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# **Procurement Services**

# **Procedures Manual**

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## INTRODUCTION

### Business Services

Business Services provides centralized procurement services and other services as provided herein to the University of Alabama in Huntsville (UAH/University) Community and is organized within the Finance and Administration Division of the University of Alabama in Huntsville. Business Services must conform to Federal, State, and University purchasing codes, statutes, and policies. As the primary University interface for campus departments and hundreds of businesses, Business Services is especially responsible for projecting a positive and professional image for the University.

Business Services comprises of **Procurement Services**, Contract Administration, Central Receiving & Shipping, Mail Services, and the UAH Copy Center. Business Services strives to provide quality service with the highest possible degree of proficiency.

### Procedures Manual

The purpose of this manual is to help the University Community better understand procedures that guide the Business Services' operations. The procedures in this manual are subject to change because of the rapidly evolving environment (e.g., computer systems, software, administrative procedures, and state laws). Therefore, this department may update and revise portions of this manual periodically. Additional information, training materials, forms and other guidance can be found on the Business Services website. The Procurement Services team is always ready, willing and able to guide you to success.

The procedures contained herein should be used under normal operating circumstances. Exceptions are allowed when, in the opinion of the Chief Financial Officer, the Chief Financial Officer's designee or the Director of Procurement & Business Services the exception is in the best interest of the University. Exceptions must be properly justified and documented.

This manual has been designed to address most situations; however, it cannot cover all eventualities.

*\*\*\* Exceptions to normal procedures may be authorized at the discretion of the Director of Procurement & Business Services on an as needed basis. \*\**

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## I. GENERAL

### I.1. Objective

The primary objective of Procurement Services is procuring, in the most efficient and cost-effective manner, the goods and services that support the education, research, and service efforts of The University of Alabama in Huntsville (UAH/University), while complying with the Federal and State statutes and University policies that govern institutional purchases.

Procurement Services is located in the Business Services Building on John Wright Drive, phone number 256-824-6484.

### I.2. Responsibilities

Procurement Services' responsibilities include:

- Providing Requisition Training Classes
- Issuing Purchase Orders
- Generating Requests for Quotations/Bids
- Processing Contracts for Professional Services

### I.3. Authority

Procurement Services has been vested with the sole authority to obligate University funds to outside vendors; therefore, procedures must assure honesty, integrity, and fairness.

## II. REQUISITIONS

### II.1. Approval of Requisitions

Departments must obtain electronic approvals on all requisitions before the requisition is submitted to Procurement Services. **Only Budget Unit Heads and those persons to whom signature authorization has been delegated have authority to sign / electronically approved requisitions.**

Departments must provide signature authorizations to Accounting and Financial Reporting on the Signature Authorization Form Auth\_Sig.xls for input into the enterprise resource planning (ERP). This form is available at <http://www.uah.edu/finance>. Click on "Signature Authorization." Allow one week for signature corrections, additions, and deletions to appear in the ERP.

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*NOTE: Accounting & Financial Reporting maintains records of signature authorizations. Signature authorizations are required to expend funds against University accounts. All authorized signatures and budget account balances for 7000 and 8000 account codes are verified through the ERP for each requisition submitted.*

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The Requisitions must be electronically approved according to Table PS-1 below.

**Table PS-1, Electronic Approvals**

<b>Requisitions for:</b>	<b>Individual/Department</b>
All fund 2xxxx accounts and cost sharing fund 159xxx accounts that are companion accounts to 2xxxx accounts	Contracts & Grants Accounting
Expenditures associated with equipment, computers, peripherals, software, audio/video, and contracted services against fund 2xxxx accounts and cost sharing fund 159xxx accounts that are companion accounts to 2xxxx accounts	Contracts & Grants Accounting
Radioactive supplies	Environmental Health & Safety
Vehicles, purchase or lease	Facilities & Operations

## II.2. Requisition Procedure

To procure goods and/or services, departments must submit an electronic requisition in the ERP.

Users of the ERP must first complete the *Banner Finance Self-Service Request Form (FSS)* or alternative form provided by the Financial Planning and Analysis Department and forward it to the Financial Planning and Analysis Department to obtain access. The Financial Planning and Analysis Department processes the set-up for new Finance users and security for all Finance users.

Departments enter and approve requisitions in the requisition module of the ERP. For detailed instructions on entering and approving electronic requisitions, please refer to the *UAH Banner Self-Service Requisitioning Workbook*.

All Requisitions require an Account Number, or FOAPAL, which consists of:

- Fund
- Organization Code
- Account Code
- Program

Sufficient budget funds must be available before entering a requisition. There is no longer an "Insufficient Funds" override.

All requisitions must receive appropriate electronic approvals before being forwarded to Procurement Services. Departmental copies of requisitions and Purchase Orders may be printed by the requester/requesting department.

Ordinary requisitions are subject to the normal purchasing process of review and approval, which requires three to five working days when all required documentation is provided. The

processing time of a requisition may vary when the required documentation is not submitted with the requisition.

The end result of the requisition procedure is a Purchase Order.

### II.3. Creating a Requisition

#### **DATA ENTRY**

From the on-line Finance menu, click on "Requisition." The user can create a new Requisition.

1. Enter Vendor ID (not required) and select Vendor Validate (if you entered a Vendor ID) to default related information. Requester information defaults from values defined on the User Profile. Defaulted information can be modified.
2. Select the Document Text link to attach text to the Requisition. Document Text is for information related to the overall Requisition.
  - Text to be printed at the beginning of the Purchase Order may include delivery or special handling instructions.
  - Text that does not print may include notes to Procurement Services about attachments, for example.
3. Enter Commodity, Unit of Measure, Quantity, and Unit Price information.
4. Select Item number link to add Item Text for a specific commodity or item. Item Text would include additional descriptive information for the item being requested. These are just a few examples of Item Text:
  - For supplies or equipment, Item Text may include stock number, brand, model number, features, measurements, or finishes.
  - For a contract payment, Item Text may include period of performance, contract number, or payment number.
  - For an airline ticket, Item Text may include the name of the traveler, destination, and dates of travel.
5. Enter "H" for Chart and the Organization Code(s) for Index. Click Validate to populate the Fund, Organization, and Program fields. If another FOAPAL is to be used, enter a new Index and click Validate. **Do not change the Fund, Organization, or Program fields.** Each Requisition is limited to five FOAPAL entries.
6. Enter the Account Code. Refer to <https://www.uah.edu/business-services> for Commonly Used Account Codes.
7. Choose whether to distribute the Net Amount by Dollars. Enter the amount for each FOAPAL in the Accounting field. The dollar amounts must equal the Net Amount. Do not use the dollar symbol.
8. Click on Validate to validate calculations and codes and check for errors. Error messages are displayed if data is missing or invalid. Contact Procurement Services if unable to resolve an error message.

