



Purchasing Made Easy

Procurement and Contract Manual

Austin Peay State University
Procurement and Contract Services

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Section 1 - Authority and Responsibilities

A. Introduction

Policies and procedures have been developed to allow for purchases to be made in a timely and organized manner that provides for essential accountability of institutional expenditures. All goods and services must be purchased in accordance with all federal and state requirements and APSU Policies.

This Procurement Manual has been designed to provide information about the University's purchasing requirements and Procurement Department. The various sections address the responsibilities of the Requisitioner, the Approver, Procurement staff, and the Recipient of purchased products and services. The procedures also cover the use of Govs e-Shop, Purchasing Card (**\$4,999 limit**) Travel Card and payment authorizations (**\$9,999.99 limit**). Govs e-Shop is an e-procurement system that integrates with Banner to provide an on-line shopping experience with selected suppliers. The Procurement Department is charged with the responsibility and authority to commit the University to purchases as delegated by the Vice President for Finance and Administration, the President of the University, Austin Peay Board of Regents and the State of Tennessee.

The purchasing policies and guidelines set forth herein and the purchasing procedures cited herein are applicable in all cases, including funds expended which arise from State or Federal appropriations, student fees, grants, sales of services of educational departments, gifts and other sources.

This manual and its contents are not intended to conflict with any existing law. It represents the minimal purchase requirements. If any part of the manual conflicts with the law, then the law shall take precedence over the manual.

From time to time procedures will be added/deleted, and otherwise updated.

Purchases made with University funds must adhere to sound, ethical business practices.

Please be sure to acquaint yourself with the policies and procedures outlined in this manual. It is our goal to provide assistance and service. When the requirement for goods and services arises, you are encouraged to contact the Procurement Department at 7032. The Procurement Department is committed to providing resources required to support the needs of the entire APSU faculty and staff.

B. Procurement Department Responsibilities:

The primary purpose is to work with faculty and staff in identifying, selecting, and procuring needed materials, supplies, equipment and services. This is to be done as economically as possible and within accepted standards of quality and service

using professional ethics and best business practices, and while obtaining the best value for the total cost while minimizing risk to the University.

1. The Procurement staff is prepared to assist members of the University community in the following ways:
 - a. Provide cooperative interaction between the Procurement staff, suppliers and members of the faculty and staff.
 - b. Assist in the acquisition of goods and/or services via creation of purchase orders and preparation of competitive bid specifications.
 - c. Competitive bid process for the purchase of goods and/or services totaling \$10,000 or more.
 - d. Encourage fair and open competition among suppliers through competitive bidding.
 - e. Develop and maintain adequate procedures, controls, records and files.
 - f. Ensure that the highest purchasing standards and ethics are maintained and up-to-date best business practices are applied.

C. Levels of Authority

Only purchases authorized pursuant to the terms of Policy 4:015, and the Procurement and Contract Services Manual will be recognized for payment from the University's funds. Employees, who make unauthorized purchases, may be held liable by the vendor for payment for goods purchased outside this policy and procedures.

Emergency purchases approved by President or designee and subsequently certified according to this policy shall become a liability of the University. **No employee may obligate the University for materials, equipment, supplies or services except through this policy manual and the policy and procedures and guidelines cited herein.**

The authority to purchase materials, supplies, equipment and services pursuant to the Procurement and Contract Services Manual shall not include the purchase or lease of real property or data processing equipment, the purchase of insurance, or the purchase of ANY goods utilizing a capital lease/purchase agreement unless approved by the President.

D. Government Certificate of Exemption

Austin Peay State University is exempt from state, county and federal excise taxes. A copy of the tax exempt form is available upon request from the Procurement Department. The certificate of exemption is not to be used for personal purchases, suppliers or student organizations. The University certificate of exemption may only

be used for purchases from University funds. The form cannot be used for foundation or agency funds.

