLOYEE VS INDEPENDENT CONTRACTOR**
Procurement staff shall use guidance in making the determination concerning the classification of an employee versus an independent contractor as outlined by the Department of Treasury, Internal Revenue Service (IRS), in Publication 15-A and in consultation with the Norfolk State University’s Department of Human Resources.

**PROHIBITED TRANSACTIONS**
An independent contractor employed or otherwise paid by a state agency to design a project, develop a scope of work, write specifications or otherwise define contract requirements is not eligible to compete for or receive the resulting contract, except in cases of emergency, when only one source is practicably available for both the defining of contract requirements and the performance of those requirements or when the public body determines in writing that the exclusion of such vendor would limit the number of potential qualified bidders or offerors in a manner contrary to the best interests of the public body. In addition, the contractor may not be a subcontractor or supplier for the entity which is awarded the contract or any of that entity’s subcontractors, however far removed.

State employees may not enter into a contract to sell goods or services to any state governmental agency (including their own) or remain in State employment if such a contract is entered into by their spouse, a dependent living with them, or a business from which they collectively receive more than $5,000 of annual income or own more than 3% of the equity, unless the contract is exempted. Procurement Staff shall take the appropriate steps when any such transaction is discovered.

**VENDOR COMPLAINT**
Complaints and/or discrepancies on vendor performance should be reported as they occur using the Procurement Complaint Form, DGS-41-024. Vendors are required to respond to the agency and send a copy to the Department of General Services/Department of Purchases & Supply. Failure to respond within ten days may result in removal from the Vendors List. These complaint reports are necessary in order for DGS/DPS to develop vendor history, evaluate vendor performance, and, if required, to take appropriate and timely action. Procurement Services shall review and submit complaints for action.

**EDUCATION AND COMPLIANCE**
Procurement services provides regular training in accordance with the regulations outlined in the Virginia Public Act, the Agency Procurement and Surplus Property Manual and the Vendors’ Manual. Additionally, Procurement Services provides procurement training for all eVA Users; charge cardholders and supervisors to further emphasize the importance of State and University policies and procedures. Ongoing training offered to remain compliant with these guidelines include:
- eVA Training,
- General Procurement Review
- Manager Training
- Executive Training
- Supplier Diversity Training
- And Ethics Training

Violations of the procurement policy will be reported and escalated to the appropriate department officials to include but not limited to the Procurement Services Director, Vice President for Finance and Administration, and University President for further action.

**PUBLICATION**
This policy will be widely published and distributed to the University community. To ensure timely publication and distribution thereof; the responsible Executive will make every effort to:

- Communicate the policy in writing, electronically, or otherwise, to the University community, within 14 days of Board approval
- Submit this policy for inclusion in the online Policy Library within 14 days of Board approval
- Post the policy on the related webpages; and
- Educate and train all stakeholders and appropriate audiences on the policy’s content as necessary. Failure to meet the publication requirements does not invalidate this policy

**REVIEW SCHEDULE**
- Next Scheduled Review: 02/15/2024
- Approval by, date: President, 09/22/2015
- Revision History: 07/01/2014, 09/22/2015; 06/01/2016; 04/26/2017, 12/18/20
- Supersedes: Procurement Services Policy and Procedures No. 1

**RELATED DOCUMENTS**
1. Agency Procurement and Surplus Property Manual
2. Construction and Professional Services Manual
3. eVA Business Plan Policies and Procedures #43-34
   [https://www.nsu.edu/policy/admin-43-34.aspx](https://www.nsu.edu/policy/admin-43-34.aspx)
4. eVA State Contracts

5. Vendor’s Manual

FORMS

Unauthorized Procurement Form

Contract Approval Request
https://www.nsu.edu/getattachment/About/Administrative-Offices-Services/Procurement-Services/Forms/Contract-Approval-Request-4-04-17.docx.aspx