

	<i>Responsible Office or Department:</i>	Business Affairs
	<i>Effective Date:</i>	April 15, 2025
University Procurement Policy		

PURPOSE:

Together with the policies on “Audit,” “Conflict of Interest,” and “Third-Party Vendor Management” and other policies related to fiscal controls, this policy will ensure procurement at Niagara University both complies with the law and contributes to the strategic stewardship of university resources.

SCOPE:

This policy covers all purchases for the university, regardless of the funding source. Employees making purchases are encouraged to consult Business Affairs to ensure purchases, especially those involving reimbursement, are properly authorized before they are incurred.

TERMS AND DEFINITIONS:

1. Procurement: The process by which the university identifies and purchases the resources necessary to effect it’s operations and mission.
2. Sole source purchase: One where there is only one vendor capable of providing an item or service, and therefore it is not possible to obtain competitive bids.

MAIN PROVISIONS:

“Procurement” breaks down into many tactics for prudent and compliant purchasing:

Generally Allowable Expenditures

University faculty and staff authorized to spend University funds need to carefully exercise discretion. Expenditures must be directly related to university operations and programs and should never be made for personal benefit or for the exclusive benefit of co-workers. In making a purchasing decision, ethics and a sensitivity to the shared responsibility for the University funds need to be the guiding principles in deciding what expenditures are allowable in performing university business. In addition to these principles, procurement must not be approved unless funding source is demonstrated, the expenditure is allowable, and funding is verified as sufficient to cover the total cost.

Grant-funded Purchases (external, public and private)

For grant-related purchases, the requisitioner must check with the Office of Sponsored Programs (OSP) for additional requirements. Please refer to the External Funding University Practice Related to Allowable and Unallowable Costs.

Third Party Vendor Management

All university departments engaging third party products or services are required to undergo a security risk review of the requested product or service.

Please refer to the Third Party Vendor Management policy.

General Requisitions

When acquiring goods or services, whether with grant funds or not, the purchasing procedures vary with the price range as follows:

Micro purchases: \$1 – \$9,999.

- So long as they meet the criteria for “Generally Allowable Expenditures” above, purchases less than \$10,000 require approval but need not be put out for a comparative bids. Consult with the Purchasing department before starting the purchasing process.
- Any purchase requires a requisition which then needs proper approval before a purchase order is issued

Micro Purchases (less than \$10,000)

For purchase of less than \$10,000, it is not necessary to make documented price comparisons if the costs being incurred are reasonable. To be reasonable, a cost should not exceed what a prudent person would pay under the circumstances.

Purchases may not be “split” (placing two orders for the same goods or services instead of one) to stay under the \$10,000 threshold.

Small Purchases (greater than \$10,000 but less than \$150,000)

Small purchases differ from micro purchases in that “price or rate quotations must be obtained from an adequate number of qualified sources” (Uniform Guidance 200.320). However, the more formal, detailed procedures for obtaining and evaluating price quotations required for major purchases do not apply.

Obtaining Quotations

At the small purchase level, written price quotes are required, but they may be obtained through informal means, via e-mails from providers or from published catalogues or price lists, paper or digital. You may phone a supplier to request an e-mail quote or send an e-mail request for a quote if the goods or services you are purchasing are best described in writing. When relying on catalogues or price lists, simply clip or copy the relevant information.

Along with the price, the quotes you collect may contain other terms and conditions, all of which may be considered when comparing offers. These include, for example, payment terms, warranties included with the purchase, terms regarding returns/refunds, and time needed for shipping.

Number of Quotations Needed

Three written quotes are needed. In situations where it is difficult to obtain three, due to a lack of competition or a product/service that is highly specialized, two quotes are sufficient. This should

be explained briefly when completing the requisition.

Submitting Quotations

Quotations should be attached to the requisition and should always remain part of the requisition and subsequent purchase order.

Preferred Vendors

Price comparisons are not necessary if you are purchasing from one of Niagara University's preferred vendors. Please contact Purchasing for a list of preferred vendors. In selecting these vendors, Niagara University has already engaged in comparisons of costs and other factors to identify those suppliers that offer best value. So, you may purchase from preferred vendors without making your own cost comparisons.

Sole Source

In some limited circumstances, an item or service may be available from only one source. In that case, the documentation you provide along with the requisition will be a "sole source justification" that explains what makes the provider in question unique. The price quoted must still be reasonable for it to be charged to a grant award. Sole source justifications should be the exception rather than the norm. In most situations some cost comparison is possible, even if that involves comparing just two price quotes.

Major Purchases (greater than \$150,000)

- Consult with the Purchasing department before starting the purchasing process.
- Develop and publicize a formal RFP.
- Any purchase requires a requisition which then needs proper approval before a purchase order is issued
- Formally evaluate all proposals received.
- Award a contract with required terms.
- Attach documentation of the RFP process when submitting the requisition.
- Exception: If only one supplier, write up a sole source justification for approval prior to purchase in lieu of the RFP process

Consultation with the purchasing department should occur prior to submission of a requisition for goods and/or services costing more than \$150,000. It should be ascertained whether the acquisition is being made through a preferred vendor or a sole provider or if it requires the issuance of a request for proposal (RFP) from multiple vendors.

The RFP process explained.