E. Department's Responsibilities:

The procurement process is a combined effort of the ordering department and the Procurement Department. When both co-operate and work as a team, the results are an efficient and properly performed procurement. The responsibilities of the ordering departments are as follows:

1. The approving authority from the department must assure that funds have been appropriated and available for the purchase of materials, supplies, equipment or services prior to the purchase.
2. The department is responsible for ensuring that all items to be purchased are necessary and reasonable.
3. The purchase must not be personal in nature.
4. Should anticipate their needs in advance to allow the Procurement Department adequate time securing quotations/proposals. To allow ample lead-time for the Buyer to process the requisition, issue the purchase order/contract, and allow the supplier time to deliver the needed items or services.
 - a. Fifteen (15) days is the minimum necessary lead-time for RFQ sealed bid requirements.
 - b. Ten (10) days is the minimum necessary lead-time for faxed bids.
 - c. Thirty days (30) days is the minimum necessary lead-time for RFP sealed bid requirements. This timeframe does not include a time allotment for department preparation of specifications or contract negotiation and execution of the contract.
5. To prepare complete and accurate Justification for Non-Competitive Purchases and Contracts in accordance with instructions in the Non-Competitive section.
6. To prepare a complete and accurate description of the items to be purchased as indicated in the requisition instructions section of this manual.
7. To plan purchases well ahead to eliminate avoidable urgent or emergency situations.
8. To acquire the appropriate approvals prior to committing the University to a purchase commitment since the employee shall be personally liable for the amount of an unauthorized purchase order.

9. To initiate specification preparation on items to be bid, and avoid writing restrictive specifications preventing Procurement from promoting fair and open competition.
10. To include Procurement in all discussions and/or negotiations for bid and proposals.
11. To ensure that each sale receipt/ticket/invoice is clear, legible, and includes the date of the purchase, the purchase release number (if applicable); delivery date; a complete item description, quantity, unit of measure, unit price, and extended amount for each line item purchased; the total amount of the purchase; terms of payment; the name of the vendor's employee who made the sale; the name of the department/office for which the purchase is made; and, the name of University employee receiving the goods/services on behalf of the University.
12. To review quantities and quality of product/services delivered to ensure the bid amount is actually the amount charged on the invoice.
11. To promptly receive items requisitioned against purchase orders.
12. To advise Procurement, in writing, of defective merchandise or vendor dissatisfaction.
13. To promptly address contractor invoices as deemed appropriate and within five (5) working days to submit to Accounting for payment.
14. Federal Grants, State Pass Through or other Grant requirements that impose requirements shall accompany the requisitions and specifications. Mandatory pre-bid conferences are not required under normal circumstances unless a federal or state agency has it in their specific guidelines. The guidelines stating these requirements shall be sent with the requisition.

Section 2 – Procedures

University policy concerning financial commitments provides that no employee of the University has the authority to make any purchase commitment, enter into any contract for materials or supplies, or otherwise take action with third parties which may be constructed as financially binding to the University except through the usual channels under the authority of the Procurement Department. Procurement will receive all bids and enter into all negotiation with suppliers. The only exception is the library's purchase of materials for additions to a library collection to include books, catalogs, periodicals, binding, audiovisual media and other publications.

A. Govs e-Shop

The Procurement Department utilizes an automated e-procurement system (Govs e-Shop) that fully integrates order creation and issuance, approvals, invoices, payment authorizations, receiving, reporting and check imaging posting, and tracking. (Note: for additional step-by-step instructions, see [Govs e-Shop Training Manual](#).)

Govs e-Shop purchase orders automatically feed over to Banner and encumber the funds.

Only full-time or part-time permanent employees are authorized to access the Govs e-Shop e-procurement system.

B. Purchases Needing Additional Approvals

1. Purchases for computers, network related items, or software requires the approval of the Office of Information Technology.
2. Purchases for any type of printing (including advertising, select publications, official logos, spirit items and apparel) require the approval of the Public Relations and Marketing department.
3. Purchases for advertising for faculty positions require approval of Academic Affairs and Human Resources.
4. Purchases that involve the alteration of an office, a building, grounds, or the installing or removing of fixtures, require the approval of the University Design and Construction department.
5. Purchases using grant funds require the approval of Grants & Sponsored Research.
6. Any expenditure of \$50,000 and above must be approved by the appropriate Vice President.