9. If the box “Document Validated with no errors” has a check mark, click on Complete to post the requisition in the approval process. The requisition will have a number and funds will be reserved for the Requisition.

### **APPROVALS**

Once a requisition has been entered and completed, it must be posted and approved. Only an authorized person can approve a requisition after it has been entered. All requisitions must receive all appropriate electronic approvals in the approval process before being forwarded to Procurement Services.

### **SUPPORTING DOCUMENTATION**

Before a Requisition can be processed the requesting department must provide the required supporting documentation as attachments. With Banner version 9 the attachments can be attached to the requisition. If this is not possible due to a technical issue the documentation can be sent to [purch@uah.edu](mailto:purch@uah.edu). Attachments may include a quote, invoice, vendor disclosure statement, W9, contract, maintenance agreement, registration form, travel authorization, etc. All attachments must reference the requisition number.

Refer to the Requisition Entry Workbook for more detailed instructions located on the Business Services' website.

### **CONTACTING THE VENDOR**

The department may receive the departmental copy of the Purchase Order upon request.

### **ISSUE CHECK**

If “Issue Check with Purchase Order” is printed on the Purchase Order, Procurement Services will submit the Purchase Order and Requisition to Accounts Payable. See Section II.4, “Issuing Checks on Purchase Orders.”

## **II.4. Issuing Checks on Purchase Orders (PO)**

If a Purchase Order (PO) is to be prepaid by check, submit supporting documentation (e.g., copies of contracts, registration forms, or invoices) to Procurement Services, referencing the requisition number. Accounts Payable will issue the check and mail it to the vendor along with the PO.

### **PICK UP**

Checks will be held for pick up at Accounts Payable only on justified emergencies. Departments must obtain authorization from Accounts Payable to have a check held for pick up prior to submitting the Requisition. The request must be noted on the requisition and the written authorization from Accounts Payable should be submitted to Procurement Services as backup to the requisition.



## CONTRACT PAYMENTS

Departments must submit requisitions to make payments against Professional Services Contracts, which are paid by check. Please see Section VI.4, "Payments Against Contracts."

## UNIVERSITY POLICY

University policy is to pay for goods and services **after** goods are received, and services are rendered.

### II.5. Sole Source Commodities

A sole source must meet the following three requirements:

- The goods or services offered must be unique
- The uniqueness must be substantially related to the intended purpose, use, and performance of the good or service sought
- The entity seeking to be declared a "sole source" must show that other similar goods or services cannot meet the desired objectives of the entity seeking goods or services

Sole source purchases are rare and must show that an equitable evaluation of comparable products has been made and that rejection of unsuitable products is based on technical deficiencies or a combination of other reasons. In cases where no comparable source is known, whether at the manufacturing or distributor level, a technical description of the product must be provided. The technical description must be adequate enough to allow Procurement Services to make a thorough search and evaluation, which may take seven to ten days, or more depending on the complexity of the commodity. **A sole source justification cannot be based on quality or price.** Quality is subjective and price is evaluated via competitive bidding.

Departments requesting essential and unique items with special design and/or performance features may obtain Sole Source Commodity Classification for these items. Special design and performance features might include:

- Instrument response time
- Portability requirements
- Size constraints
- Unique capabilities

The commodity (a good or service) must be considered unique to the manufacturer, making it available only through that manufacturer with no comparable commodity available either at the manufacturer or distributor level. Items being evaluated for research purposes may qualify as a Sole Source Commodity.

Requisitions for Sole Source Commodities totaling \$75,000 or more must be submitted with a *Sole Source Justification Requirements* Form, which is available on the Business Services' website, (<https://www.uah.edu/business-services>). This form must be completed answering all questions and signed by the Principal Investigator and director, chair, or dean of the requesting department (if different).

### II.6. Requisition-to-Purchase-Order Procedure

The following summarizes the procedure to process a Requisition into a Purchase Order.

1. The Requisition is entered in the ERP by the department per the Requisition Entry Workbook.
2. The account balance must be verified to ensure that funds are available. Requisitions against Contract & Grant and cost sharing companion accounts are electronically approved by the Office of Sponsored Programs (see Section II.1, "Approval of Requisitions").
3. The Requisition must have all electronic approvals completed before further processing can occur. Depending on the department or funding, the requisition may require several different levels of approval. Persons with signature authority may recommend changes to the requisition prior to approval.
4. Once all approvals are completed, the requisition is ready for further processing by Procurement Services. The requisition will be assigned to a Procurement Professional.
5. The Procurement Professional will verify attachments and supporting documentation for the competitive bidding process and facilitate the competitive bidding process as applicable. The Procurement Professional will submit requests for competitive bidding as needed.
6. For a new vendor, a W-9 will be requested by Business Services. The vendor will only be created after a search has been completed in the vendor database by the person processing the PO. Address changes requested by the departments or vendors, are made by Accounts Payable or Business Services Staff. Name changes requested by the departments or vendors are made by the Director of Procurement (or designee in his/her absence) and Accounts Payable Staff. The Procurement Professional will authorize the purchase and edit the Requisition for final printing of the Purchase Order. A Vendor Data Change Form will be used to document the changes.

For questions concerning Vendor Debarment, see Section IX.4. Debarred /Suspended Vendors.

For questions concerning Conflicts of Interest, see Section IX.3. Vendor Disclosure Statement.

Confidentiality issues will be addressed on a case-by-case basis, when dealing with sensitive data.

7. The Procurement Professional will authorize the purchase and edit the Requisition for final printing of the Purchase Order.
8. The appropriate approval in Procurement Services commits UAH to the obligation.
9. Procurement Services distributes copies of the Purchase Order to the requesting department and the vendor. If "Issue Check with Purchase Order", a copy of the Purchase Order and the original requisition will be sent electronically to Accounts Payable (see Section II.4., "Issuing Checks on Purchase Orders").

## **II.7. Authorized Departmental Procurement**

Although Procurement Services conducts all purchasing activities for UAH, the use of Procurement Cards is delegated to the departments.

**II.8. Planning Purchases and Requisitions**

Departments should plan their purchases to meet the demands of both the vendor and the department. After a properly prepared and approved requisition is received, the time to issue an order and secure delivery varies according to: (1) the workload in Procurement Services and (2) the vendor's ability to deliver. Delivery depends on the vendor's stock and any problems the vendor has producing goods or securing delivery from suppliers. Planning allows time for Procurement Services to obtain the best value.

**II.9. Standard and Commonly Used Items**

Departments should requisition standard, commonly used, and repetitively used items in advance of dates needed. See Section II.8., "Planning Purchases and Requisitions."

For better pricing and to prevent delays in receiving merchandise, departments should request: (1) the largest possible quantity of a single item and (2) as many kinds of items as possible from a common supply source or vendor. Examples include laboratory reagents, glassware, filter paper, and rubber or plastic tubing.

