Indiana University of Pennsylvania

Procurement Procedures - General Guidelines

Value of Purchase	Form of Agreement	Vendor Selection Procedure & Notes	Approval
$0.01 to $5,000.00	Purchase Order	Fair and reasonable cost. The exception is for bus services - Contract rather than Purchase Order.	Authorized Purchasing Agent or Director.
$5,000.01 and Greater	Emergency Certificate	Three Competitive Quotes. Health or safety issue, requires immediate action to correct. Work performed before the contract process completed. Usually for elevators.	Authorized Purchasing Agent or Director and University Legal Council.
$5,000.01 to $10,000.00	SPC, Purchase Order, or Property Lease	Three Competitive Quotes. **Purchase of goods only - the form of agreement is purchase order. Property Leases require the Office of Attorney General approval.**	Authorized Purchasing Agent or Director and University Legal Council.
$10,000.01 and Greater	Sole Source Certificate	There is only one vendor that can provide the product and/or service. Sole Source certificate must be approved before the contract process.	Vice President of Administration and Finance, President, and University Legal Council.
$10,000.01 to $20,000.00	SPC, Blueback, Purchase Order, or Property Lease	Bid Process, Sole Source Request for Quote or Request for Proposal. **Property Leases and Blueback contracts require the Office of Attorney General approval**.	Authorized Purchasing Agent or Director and University Legal Council.
$20,000.01 to $500,000.00	SPC, Blueback, Purchase Order, or Property Lease	Bid Process, Sole Source, Request of Quote or Request for Proposal.	Authorized Purchasing Agent or Director, University Legal Council, and the Office of Attorney General.
$500,000.01 and Greater	SPC, Blueback, Purchase Order, or Property Lease	Bid Process, Sole Source, Request of Quote or Request for Proposal.	Authorized Purchasing Agent or Director, University Legal Council, Office of Attorney General, and the Office of General Council.

Adverse Interest: Against the interest of some other person, usually so as to benefit one's own interest.

Conflict of Interest: A situation in which the regard of one duty leads to the disregard of another or might be reasonably be expected to do so.

Printing Services that are not for design do not require a contract. Enter a purchase order for the printing.

Amendments to Leases - Contract cannot exceed $10,000.00 - Require OAG approval.

Renewals - No changes except for negotiated escalation clause, University Legal Council approval.

Zero dollar contracts, MOU's and LOA's require review by University Legal Council.

Bonds are requested for the food service contract only. (Primarily used by Engineering & Construction.)
>$100,000 performance and payment Bonds = 100% of contract.
Construction Contracts - $25,000 to $100,000 = performance bond 50% of contract.

Indiana University of Pennsylvania

Procurement Procedures - General Guidelines

The **maximum time period** for a contract is five years including renewals.
(In special circumstances, exceptions can be granted through Commonwealth Legal.)

Memorandum of Understanding (MOU) - Agreement between IUP and other state Agencies. Must be reviewed by University Legal Council.

Letter of Agreement (LOA) - Agreement between PA SSHE schools. Is not a contract and cannot take the appearance of a contract. Must be approved by University Legal Council.

After the fact contracts are permitted only for Emergency Contracts. A purchase order can be cut for a maximum of $5,000.00 for services and $10,000 for commodities for non-emergency after the fact purchases with justification and approval of the Purchasing Agent. A Release of Claims must be filed for those in excess of $5,000 for services and $10,000 for commodities.

Prohibited Contracts:

- Employee / Employer Relationships
- Contracts for the purchase of insurance - Exception collision insurance for rental vehicles.
- Attorney Services

Prohibited Contract Clauses:

- Assignment - No assignment without prior written consent of the University.
- Jurisdiction of Law - The laws of Pennsylvania must govern the contract or agreement.
- Attorney Fees, Court Costs, Entry of Judgment - The University may not voluntarily pay the contractor's court costs or legal fees nor may it allow a contractor to confess judgment on its behalf.
- Indemnity and Hold Harmless - Removed from every Commonwealth contract because it compromises the greatest protection afforded the Commonwealth entities: sovereign immunity.
- Arbitration - Resolution of disputes by binding arbitration in contracts for goods and services are prohibited. The Board of Claims has exclusive jurisdiction.
- Payment in Advance - Prohibited except as justified in writing.
- Purchase of Insurance - State System universities may not purchase insurance. Vehicle rentals are an exception.

Reciprocal Limitations Act - Out of state contracts greater than $10,000.00 for contractors or suppliers, may require a surcharge on the out of state bidder.

Gramm-Leach-Bliley Act - Copy of act part of certain contracts to safeguard personal and financial data. i.e. banking, internet, student collections, student billing services, medical services, ambulance services, PHEAA, etc.

Right to Know - Copies of purchase orders and contracts in excess of $5,000 must be electronically sent to the Treasury within 10 days of the execution date. (Summary & Detail)