1. We will prepare a detailed RFP document outlining the requirements, specifications, and evaluation criteria for the desired product or service which will be distributed to potential vendors or service providers who may be interested in submitting a proposal.
2. Vendors may submit questions or seek clarifications regarding the RFP. The purchasing department will respond to these inquiries to ensure a clear understanding of the requirements.
3. Interested vendors will then submit their proposals, which typically include a detailed response addressing our stated requirements, pricing, implementation plan, and any additional requested information.
4. We will then form an evaluation committee to review and assess the submitted proposals based on predetermined evaluation criteria. This process will leave a smaller number of vendors based on their proposals' quality, compliance with requirements, and

overall suitability.

5. Some vendors may be invited to present their proposals or provide demonstrations allowing for further evaluation and clarification.
6. The final step is to enter into contract negotiations with the selected vendor, discussing terms, pricing, and any necessary modifications to the proposal before finalizing an agreement.

Performing a Cost or Price Analysis

Niagara University requires that recipients of grant awards perform a cost or price analysis for each major purchase. The goal is to develop an independent cost estimate, based on the requirements of a RFP, before receiving proposals so the reasonableness of the proposals can be assessed during the evaluation process. The process and methodology resulting in the cost estimate should be documented in writing.

Publicizing the Request

The RFP should be publicized to the fullest extent needed to promote free and open competition and to obtain viable proposals from at least three sources. The method used should bring the RFP to the attention of a pool of qualified contractors, as opposed to just targeting select individuals or entities. Niagara University's preferred vendors and MWBE (Minority & Women Owned Business Enterprises) vendors should be solicited, if qualified, where appropriate. The purchasing department can provide additional guidance on this, as needed.

Federal Grants, Uniform Guidance

The "competitive proposals" method of procurement, as described in the Uniform Guidance, does not require awarding a contract to the lowest bidder. Instead, the Uniform Guidance advises that the contract should be awarded "to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered." Depending on the goods or services being purchased, "other factors" could include, for example, past performance; capacity and qualifications to perform the work; warranty conditions; and/or maintenance availability. The other factors to be considered should be described in the RFP and reflected in the grid, checklist, or other such form used when conducting the evaluations.

Sole Source Procurement

This noncompetitive approach involves the solicitation of a proposal from only one source. It may be used only when one or more of the following limited circumstances apply:

- The item is available from only a single source.
- A public exigency or emergency exists.
- The awarding agency specifically authorizes noncompetitive proposals.
- After solicitation of several sources, competition is determined to be inadequate.

The existence of one or more of the above conditions must be soundly documented before a sole source procurement can go forward. The documentation submitted with the requisition must explain the circumstances that justify the use of this noncompetitive approach.

Naming a supplier of goods or services in the budget of a federal grant proposal does not make the purchase exempt from these procedures or establish that the supplier is a sole source.

Federal Subawards

These purchasing procedures do not apply to federal subawards, which are issued to enable other organizations to collaborate with Niagara University on achieving the goals and objectives of a grant project. If a subaward is included in the proposal budget, it may be issued to the

organization named without price comparisons if the costs involved are reasonable and Niagara University guidelines for issuing and monitoring federal subawards are followed.

Requisitions Requiring Pre-Approval

All technology/media purchases, regardless of cost, must be reviewed by Business Affairs to assess the need for pre-approval. These include but are not limited to: media, software, and data requisitions, computer hardware, the purchase of printers, copiers, and fax machines.

Vendor Setup & Approval Process

All vendors must be approved and submit required information to be added to the requisition system. Please contact Purchasing or Accounts Payable for information on how to setup a new vendor. If the vendor will be onsite of the university or its affiliate locations, a Certificate of Insurance (COI) is required to be sent to Business Affairs for review and approval.

Vendor Code of Conduct

All vendors supplying under the Procurement Policy must consent to that relationship being governed in part by the Niagara University Vendor Code of Conduct.

Consultant/Independent Contractors

The University should retain consultants / independent contractors only when the skills required are not available or able to be provided by university faculty or staff. Consultants / independent contractors normally possess specialized skills, knowledge or credentials that are not readily available among the university's faculty and staff, and the expertise is provided on a temporary basis.

The following steps must be taken prior to any work being performed in addition to the new vendor process outlined above.

A **Consultant Service Contract** must be completed. Prior to sending the contract for legal review, a third-party vendor management assessment must be completed and approved by the Information Security Oversight Committee (ISOC). The assessment form is available under "Information Security" on MyNU. With ISOC approval, the contract can be sent for legal review and signed by an authorized signer of the university. If the consultant is coming on-site you will also need to complete a **Consultant Service Contract Addendum** which requires a **Certificate of Insurance (COI)** demonstrating that they have coverage meeting minimum requirements as specified in the "**Niagara University Insurance Requirements**". The Business Affairs department has the right to waive the insurance requirement, based on a risk assessment. If a consultant / independent contractor provides their own contract it must be reviewed and approved by our legal department.

Cooperative Purchasing Programs

The university will seek out cooperative purchasing programs with major regional and national organizations. Currently, Niagara University benefits from participation in the Omnia Partners purchasing program as well as the E&I Cooperative Services, non-profit sourcing cooperative. Please contact Purchasing for a list of Omnia and E&I program vendors currently doing business with Niagara University, visit MyNU.

PROCEDURES:

None

ADDITIONAL INFORMATION:

This policy is in cooperation with OSP, Vice President of Finance and Administration, General Counsel, Vice President for Academic Affairs, and Chief Information Security Officer. .

POLICY HISTORY:

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