**II.10. Small Orders**

Departments are to avoid small orders. Departments are encouraged to use their Procurement Card for small orders. See Section II.8., "Planning Purchases and Requisitions"; Section II.9., "Standard and Commonly Used Items."

**II.11. Prohibited Purchases**

This is not an exhaustive list; however, UAH does not permit the purchase of personal items (items for personal use) such as those listed below:

- Awards/plaques
- Briefcases
- Christmas cards
- Coffee pots
- Employee get-well cards
- Expensive desk pads
- Fancy clocks
- Flower vases and arrangements
- Gifts or recognition of gifts
- Microwave ovens
- Plants
- Receptions
- Refrigerators
- Office Fans / Heaters

Individuals who wish to have such items in their offices should buy them with personal funds. Do not use University letterhead to buy personal items.

UAH does not permit the purchase/donation of items such as:

- Alcoholic beverages
- Contributions

**II.12. Major Equipment Purchases**

To increase efficiency and reduce costs, major equipment purchases shall be based on the following considerations:

- Compatibility
- Dependability
- Durability
- Economy of operation
- Funding
- Quality
- Productivity
- Savings in time or labor costs
- Installation (labor & material \$100,000 or more)  
may require a General Contractor's License

***EQUIPMENT WITH SPECIAL REQUIREMENTS***

The requesting department must obtain special approvals when purchasing an equipment item with the following special requirements:

- Uses non-standard electrical outlets
- Exceeds space requirements
- Weighs 6000 pounds or more

The department must contact Facilities and Operations Administration to determine availability of electrical power and check space requirements and floor loading, as applicable. These approvals must be clearly indicated on the requisition.

**II.13. Separating Requisitions by Vendor**

Departments should submit requisitions by vendor rather than by classification of materials and/or equipment ordered. Submit one requisition for all items to be purchased from a single vendor.

**II.14. Pricing Agreements**

The following types of pricing agreements are available to UAH for procurement of materials, supplies, and equipment:

- General Services Administration Contracts
- Manufacturer, State, Local, or University Pricing Agreements
- University Established Contracts / Competitive Bids
- State Contracts
- Consortium or Cooperative Contracts

**II.15. Blanket (Standing) Purchase Orders**

If a department must obtain a number of miscellaneous, non-equipment items from the same vendor over an extended period, the department may initiate a Blanket (or Standing) Purchase Order.

**LIMITATIONS**

Procurement Services must approve Blanket Purchase Orders. The period of encumbrance cannot extend beyond the current fiscal year (except subcontracts through OSP) nor can it exceed competitive bid requirements for the UAH community (see Section VII, "Bids").

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*NOTE: Competitive bid requirements are considered when issuing Blanket Purchase Orders.*

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**PROCEDURE**

All Blanket Purchase Orders are initiated in the same way as ordinary Purchase Orders. The following information should be stated on the Requisition:

Document Text:

Encumber funds for an open Purchase Order for The University of Alabama in Huntsville covering the period [MO/DA/YR] through [MO/DA/YR].

Item/Commodity Description:

For [Enter the type or name of items] for the [Enter the name of the department].

Item Text:

UAH reserves the right to change quantities or cancel the Purchase Order at any time. UAH is not obligated to purchase any specific amount, and no shipments / pick-ups are allowed after expiration date.

**PURCHASES**

Authorized individuals must submit a Memorandum Receiving Report (MRR), available on the Business Services' website, (<https://www.uah.edu/business-services/business-services-forms>) to Accounts Payable at the time of purchase for payment processing. The department is responsible for financial upkeep of the Blanket Purchase Order.

**CLOSURE AND CHANGES**

To issue a final payment and close a Blanket Purchase Order, be sure to mark "completed" on the Memorandum Receiving Report for the final purchase. To cancel the balance on a Blanket Purchase Order that was not closed with a final payment, the department must submit and email to [purch@uah.edu](mailto:purch@uah.edu) to make any changes.

**II.16. Travel**

Refer to the current travel policies <https://www.uah.edu/business-services>.

**II.17. Repair of University Equipment**

Departments must obtain an authorized Purchase Order before sending out University property for repair or estimate, including warranty repairs. The Requisition must include the following details:

- Serial number
- UAH property ID number
- Problem
- Contact person
- Telephone number

**II.18. Radioactive Purchases**

Environmental Health and Safety must approve all requests for radioactive products. Requisitions for radioactive products require account code 7431 which is designated for all radioactive purchases.

***IONIZING RADIATION SOURCES***

When preparing a Requisition for any item (equipment or device) that contains an ionizing radiation source (e.g., X-ray machine), provide the following statement under Document Text: "This item contains an ionizing radiation source."

The Requisition then must be entered using account code 7431. Environmental Health and Safety approves the Purchase Order and will register the item with the Department of Public Health in Montgomery. The item must be properly registered before it can be received at the University.

**II.19. Advertisements**

**Type the advertisement on a separate sheet as an attachment to a Requisition.**

***EMPLOYMENT VACANCIES***

The Faculty Equal Employment Opportunity Coordinator must approve the advertising of faculty position vacancies. Human Resources must approve advertising of staff position vacancies.

***PROMOTIONAL ACTIVITY***

Office of Marketing and Communications has final approval on all public promotional activity advertisements (e.g., brochures, t-shirts, ads for newspapers and magazines, etc.) to ensure conformity to University policy. Advertisements must have the department dean/director approval before being submitted to the Office of Marketing and Communications.

***SPORTS PROGRAM BOOK***

The University cannot place ads in any sports program book according to NCAA rules.

**II.20. Contracting Professional Services**

Professional service providers and consultants are classified as follows:

- Architects/Engineers
- Draftsmen/Artists
- External Financial Advisors
- Lawyers
- Lecturers
- Performing Artists
- Physicians
- Professional Consultants
- Scientists
- Trustees

Departments should contract with persons or firms according to normal purchasing procedures. No University commitment will be recognized until a fully-executed Contract for Professional Services and/or Purchase Order is issued. Please see Section VI, "Contracts for Professional Services."

## **II.21. Federal and State Surplus**

UAH is eligible to purchase from Federal and State surplus agencies. A requisition is not required in advance. An employee wishing to visit any of the State surplus warehouses must obtain authorization from Accounting and Financial Reporting (Asset Management team) before visiting the warehouse, and govern himself/herself/themselves to the respective laws, policies and procedures as provided by this governing authority.

## **II.22. Professional Memberships**

The University is authorized to hold memberships in professional organizations and usually designates an individual as the University's representative to the organization. Memberships in professional organizations can be held when related to the employee's position at the University and if the benefits of membership, such as periodicals, etc., are made available to other employees.

## **II.23. Uniform Policy Regarding Funds**

The purchasing and bidding policies described in this manual apply to all University funds regardless of source. All funds deposited with UAH are University funds and must be handled consistently according to University policies except where direct conflict occurs with specific provisions of the gift, grant, contract, or restricted account.