C. Payment Authorizations

If the total estimated amount of any purchase is less than \$10,000, the purchase may be negotiated by the department. The department acquires any required prior approvals, places the order directly with the vendor, and obtains the necessary signatures for audit purposes.

Prior approvals may be obtained via email to the appropriate approving authority or his/her designee.

After receipt of goods, a payment authorized form is processed through Govs e-Shop for payment. Invoice is attached to the payment authorization form.

D. Purchasing Cards (P-Cards) and Travel Cards (T-Cards) (See Section 11 for Usage Guidelines)

The Card program has been developed to streamline the purchasing process including requisitioning, receiving, and payment processing for low value purchases less than \$5,000. The program utilizes US Bank Card as the payment processing medium.

When placing an order with a vendor, cardholders use their -Card in lieu of a purchase order or payment authorization.

To obtain a card, the employee must complete the P-Card Request Form or the T-Card Form and then forward to the Procurement Department.

After the Procurement Department receives the Card, all new cardholders are required to attend a mandatory training session before receiving their Card.

E. Requisitions

Requisitions for purchases are to be prepared in Govs e-Shop online procurement system.

1. Requisitioner creates a shopping cart in the Govs e-Shop system
2. Requisitions are automatically numbered by the system
3. Electronic approvals are designated and processed in accordance with the established approvals for the FOAP.
4. Approver cannot create or submit requisitions.
5. All requisitions which will result in a PO must have a commodity code associated with each line item.

F. Purchase Orders (POs)

1. Purchase orders are not intended to be used strictly as a payment tool; therefore, the purchase order must be created prior to the commitment or obligation. Purchase orders submitted after the commitment has been made and/or after the goods and services are received will constitute non-compliance and a violation of purchasing rules.
 - A PO is required for any for purchase totaling \$10,000 or more
2. Purchase orders are distributed to vendors via their preferred method – including cXML, supplier portal, email or fax.
3. Cancellation of Purchase Orders - A purchase order is a binding contract between the University and the supplier. Caution must be taken when canceling an order. Any request to modify or cancel an order or contract should be submitted to the Procurement Department through Govs e-Shop.

The Procurement Department will act in cooperation with the department in the best interest of the University and advise all parties accordingly. Generally, a supplier will agree to a request for cancellation if the items have not been shipped. The department may be held responsible for any material shipped by a supplier or costs of fabricated items incurred prior to cancellation. The department may also be charged a restocking fee.

4. Change to Purchase Orders - a change order is used to correct errors, to add or delete quantities of goods, or to make other minor adjustments in the original order. A change order can be initiated by the Procurement Department upon request by submittal of a change order form through Govs e-Shop. The Procurement Department will issue notification to the supplier if required.

G. Delivery and Receipt of Goods

1. Delivery must be made by the date or period specified in the PO or the contractor may be considered in default. Unless otherwise specified contractually the University accepts title only when goods are received and accepted regardless of the FOB point.

Unless granted an exception by the Procurement Department all goods must be delivered to:

Central Receiving
681 Summer Street
Clarksville, TN 37040

2. Central Receiving will deliver goods to the requisitioner's department. After the requisitioner receives the goods, the ordering department should check shipments against the ordering document to assure quantities, units, etc., match. Then the requisitioner must enter a receipt in Gov's e-Shop if the items were order by PO.

H. Splitting of Orders

1. Similar items should not be split into multiple orders to avoid the bid process.
2. Orders should not be split to avoid the single purchase limit of 9,999.99. Departments should not allow vendors to process two separate transactions to keep the dollar amounts less than the single purchase limit or the bid limit.
3. Departments should not combine different FOAPs to exceed the bid limit and/or single purpose limit of 9,999.99.

If Departments have any questions, please contact the Procurement Department to assist with the determination if a bid is required.

