**Procurement Policy**

This policy ensures that the University’s purchasing procedures and processes are in compliance with Federal, State, and local laws, and it ensures appropriate stewardship of assets, integrity when acquiring goods and services, and accountability.

Every employee involved in purchasing must take full responsibility for understanding this policy and all associated purchasing, payment, and vendor management policies and procedures. The Office of Purchasing within the Office of Financial Services is responsible for overseeing, administering, facilitating, monitoring, and controlling the University’s procurements.

**University Procurement Principles**

Purchasing decisions are business decisions and should be made in the University’s best interest. Those who make purchases for the University should hold themselves to the highest standards of integrity, ethics, and fairness. The University requires those who purchase for it to adhere to the following practices and principles.

**Best Value** – The University’s goal is to spend its resources wisely by continually employing vendors and suppliers who provide the best overall value to the University. Value is the combined benefit provided through the vendor’s price, quality, service, lead-time, delivery, payment terms, after-care, warranty, product compatibility or specifications, and reliability. The Office of Purchasing and University employees who engage in purchasing should always seek the best value for the University.

**Tax Exempt Status** - Florida Institute of Technology is a private, not-for-profit institution, and is exempt from Sales Tax within the State of Florida. As a non-profit educational institution, FIT may also realize Sales and Use Tax exemptions in many other states. The Office of Purchasing will provide employees who make purchases with the University’s Sales Tax Exemption certificate/number, and are to provide the number to suppliers to prevent sales tax from being charged on purchases. This also requires vendors to correctly establish FIT as a tax-exempt customer, and bill the University appropriately. Employees must work with vendors to make sure this is happening, and correct vendors when necessary.

**Competitive Bidding** – The University will practice competitive bidding for the purchase of goods or services from external suppliers, when the total purchase amount will exceed $1,000, and when there is no University contract providing for the good or service. Bidding is to be conducted openly, competitively, and impartially and must follow the University’s [Competitive Bid Procedure](#). *(Exceptions – when three suppliers do not exist, or when the University has selected a sole or single source supplier. Please refer to the [Sole & Single Source Purchasing Procedure](#) for guidance.)*
Spending Limits and Controls – The SVP/CFO and the Office of Financial Services have established a hierarchy of spending approval limits for personnel within the University and its Colleges and Departments. Purchases and requisitions must be issued and/or approved by those with the necessary spending authority. Final authorization to make contractual commitments and sign contract documents is reserved for employees approved by the University’s Board of Trustees in the following resolution: Contract Approval and Signature Authority.

Vendor Authorization and Management – The University, through its Office of Purchasing, will seek to minimize its risk and consolidate its purchasing power by carefully managing its active vendors. University employees are required to work with the Office of Purchasing to identify approved vendors, or to set up new vendor who may be able to provide better value to the University. The Office of Purchasing is responsible to ensure that all vendors have been reviewed and are clear of possible sanctions through the System for Award Management, Florida Department of Management Services & U.S. Department of Commerce.

The Office of Purchasing will help the Colleges and Departments by pre-qualifying vendors, and negotiating preferred pricing and/or terms for commonly purchased items or services. Additionally, the Office of Purchasing will seek to leverage its purchasing power by coordinating purchases with preferred vendors who offer the best value.

Procurement Systems and Controls – The Office of Purchasing, with assistance from Information Technology and selected business and banking partners, has established processes and systems to facilitate purchases, requisitions, and vendor payments. These include:

- Procurement Cards (P-Cards)
- Purchase Requisition and Purchase Order System
- Alternate Payment Methods – Check Request, ACH Payment Request, Wire Transfer Request

Budgets, Available Balance, and NSF Controls – The Office of Purchasing, along with its Purchasing Systems and Controls, provide added security by checking budgets and available balances prior to the issuance of Purchase Orders and/or payment requests. These checks, along with P-Card spending limits, help the University and its Budget Managers stay within budget and manage University resources.