## **II.24. State Bond Issue**

State Bond Issue Requisitions use special funding from the State of Alabama. Accounting & Finance establishes a special organization code for specific State Bond-approved requirements. Use Document Text to identify these purchases.

Standard purchasing procedures apply according to Federal, State, and University policy. Special billing instructions are necessary, however, as payment is issued from the State of Alabama. Contracts & Grants Accounting forwards documentation to support payment requests.

No Purchase Order using State Bond Issue funding will be issued for amounts under \$100.00.

### **State Bond Issue Purchase Order Instructions**

10/01/11

#### **Overview**

State Bond Issue Purchase Orders use special funding from the State of Alabama. Accounting & Finance establishes a special organization code for specific State Bond-approved requirements. **State Bond Issue Purchase Orders will follow the same process as regular University Purchase Orders.** Users assume all responsibilities associated with the orders.

The department must submit an electronic requisition in the ERP for processing. For additional information and assistance, contact Accounting & Finance.

#### **Limitations**

The State Bond Issue Purchase Order must follow the standard procedure for making purchases.

#### **Exclusions**

State Bond Issue Purchase Orders must be issued in accordance with State and University governing authorities and cannot be used for items that are not allowed.

#### **Process**

State Bond Issue Purchase Orders must be issued in a pre-numbered sequence. Procurement Services will maintain a record of the numbers assigned to each department.

All information must be typed or printed legibly. If more space is needed, attach a list and type "As per attached list" on the State Bond Issue Purchase Order. The requester/requesting department is responsible for sending the Purchase Order to the vendor.

- Submit an electronic requisition in the ERP (indicating that State Bond Issue money is being used).
- All required electronic approvals are required for processing into the ERP.
- Procurement will review the requisition for compliance with all applicable laws, policies and procedures.

Procurement will dispatch the Purchase Order

Purchase Orders must have all pertinent information, including the following:

- Date of order
- Complete vendor name and address
- Proper Organization & Account Code



- Ship to “c/o”
- Contact for questions and phone number
- Item number (1, 2, 3, .....)
- Quantity ordered
- Complete item description (e.g., commodity, manufacturer, model and/or catalog numbers, name of item) - only items in accordance with University policy and Federal and State law will be approved
- Unit Cost
- Total Cost
- Signature approval by the Budget Unit Head or those persons to whom signature authorization has been delegated on file with Contracts & Grants Accounting

The **requester** is responsible for the following:

- Ensuring sufficient funds are available in the organization code to cover the purchase
- Properly distributing copies of the State Bond Issue Purchase Order (see Table 1)
- Consulting with contracted prices; refer to the Procurement Services website, <http://www.uah.edu/business-services/faculty-staff/open-bid-information>, for best possible prices on certain items (e.g., software, office supplies, diskettes) or contact Procurement Services
- Attaching a copy of the email approval to the C&G copy (yellow)

The **vendor** must reference the State Bond Issue Purchase Order number on invoices, on shipping documents, and in the shipping address. For example:

The University of Alabama in Huntsville  
c/o J. Smith / BIXXXX / Dept Name  
Central Receiving Building  
301 Sparkman Drive  
Huntsville, AL 35899

NOTE: There are to be four copies of the invoice certified by the vendor as being “**True, correct, and unpaid.**” The vendor’s signature is to be notarized. Attached to each copy of the invoice there must be a completed, signed, and dated “**State of Alabama Material Receipt**” confirming the receipt and conditions of all items covered by the invoice. All invoices are to be sent to Contracts & Grants Accounting.

## Distribution

State Bond Issue Purchase Orders have five copies to be distributed as in Table 1.

**Table 1, State Bond Distribution**

Copy	Recipient	Instructions
<b>White (1)</b>	<b>Vendor</b>	Completely fill out this copy with the date and items being ordered. Show complete descriptions, prices, and total for order. Obtain signature approval by the Budget Unit Head or those persons to whom signature authorization has been delegated. Without this signature the order will not be valid.
<b>Green (2)</b>	<b>State</b>	Forward this copy with the Yellow copy to Contracts & Grants Accounting
<b>Yellow (3)</b>	<b>Contracts &amp; Grants Accounting</b>	Forward this copy with the Green copy to Contracts & Grants Accounting upon issuance. A copy of the email approval from Procurement must be attached.
<b>Pink (4)</b>	<b>Procurement Services</b>	Forward this copy to Procurement Services
<b>Gold (5)</b>	<b>Department</b>	Retain for department files.

## Voids

**Before distribution:** Justify the reason in a memo and send to Procurement Services with all remaining copies except the department copy (retain for your files). Notify the vendor if the vendor copy or the Purchase Order number has been released to them.

**After distribution:** Justify the reason in a memo and send copies to Procurement Services and Contracts & Grants Accounting.

## Replenishment

Contact Procurement Services when a new batch of State Bond Issue Purchase Orders are needed. Contact Accounting and Financial Reporting's website or staff for guidance to ensure all applicable laws, policies and procedures are followed.

## Record Retention

Retain State Bond Issue departmental copy in accordance with the state's record retention policy, <http://www.uah.edu/finance/policies>.

**II.25. Procurement of Materials and Maintenance Services**

The following materials and maintenance items require approval by Facilities and Operations Administration before a Purchase Order can be issued. These items apply to all areas except Aerophysics and offices located at Redstone Arsenal.

- Any services normally provided by University departments
- Audio/visual installations
- Bulletin boards for corridors, hallways, and classrooms
- Cleaning equipment
- Cleaning services for upholstered furniture and carpet
- Federal and state flags and poles for outdoor use
- Fence installation
- Fire extinguisher equipment
- Keys and locks for buildings
- Landscaping services
- Pest control services and supplies
- Picnic tables
- Repairs and alterations that include:
  - Installation and/or repair of heating and air-conditioning equipment
  - Installation and/or repair of plumbing systems
  - Installation and/or repair of electrical systems and equipment
  - Building supplies and materials (e.g., paneling, sheet rock, lumber, hardware)
  - Interior or exterior paint
  - Installation, replacement, or repair of carpeting
  - Installation or repair of drapes and Venetian blinds
  - Purchase and/or installation of window glass

**II.26. Lease Versus Buy Policy**

The Office of Management and Budget Circular A-110, Section 44, requires analysis of lease and purchase alternatives, where appropriate, to determine the most economical and practical procurement for the Federal Government. The Principal Investigator decides, on a case-by-case basis, whether to lease or purchase. Lease arrangements may use either contract or grant funds. If funds are unavailable to purchase, multiple contracts may be used for lease arrangements. Govern yourself accordingly to all applicable laws, policies and procedures as referenced on the Business Services' website, Office of Sponsored Programs' website and Contracts and Grants' website.

