## Vendor Selection Procedure & Notes

<table>
<thead>
<tr>
<th>Value of Purchase</th>
<th>Form of Agreement</th>
<th>Vendor Selection Procedure &amp; Notes</th>
<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.01 to $5,000.00</td>
<td>Purchase Order</td>
<td>Fair and reasonable cost. The exception is for services - Contract rather than Purchase Order.</td>
<td>Authorized Purchasing Agent or Director.</td>
</tr>
<tr>
<td>$5,000.01 and Greater</td>
<td>Emergency Certificate</td>
<td>Minimum two Competitive Quotes. Health or safety issue, requires immediate action to correct. Work performed before the contract process completed.</td>
<td>Authorized Purchasing Agent or Director and University Legal Council.</td>
</tr>
<tr>
<td>$5,000.01 to $20,100.00</td>
<td>SPC, Purchase Order, or Property Lease</td>
<td>Two-Three Competitive Quotes desired. <strong>Purchase of goods only</strong> - the form of agreement is purchase order. <strong>Property Leases require the Office of Attorney</strong></td>
<td>Authorized Purchasing Agent or Director and University Legal Council.</td>
</tr>
<tr>
<td>Any Value</td>
<td>Sole Source Certificate</td>
<td>There is only one vendor that can provide the product and/or service or exclusivity. Sole Source certificate must be approved and certified prior to contracting.</td>
<td>Vice President of Administration and Finance, President, and University Legal Council.</td>
</tr>
<tr>
<td>$10,000.01 to $20,000.00</td>
<td>SPC, Blueback, Purchase Order, or Property Lease</td>
<td>Bid Process, Sole Source Request for Quote or Request for Proposal. <strong>Property Leases and Blueback contracts require the Office of Attorney General approval.</strong></td>
<td>Authorized Purchasing Agent or Director and University Legal Council.</td>
</tr>
<tr>
<td>$20,000.01 to $500,000.00</td>
<td>SPC, Blueback, Purchase Order, or Property Lease</td>
<td>Bid Process, Sole Source. Request of Quote or Request for Proposal.</td>
<td>Authorized Purchasing Agent or Director, University Legal Council, and the Office of Attorney General.</td>
</tr>
<tr>
<td>$500,000.01 and Greater</td>
<td>SPC, Blueback, Purchase Order, or Property Lease</td>
<td>Bid Process, Sole Source, Request of Quote or Request for Proposal.</td>
<td>Authorized Purchasing Agent or Director, University Legal Council, Office of Attorney General, and the Office of General Council.</td>
</tr>
</tbody>
</table>

**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 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 Counsel approval.

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

**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-Billey 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 (redacted for signatures) in excess of $5,000 must be electronically sent to the Treasury within 10 days of the execution date.