Timeliness/Efficiency – A purchasing transaction is not complete until the goods or services have been received and the supplier has been paid. After a purchase has been initiated, the Department/College has the responsibility to see that the vendor is paid in an appropriate period of time. This requires efficient processing of purchase and payment forms, requisitions, PO’s, approvals, and receipt acknowledgements, and prompt handling and forwarding of these documents. Vendors should send their invoices directly to the Accounts Payable office for processing. If an invoice is received by another Department or College, it must be forwarded promptly to the Accounts Payable office.
Office of Purchasing Responsibilities

- To establish and implement purchasing policies, procedures, controls, and systems that best serve the University’s Mission, objectives, and community.
- To provide outstanding customer service by staffing itself with trained and motivated associates.
- To procure, in an efficient, economical, and timely manner, the goods, supplies, materials, equipment, and supplies by the University for its continued operations, in accordance with University Policy.
- To identify, establish, manage, and develop a diverse pool of Vendors and Suppliers who will provide the Best Value to the University.
- To solicit, compare, and select competitive bids when required by the University’s Competitive Bid Procedure.
- To evaluate and recommend new products, services, or systems that have the ability to provide greater value to the University.
- To develop, promote, and maintain University standards for commonly used products and services.
- To operate with integrity and advance ethical relationships between suppliers, their representatives, and University personnel.
- To recognize the unique relationships that exist between the University, as a purchaser of goods and services, and various alumni and friends of the University, as potential suppliers of those goods and services to the University, and then to allow special consideration to these potential suppliers only if they demonstrate the ability to provide equal or better value to the University.
- To team with those who use products and services to learn what product or service components contribute to their preference for a supplier or product, and then negotiate with the preferred supplier to obtain the Best Value, or to present the user with alternate products that will satisfy their most important needs and provide greater value to the University.
- To manage and administer the University’s Procurement Card Policy and Program.
- To establish and administer the University’s Travel Policy and related processes, for faculty and staff.
- To assist University Colleges and Departments in their purchasing activities by...
  - Helping them establish bid guidelines, scopes of work, and product specifications when competitive bidding is required.
  - Providing timely cost estimates, purchase planning assistance, and budget guidance.
  - Assisting with the expediting and tracking of orders that have extended lead times or delivery schedules, and sourcing substitute suppliers, products, or services if needed.
  - Insuring the prompt and correct payment of vendors.
  - Working with vendors to resolve billing disputes and discrepancies such as shortages, damages, quantity differences, and pricing errors.
Employee Responsibilities

Employees who conduct business on behalf of the University and are involved in purchasing goods or services, and/or traveling in support of University operations are responsible for reading, knowing, and abiding by this Procurement Policy and related Procurement Policies and Procedures.

To ensure all of the above, it is the policy of Florida Institute of Technology that university employees shall not accept any favor or gratuity from any person, firm or corporation that is engaged in or attempting to do business with the university, nor shall their position with the University be used to influence suppliers when making personal purchases.

Under no circumstances shall any employee accept a commission or other form of compensation on sales to the University.

Employees engaged in any aspects of the purchasing process are expected to be free of all relationships that are detrimental to the best interest of the University. The University will not acquire goods or services for University employees for personal use. University vendors are not expected to extend beneficial pricing for non-related university purchases, but may do so at the vendor’s sole discretion. Rebates or refunds from vendors shall be the sole property of the university and shall be paid promptly into the university accounts.

University credit or purchasing power shall not be used to purchase goods or services for individuals or for non-university related activities except where corporate sponsored agreements are in place. Violations or willful intent to disregard the policy may result in disciplinary action up to and including termination and criminal penalties.
The following chart provides guidance on levels of procurement and thresholds for purchasing action:

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<th>Procurement Level</th>
<th>Threshold &amp; Guidelines</th>
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| 1. Micro Purchases | • Less than $1,000  
                    | • No quotes, estimates |
| 2. Small Purchases| • Up to $1,499.99      
                    | • [Procurement card rules](#)  
                    | • Rate quotes, estimates  
                    | • No cost or price analysis |
| 3. Sealed Bids    | • Greater than $1,000  
                    | • Construction projects  
                    | • Price is a major factor  
                    | • Request for proposal (RFP) with evaluation method |
| 4. Competitive Bids| • Greater than $1,000  
                    | • Fixed price or cost  
                    | • Request for proposal (RFP) with evaluation method |
| 5. Sole Source    | • Unique  
                    | • Public emergency  
                    | • Authorized by Office of Purchasing  
                    | • No competition |

Related Policies:

- [Travel Policy](#)
- [Payment Policy](#)
- [Procurement Card Policy](#)
- [Contract Approval and Signature Authority](#)
- [Conflict of Interest Policy](#)

Related Procedures:

- [Competitive Bid Procedure](#)
- Purchase Specification
- Purchase Authorization
- Purchase Requisition
- Confirming Purchase Order
- Standing Purchase Order
- [Sole & Single Source Purchasing](#)
- Consultant Contracting
- Capital Asset Purchase
- Vendor Activation
- Disbarred Vendor
- Receipt of Goods Acknowledgement