**II.27. Conservation of Resources**

To the extent practical and economically feasible, products and services that conserve natural resources, protect the environment, and use energy efficiently should be preferred. Indicate such preference on Requisitions.

**II.28. Meals / Business Luncheons / Receptions**

Expenditures for employee meals are allowed to the extent that they are incurred while conducting University authorized business travel. Reimbursements for meals while in travel status are covered separately under the University's travel guidelines. Meal expenditures are

allowable for entertaining official guests and invited speakers, working meals, planning/administrative meetings, or recruiting employees. Expenditures for meals are not allowed if the meal has no business purpose. Expenditures for receptions are allowed to the extent they relate to an official University-sponsored event or program, or for educational purposes.

## **II.29. Moving Expenses**

Moving expenses are allowable up to the amount specified in the employee's offer letter. Moving expenses typically include the cost of moving the employee's household belongings and the costs incurred en route to the University for both the employee and his/her family. Expenses related to establishing a residence are not considered moving expenses. If these expenses exceed the approved amount on the employee's offer letter it must be approved by the departmental VP in an additional letter.

## **II.30. Professional Licenses / Certifications**

Expenditures for individuals to obtain or maintain professional licenses or certifications are allowed only in situations where such a designation is required for specifically assigned duties.

## **II.31. Subscriptions**

Expenditures for subscriptions to periodicals, journals, newspapers, etc. are allowed to the extent that they support the work-related activities/purpose of the department or individual user. Items must be delivered to the subscriber's campus address. These resources must also be made available to other employees of the department.

## **II.32. Cell Phones / iPads, and other Wireless Communication Devices**

The University allows reimbursement for the use of wireless communication devices to conduct University business. A wireless communication supplement is allowed and provided to eligible employees.

For additional information regarding this policy, contact the OIT Help Desk at -256-824-3333, or through OIT's website, <https://www.uah.edu/oit/services/telecommunications>.

## **II.33. Auction Purchases**

eBay/online and auction purchases are not permissible due to the fact that the University does not have a procurement method to address the types of problems involving eBay and other online auction purchases.

## **II.34. Apparel / Logo Shirts / T-Shirts**

The purchase of apparel, logo shirts, and T-shirts with state appropriated funds are permissible for authorized Student Organizations, UAH Administrative Offices, Colleges and Departments. However, some requests may be deemed as an inappropriate use of state funds.

T-Shirts displaying the University logo must be approved by the Office of Marketing & Communication.

**II.35. Vehicles**

Fleet Services, according to the Vehicle Safety Management Program, must approve Requisitions for the purchase or lease of vehicles. The University does not permit the purchase, lease, or rental of 15-passenger vans from external vendors. Repair of any University vehicle must be approved and managed by Fleet Services.

Used vehicles when requested and bid must be brought to Fleet Services for a safety inspection and title examination prior to purchase. Any deficiencies noted in the safety inspection must be corrected prior to purchase. All newly acquired vehicles are to be delivered to Fleet Services, which will place information and insurance packets in the glove compartment and safety equipment in the trunk.

For rental of vehicles using a Purchase Order, Procurement Services will provide proof of insurance, as needed, by attaching a certificate of insurance to the Purchase Order. A copy of the certificate, "Vehicle Insurance Identification Card", may also be obtained from the Business Services' website, <http://www.uah.edu/business-services>. For vehicles rented by an employee using a procurement card, the employee may obtain a certificate of insurance, if needed, prior to travel from Procurement Services or from the Business Services' website.

**II.36. Awards / Gifts / Prizes**

The Internal Revenue Service states that, under certain circumstances, the value of awards, gifts, and prizes to individuals is considered taxable income. Non-US citizens may be subject to additional tax rules depending on circumstances and treaty status. This manual addresses the payment or awarding items of value to students or non-employees. It must be noted that scholarships are not addressed in this manual since the Financial Aid Office processes these documents.

Refer to the Business Services' website for forms and guidance.  
<https://www.uah.edu/business-services>.

**Gifts of Memorabilia**

Items of memorabilia given to donors, visitors, alumni, students and potential students are allowed. Memorabilia includes but is not limited to signed team equipment, paperweights, mascots, etc. The memorabilia must be inscribed or imprinted with words and/or pictures identifying the University.

**Limited Circumstances**

In limited circumstances, appreciation gifts, Christmas cards, retirement cards, plaques and awards may be allowed if it is deemed that these expenditures are in the best interest of the University and promotes the purposes of the University. An employee shall receive written pre-approval from his/her Dean or Department Chair prior to making any expenditure contemplated by this section. Any reimbursement request for items contemplated in this section shall be disallowed if such expenditure was made prior to receiving approval. Requisition requests should be supported in accordance with the Documentation provision herein. Additional information may be found in the UAH Expenditure Guidelines on the Accounting & Financial Reporting website ([www.uah.edu/finance/policies](http://www.uah.edu/finance/policies)).

### **II.37. Record Retention**

Retain Requisitions in the office for three years after the end of the fiscal year in which the records were created; then they may be destroyed. Additional information may be found in the UAH Expenditure Guidelines on the Accounting & Financial Reporting website <http://www.uah.edu/finance/policies>.

## **III. PURCHASE ORDERS**

### **III.1. Overview**

A Purchase Order is the formal document that authorizes the acquisition of goods or services for UAH.

No individual has the authority to enter into purchase contracts or in any way financially obligate the University except the Associate Vice President for Finance & Business Services. **Purchases made without a Purchase Order are unauthorized.**

### **III.2. Purchase Order Procedure**

Purchase Orders will be issued after: (1) Requisitions are approved and processed and (2) bids are solicited and secured, if applicable.

Every Purchase Order must contain a Statement of Certification of Compliance with Act No. 2006-557. See Section III.8, "Certification of Compliance."

### **III.3. Tax Exemption**

UAH is an instrumentality of the state and is tax exempt, Certificate Number EXM-742, Federal ID Number 63-0520830.

The University must pay excise tax on specific vaccines under 26 U.S. Code 4131. The University is subject to rental/lease tax, excise tax, lodging tax, utility tax, and tooling tax.

The current Alabama State Sales and Use Tax Certificate of Exemption form can be found on the Business Services website under "Forms," "Procurement Services," click on "Sales Tax Exempt Form." If someone requests the current form from you, you may forward the link directly to them, <https://www.uah.edu/business-services/business-services-forms>.

### **III.4. Expediting Delivery Status and Changes**

Contact the Procurement Professional when you:

- Have questions about your Purchase Order.
- Receive duplicate shipments.
- Receive a shipment that you did not order.
- Make changes to the Purchase Order.