Section 3 – Competitive Bidding and Specifications

A. Bid Thresholds

The Procurement and Contract Services department preforms all bids to assist departments with the process

1. Payment Authorization - If the total of the amount is less than \$10,000 then the purchase may be negotiated and procured through Govs e-Shop.
2. Informal Solicitations - If the total aggregate amount is between 10,000 and \$49,999 (expense or revenue) including any renewal terms of multi-year awards, bids must be solicited from at least three (3) responsive/responsible bidders/proposers.
3. Formal Solicitations - If the total aggregate amount is \$50,000 or above (expense or revenue) including any renewal terms of multi-year awards, bids must be solicited from at least fifteen (15) responsive/responsible bidders/proposers or the number of vendors on the vendor list.

B. Specifications

1. Whenever possible, all specification for materials, supplies, equipment and services shall be worded or designed so as to permit open and competitive bidding for the supplying of the article, commodities or services to which they apply.
2. For all RFPs and RFQs exceeding \$100,000, written certification from the author or committee that the specifications, to the best of their knowledge, are not proprietary shall be documented in the bid file. The Bid Specifications Written Certification Form should be used for this purpose. The form should be completed and attached to the requisition (in Govs e-Shop) requesting the bid.
3. No person or firm who prepares specifications for or on behalf of the University shall submit a bid or proposal for any portion of that procurement or disclose information concerning the procurement which is not available to the public.

Section 4 – Requests for Quotation and Request for Proposals

A. General Information

- 1 All bids for materials, supplies, services and equipment (\$10,000 and above) are handled by the Procurement Department. Based on the criteria involved, either a Request for Quotation (RFQ) or a Request for Proposal (RFP) will be issued. Established and approved minimum general bid conditions apply to all University bids (Exhibit A).
2. The approving authority from the ordering department:
 - Must assure that funds are available for the purchase of materials, supplies, equipment or services prior to issuing a Purchase Order or award of a contract.
 - Responsible for determining that all items are necessary.

B. Request for Quotations (RFQ)

1. The RFQ is the means of conveying to perspective suppliers a list and description of materials, supplies, services and equipment specifications that the department wants to purchase, and invites price quotations (bids) from suppliers. The RFQ also requires the supplier to confirm that they are not currently debarred, suspended, or proposed for debarment by any federal entity and to advise the University of any change in their status.
2. The RFQ should contain at the minimum:
 - a. Correct description, specifications, quantities, etc. required by the University.
 - b. Terms and Conditions - standard and/or any additional special terms.
 - c. The time and place that bids will be received and opened.
 - d. The amount, if any, of any bonds to accompany the bid.
3. Supplies, materials, services and equipment should be awarded to the lowest responsive and responsible bidder pursuant to a RFQ.

C. Request for Proposals (RFP)

The RFP is a method of negotiated source selection when the requisitioning department anticipates the following conditions:

1. The organization can provide functional or performance specs that can describe the desired end result of the equipment or services desired; however, detailed, clear and concise specifications are not available, making it impractical for bid.
2. Contract award will be based upon the best overall quality proposal.
3. Evaluation criteria (factors), with the relative significance of each factor, will be established and included in the RFP specifications.
4. Proposals are reviewed by an evaluation committee.
5. Proposal negotiations may or may not be conducted before an award.
6. The proposals will not be opened publically; therefore, proposals will not be available for review by proposers until after the proposals have been evaluated.
7. There will be a proposal due date and Procurement will open without public participation (due at close of work day as stated).
8. All communications with vendors during the RFP process will be handled by the Procurement Department.
9. This is an appropriate method to solicit construction services including general contractor, design-builder, and construction management at-risk.
10. Frequently RFPs will include the phrase "best-lowest," which allows the owner to consider more than just the lowest price.

D. Request for Qualifications (RFQF)

An RFQF (Request for Qualifications) is a qualifications-based selection process. It is NOT a bid. It is a request for firms to submit their qualifications to be considered for a project. It is applicable for professional services (similar to designer services).

The intent of an RFQF is for the University to select who is considered the most qualified for University's project.