When checking on status, making changes, or making returns please provide the Procurement Professional with the following information at a minimum:

- Purchase Order number
- Vendor's name
- The item(s) in question
- Date item was received

- Method of receipt (i.e., Central Receiving or direct shipment)
- Reason for the return (for more information on returns, see below)

### III.5. Central Receiving and Shipping Procedure

Central Receiving and Shipping is the normal central location for the receiving and shipping of University-purchased items. When alternate delivery arrangements are necessary, departments should designate the alternate delivery site on the Requisition. Departments should notify the Procurement Professional that handled the purchase of your order of any change in delivery site after the Purchase Order is issued. See the Central Receiving and Shipping section for additional information.

**Large Items:** The UAH forklift capacity is 6000 pounds. If ordering equipment larger than 6000 pounds, contact a Central Receiving before the Purchase Order is issued to make arrangements for unloading.

### III.6. Invoices

Invoices received from vendors must be forwarded to Accounts Payable. Accounts Payable will issue payment **only** after receiving an original invoice that references a UAH Purchase Order, and merchandise has been received or services provided.

### III.7. Certification of Compliance

The following statement has been added to every Purchase Order:

Certification Pursuant to Act No. 2006-557

Alabama Law (Section 41-4-116, Code of Alabama 1975) provides that every bid submitted and contract executed shall contain a certification that the vendor, contractor, and all of its affiliates that make sales for delivery into Alabama or leases for use in Alabama are registered, collecting, and remitting Alabama state and local sales, use, and/or lease tax on all taxable sales and leases into Alabama. By accepting this Purchase Order, the vendor is hereby certifying that they are in full compliance with Act No. 2006-557, they are not barred from bidding or entering into a contract pursuant to 41-4-116, and acknowledges that the awarding authority may declare the contract void if the certification is false.

### III.8. Record Retention

Business Services shall comply with the most up to date Alabama Statute, or other applicable laws and regulations regarding record retention. Additional information may be found in the UAH Expenditure Guidelines on the Accounting & Financial Reporting website <http://www.uah.edu/finance/policies>.

## IV. CHANGE ORDERS

### IV.1. Overview

A Change Order alters an existing Purchase Order (e.g., cost, items, quantities). A Change Order can be originated by: (1) the requesting department, and/or (2) the requesting department per Procurement Professional's suggestion.

The Procurement Professional may request a Change Order to clear old, outstanding accounts that have not been billed or supplied or to alter information on previously issued Purchase Orders.

When calling a vendor to make changes to a Purchase Order, all orders must have an authorized Change Order in place to support the change.

#### **IV.2. Change Order Procedure**

Submit an email to [purch@uah.edu](mailto:purch@uah.edu) for all changes.

Emailed change orders must include detailed information about what is to be changed on the existing Purchase Order.

##### **1. Identify the Need for Change**

- Confirm the original purchase order (PO) details.
- Determine the reason for the change (e.g., quantity adjustment, pricing correction, cancellation of a line item, change in delivery location, etc.).

##### **2. Prepare Change Order Documentation**

- Submit an email to [purch@uah.edu](mailto:purch@uah.edu)
- Complete all required fields, including:
  - Original PO number
  - Vendor name
  - Description of requested change(s)
  - Justification for the change
  - Updated funding source(s), if applicable
- Attach supporting documentation (e.g., vendor confirmation, revised quote, department approval, etc.).

##### **3. Departmental Review and Approval**

- Obtain all required internal approvals (e.g., supervisor, department head, budget authority) prior to submission.
- Ensure the approval is submitted to Procurement Services

##### **4. Submit to Procurement**

- Email the supporting documents to [purch@uah.edu](mailto:purch@uah.edu)
- Use the subject line: **Purchase Change Order – PO #[XXXXXX] – [Vendor Name]**

##### **5. Procurement Review and Processing**

- Procurement will review the request for completeness, compliance with purchasing policies, and contract terms.
- Approved changes will be updated in the procurement system and confirmed via email to the requesting department.

##### **6. Follow-Up**

- Retain a copy of the submitted information and confirmation email for departmental records.
- Monitor the status of the updated PO in the procurement system or contact Procurement Services with any questions.



**Additional Notes**

- Changes to increase total spend may require additional funding approval.
- Do not initiate work or notify vendors of changes until confirmation is received from Procurement Services.
- Emergency changes should be flagged clearly in the email subject line.

**V. REIMBURSEMENTS****V.1. Overview**

Individuals may receive reimbursement for using their personal funds to purchase supplies (no equipment) for UAH. While the purchase of some supplies is permissible with personal funds, it is preferred that all purchases are made through the use of Purchase Orders, or the Procurement Card. Original receipts are required for all reimbursements.

If your reimbursement comes from research funds, meaning contracts & grant or cost share funds, you must submit an electronic requisition to receive your reimbursement. If your reimbursement is coming from state funds, you may submit an electronic requisition or a Miscellaneous Voucher. In addition, your paperwork must include a justification as to why one of the normal purchasing processes could not be followed.

The *Miscellaneous Disbursement Voucher* is submitted when using non-research funds. This voucher, along with original receipts, is to be submitted to Accounting & Finance. The *Miscellaneous Voucher Disbursement* is available at <https://www.uah.edu/finance>.

For information on tax exemption, please see Section III.3., "Tax Exemption."

**V.2. Reimbursement Procedure**

Miscellaneous Voucher reimbursements should be used only when the normal purchasing process cannot be followed. Routine purchases of goods and services should be handled through Procurement Services, through the use of Purchase Orders or the Procurement Card (P-Card). **UAH does not permit the purchase with personal funds and reimbursement for equipment, computers, iPads, computer peripherals, and items requiring prior University approval.**

All reimbursement requests require complete documentation, including a justification as to who, what, when, where, how and why one of the normal purchasing processes could not be followed. Receipts must indicate that payment was made and clearly show the form of the payment. Original receipts must accompany any request for reimbursement.

**VI. CONTRACTS FOR PROFESSIONAL SERVICES****VI.1. Overview**

A contract is necessary whenever UAH departments require services that cannot be provided by an employee.

To avoid violating tax laws, UAH must carefully consider those cases where UAH provides the work site, supervision, and materials and allows the Contractor to participate in employee meetings and other activities. Such cases may be interpreted as employee/employer relationships rather than contractual relationships.

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*NOTE: The labels “Employee” and “Contractor” are not conclusive; departments should contact the Office of Counsel for classification of individuals.*

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## **VI.2. Procedure and Approval**

Departments must submit to Business Services all contracts for Professional Services **at least two weeks prior to the first day of the contracted assignment**. The procedure for completing a contract or contract amendment takes approximately **five to seven working days**. This timeframe is contingent upon the receipt of all required documents.

### ***BUSINESS SERVICES***

Business Services completes review and submission of the contract for approval according to this procedure:

- Review contract documents for consistency of names and references, including proposals, payment method, and required documentation.
- Contact the Office of Risk Management and Compliance and Office of Information Technology as necessary for review.
- Forward to Office of Counsel for complete review and approval.
- Following Office of Counsel approval, send for internal review of the documents to ensure that the requester agrees to the contract’s final version prior to signatures.
- After internal reviews are complete, contract is sent to the contractor for signature.
- Obtain signature of department’s vice president or designated UAH signatory authority.
  
- Return to the department a completed copy of contract, including number assignment and signatures, and retain the original contract on file in Business Services.

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*NOTE: All contracts issued to foreign nationals must be approved by Research Security and Immigration Administration before being submitted to Business Services.*

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## **VI.3. Amendments to Contracts**

If a contract must be changed in any way, an amendment is required. Follow the same process and approval procedures for Amendments as for the original contract. **Attach a copy of the original Contract to the Amendment when submitting it to Business Services.** The amendment template form can be found at <https://www.uah.edu/business-services/business-services-forms>.

#### **VI.4. Payments Against Contracts**

The department must submit an electronic requisition for each contract. The Requisition is to cover the entire amount of the contract, unless all funds for the contract are not available. An electronic requisition must contain the contract number and have the contract attached. The requisition will then be converted into a Purchase Order.

#### ***ISSUE CHECK PURCHASE ORDERS***

An Issue Check Purchase Order may be issued to make a payment on a contract within the current fiscal year.

- Submit **one copy of the contract referencing the requisition for an Issue Check Purchase Order** along with any necessary invoice(s) or other backup.

#### ***BLANKET PURCHASE ORDERS***

A Blanket, or Standing, Purchase Order may be issued to encumber funds for payment obligations against contracts within the current fiscal year.

- Submit **one copy of the contract with supporting documents, referencing the Requisition for a Blanket Purchase Order.**
- Departments then authorize payments by issuing a Memorandum Receiving Report and forwarding it to Accounts Payable. The MRR should show the payment number. Please see Section II.15, "Blanket (Standing) Purchase Orders," for more information.

#### **VI.5. Record Retention**

Business Services shall comply with the most up to date Alabama Statute, or other applicable laws and regulations in regards to record retention.

### **VII. BIDS**

#### **VII.1. Overview**

Per Article 5 of Section 41-4 of the Code of Alabama, any purchase request or contract for like or similar products and/or services that exceed the University's small dollar purchase threshold of \$75,000 must be competitively bid (with limited exceptions). A purchase request or contract cannot be split up to avoid the \$75,000 bid threshold.

#### ***EXEMPTIONS***

Article 2, Section 41-4-126 of Public Contracts of the Alabama Competitive Bid Law states that competitive bids shall not be required for utility services where no competition exists or where rates are fixed by law or ordinance. Furthermore, competitive bids are not required for the following:

- The purchase of insurance by the State
- Securing the services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, and other

individuals possessing a high degree of professional skills where the personality of the individual plays a decisive part

- Contractual services, purchases of personal property, purchases of commodities that have only one vendor or supplier, and other purchases which by their very nature are impossible to award by competitive bidding

## VII.2. Federal and Sponsored Research Awards

Bids will be solicited when considered to be in the best interest of the University. Procurement Services has the authority to use the guidelines as referenced in the table below to secure quotes. The University complies with the Alabama Competitive Bid Law for its Federal and Sponsored Research awards.

For information regarding Federal and Sponsored Research awards, visit the Office of Sponsored Programs, Contracts and Grants and Business Services' websites for guidance and training materials; and be advised that the University's micropurchase threshold is \$10,000.

### Pricing Guidelines

Price Range	Current Requirement
\$0-\$9,999.99	<b>One quote required</b>  (Obtained by the Requesting Department/Requestor)
\$10,000-\$74,999.99	<b>Three quotes required</b>  (Obtained by the Requesting Department/Requestor)

The Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in the Federal Register. This "Uniform Guidance" will replace the administrative, accounting, audit rules and principles currently promulgated in the OMB Circulars, including A-21, A-110, and A-133. Per the OMB webpage this guidance "will supersede requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up."

For OSP information on the new Uniform Guidance, go to the following website:  
<http://www.uah.edu/osp/researcher-s-resources/new-omb-uniform-guidance>.

For additional information and requirements regarding informal Federal awards, go to the following website: <https://www.uah.edu/business-services/training>.

**VII.3. Procedure for the Competitive Bidding Process**

Requisitions of like items during a fiscal year will result in bid solicitation when the total cost exceeds the bid amount designated by the Alabama Competitive Bid Law.

***SOLICITATIONS***

Solicitations are released to the public in compliance with all applicable laws, policies and procedures as referenced on the Business Services' website. Solicitations are advertised for no less than a two-week period to allow vendors sufficient opportunity to respond. Bids are accepted online by Procurement Services through a third-party electronic bidding system, such as BidNet, before the due date and time designated on the solicitation.

General Terms and Conditions are included with each solicitation. Refer to <https://www.uah.edu/business-services> for a copy of the terms and conditions.

Every bid submitted must contain a statement of Certification of Compliance with Act No. 2006-557. See Section VII.11, "Certification of Compliance."

***BIDS/RESPONSES***

Responses are tabulated by Procurement Services and then evaluated by the requesting department as required. After evaluation and documentation, the award is issued to the lowest responsive and responsible bidder meeting specifications. The requisition is then processed into a Purchase Order to the successful bidder.

**VII.4. Requirements**

Indicate on the requisition any special requirements or additional information pertinent to the processing of the requisition. Examples include installation, alternate delivery site (other than Central Receiving), essential features, and maintenance requirements.

**VII.5. Standing Bids**

Procurement Services maintains standing, or long-term, bids with a variety of vendors for many goods and services. Any UAH department may use these standing bids regardless of originator.

**VII.6. State Contracts and Bids**

Procurement Services has access to copies of State Contracts released by the State of Alabama, Department of Finance, Division of Purchasing. These Contracts may be used by the University Community for various commodities. These Contracts are also available on the web at: [https://www.alabamabuys.gov/page.aspx/en/ctr/contract\\_browse\\_public](https://www.alabamabuys.gov/page.aspx/en/ctr/contract_browse_public).

**VII.7. University Contracts and Pricing Agreements**

Procurement Services maintains and monitors University-established contracts and pricing agreements that may be used to purchase various commodities and services. In addition, the University can use contracts competitively bid by some purchasing groups, and those are made available as well.

### **VII.8. Consortium Solicitations and Bids**

Procurement Services maintains solicitations and bids in cooperation with the University of Alabama System. The System is composed of the University of Alabama in Huntsville, The University of Alabama at Birmingham, and The University of Alabama. These contracts may be used by the University for various commodities.

### **VII.9. Certification of Compliance**

The following statement is included with every Request for Bid:

Certification Pursuant to Act No. 2006-557 Alabama Law (Section 41-4-116, Code of Alabama 1975) provides that every bid submitted and contract executed shall contain a certification that the vendor, contractor, and all of its affiliates that make sales for delivery into Alabama or leases for use in Alabama are registered, collecting, and remitting Alabama state and local sales, use, and/or lease tax on all taxable sales and leases into Alabama. By accepting this bid, the bidder is hereby certifying that they are in full compliance with Act No. 2006-557, they are not barred from bidding or entering into a contract pursuant to 41-4-116, and acknowledges that the awarding authority may declare the contract void if the certification is false.

### **VII.10. Record Retention**

Business Services shall comply with the most up to date Alabama Statute, or other applicable laws and regulations in regard to record retention.

## **VIII. SURPLUS PROPERTY**

All state-owned property designated unusable or obsolete must be declared surplus. Any state-owned property can be transferred to another department or state agency. Otherwise, UAH recycles or auctions surplus items according to Alabama State Law or obtains sealed bids for surplus property sales on special and unique items. (UAH reserves the right to reject bids less than estimated market value.) Other situations are reviewed by the Asset Management team on a case-by-case basis, according to Alabama State Law, to determine acceptable procedures. For additional information, visit Accounting and Finance Reporting's website.

## **IX. OTHER PROCEDURES AND GENERAL GUIDELINES**

### **IX.1. Conflict of Interest / Prohibited Activities**

University employees must comply with: (1) the Code of Ethics for Public Officials, Employees, etc. (Chapter 25, *Code of Alabama*); (2) applicable provisions of the University Faculty and Staff Handbooks, as appropriate; (3) other University policies as may be adopted in the future.

**University employees may not:**

- Use their offices for direct personal gain for themselves, their families, or businesses with which they or family members are associated, unless specifically authorized by law.

- Solicit or receive anything of value including gifts, favors, services, or promises of future employment based on the understanding that an official action would be influenced thereby.
- Disclose or use confidential information gained in the course of or by reason of their official positions in any way that could result in financial gain for them, their families, or any other person(s).

## **IX.2. Code of Ethics**

The following Code of Ethics has been adopted by the University from the National Association of Educational Procurement (NAEP):

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as State or Federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent from the originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial, and professional associations, and with governmental and private agencies for the purpose of promoting and developing sound business methods.
11. Foster fair, ethical, and legal trade practices.
12. Counsel and cooperate with NAEP members; promote a spirit of unity and a keen interest in professional growth among them.

## **IX.3. Vendor Disclosure Statement**

Vendor Disclosure Statements are required per the University of Alabama System Board Rule 406 (IV) and the requirements of Ala Code. §41-16-82. Completion of the "Vendor Disclosure Statement" is required for the following to ensure there is no potential conflicts of interest:

- Bid packages for contracts in the amount of \$75,000.00 or more with the successful bidder
- Construction contracts
- Sole source purchases in the amount of \$75,000.00 or more
- Public Works in the amount of \$75,000.00 or more

- Professional Services Contracts greater than \$75,000.00
- Grant purchases in amounts of \$25,000.00 or more

Exceptions include:

- Research participant agreements, including payments to patients or participants in prescription drug, device, or other research studies conducted by the University. Privacy considerations, including HIPAA, logistics considerations, and the low value of these payments, would exclude them.
- Refunds issued in the ordinary course of business, such as patient refunds or student refunds on scholarship payments or financial aid. These may be coded as vendor transactions, but are not a concern of this project.
- Purchases from vendors on a previously approved state bid or group purchasing organization list.
- Agreements with government agencies, such as state or federal agencies.
- Subcontracts associated with grants.
- Arrangements with other healthcare providers in the ordinary course of providing the standard of care for an individual patient, such as organ procurement, blood procurement, or transfers of patients.
- Contracts with publicly traded companies
- Contracts for gas, water, and electric services where no competition exists, or where rates are fixed by law or ordinance.

#### **IX.4. Debarred / Suspended Vendors**

UAH does not conduct business with vendors or individuals who have been debarred, suspended, or declared ineligible as defined in the Federal Acquisition Regulation (FAR 48 C.F.R Ch 1 Subpart 9.4). If a vendor becomes debarred, suspended, or declared ineligible, they must self-report to UAH immediately, and all contracts will be cancelled.

#### **IX.5. Federal Acquisitions Regulations**

Federal Acquisitions Regulations (FARs) apply to contracts and grants. Specific clauses pertaining to FARs must flow into bid documents and Purchase Orders that are over \$75,000.00. Office of Sponsored Programs will attach appropriate clauses to requisitions and solicitation/bid documents. Procurement Services will publish the appropriate clauses with Purchase Orders and solicitation/bid documents.

#### **IX.6. Priorities and Allocations**

The Defense Priorities and Allocations System (DPAS) was established to: (1) keep specific defense and energy production programs on schedule and (2) provide an administrative means of mobilizing the nation's economic resources during war or national emergency. The DPAS applies to certain metals and alloys and to programs of the following agencies / departments:

- Central Intelligence Agency
- Department of Commerce
- Department of Defense



- Department of Energy
- Department of the Interior
- Federal Aviation Administration
- National Aeronautics and Space Administration

During war or national emergencies the DPAS coverage can be expanded as necessary.

## **RATINGS**

The Office of Sponsored Programs serves as the authoritative office for information regarding a contract's rating. DX-rated contracts have a higher priority than DO-rated contracts because DX-rated contracts are for special defense programs designated by the President to have the highest national priority. All DX- and DO-rated contracts have priority over unrated contracts.

## **SUBCONTRACTS**

When a contractor receives a contract governed by the DPAS, he or she becomes a self-authorizing consumer. A self-authorizing consumer is required by law to cite the contract's rating on any subcontracts issued to fulfill the contract. The subcontractor in turn becomes a self-authorizing consumer. The contractor/subcontractor can use the rating to replace inventory used to fulfill the contract/subcontract.

All government contracts governed by the DPAS must contain the following legend: "This contract is a rated order under the Defense Priorities and Allocations System (15 CFR 700)." When issuing a subcontract, a self-authorizing consumer must clearly state both of the following on the face of the subcontract:

- The supply or service being purchased is certified for use under the DPAS.
- The subcontractor is required to follow all applicable regulations in obtaining products and materials to fulfill the contract.

Refer to Section L of an Invitation For Bid or Request For Proposal and on various government procurement forms for the appropriate rating.

## **PRINCIPAL INVESTIGATORS**

Principal Investigators with contracts containing a DPAS rating must indicate the required delivery date of the product or service ordered on Requisitions. Office of Sponsored Programs advises Procurement Services when Requisitions meet these criteria and provides the priority rating. Procurement Services includes on Purchase Orders:

- "This is a rated order certified for national defense use, and you are required to follow all the provisions of the Defense Priorities and Allocations System regulation (15 CFR 700)."
- Priority rating
- Required delivery date: "Immediately" or "as soon as possible" do not constitute a delivery date.