This is an appropriate method of soliciting for various professional services including architectural, engineering, and construction management agency.

E. Construction Services

The University is in the process of updating the bid and contract templates to incorporate all necessary language to ensure compliance with all state requirements.

F. Pre-bid or Pre-proposal Conferences

Pre-bid or pre-proposal conferences provide an opportunity for the University to emphasize and clarify critical aspects of bids, eliminate ambiguities or misunderstandings, and permit vendor input. Attendance at conferences and/or site visits may be optional or mandatory. When mandatory attendance is stipulated, only bids or proposals from those vendors represented will be accepted. Conferences should be scheduled to allow time for proper notification and vendor schedules. After the conference, the University will issue an amendment and/or addendum to the bid if a modification is necessary.

G. Evaluation of Bids

1. For RFQs, after certain bids are publicly opened, an evaluation of the bids will be made by the Procurement Department. The University reserves the right to determine which bids are publicly opened. Copies of the bids and evaluation sheet will be sent to the department. Departments will review the bids and recommend award prior to a PO being issued. POs are to be issued to the lowest responsive and responsible bidder meeting specifications.
2. For RFPs, an evaluation team appropriate to the size and scope of the goods/services being purchased (no less than three (3) evaluators) will evaluate and score the technical proposals in accordance with the criteria set forth in the RFP. Evaluators are required to attend a mandatory meeting before technical evaluations begin to receive instructions regarding the evaluations. After technical proposal scores are finalized, cost proposals will be opened and an analysis of the cost proposal will be made. The successful proposer shall be the one receiving the highest combined points for cost and technical proposals. In case of presentations, the evaluation members must attend all of the presentations or their evaluation will not be included in the final evaluation.

H. Rejection of Bids

Action to reject all bids shall be taken only for the following reasons:

1. Unreasonably high prices
2. Errors in RFP/RFQ
3. Cessation of need
4. Unavailability of funds
5. Failure of all bids/proposals to meet technical specifications

6. A determination that the goods/services can be more economically delivered pursuant to an agreement with another TBR institution or other state agency
7. A determination that proceeding with the procurement would be detrimental to the best interests of the University, the reason for which must be documented and approved by the President or designee.

I. Request to Purchase from Other than Low Bidder

In the event that the lowest bidder does not meet the required specifications and the department wishes to award to other than the lowest bidder, the department shall supply written documentation providing sufficient detail regarding the specification or requirement not met. Upon approval by the Procurement Director, the PO/Contract will be issued.

J. Services

1. A contract for personal, professional, or consulting service shall be used when the vendor's discretion or the form of the end product or service is critical to the performance.
2. All purchases of personal, professional, and consultant services should be based, to the maximum extent practicable, on evaluation and consideration of vendor qualifications and cost.
3. A contract for consulting services hereunder which exceeds \$25,000 shall not be allowed unless it is determined by the President, in writing that the services are in fact needed and that they cannot be satisfactorily or economically performed by a state agency.
 - a. A cover form will be required to be completed by the requisitioning department, submitted to the institution's procurement office, certifying the need for the service(s) and that appropriate consideration has been given to the use of state resources.

Section 5 – Vendor Information

A. Vendor Process

To become a registered vendor/supplier for Austin Peay State University, please complete the Vendor Application and submit to the Procurement Department electronically at appurchasing@apsu.edu or by fax at 931-221-6300. Vendors are to complete the forms in full; otherwise, the bidder application cannot be processed. Vendors must select at least one (1) commodity group to be eligible to receive notices of current bid opportunities. **IF YOU HAVE BEEN DEBARRED BY ANY AGENCY, FEDERAL OR STATE, SO INDICATE.** The Procurement Department reserves the right to deny registration to any company and any denied registration will be so advised.

Registration does not guarantee that all bidders will receive Request for Quotations (RFQ)/Request for Proposals (RFP). It is the vendor's responsibility to inquire regarding current bid opportunities. Vendors may contact the Procurement Department to obtain copies of a particular request. We encourage a competitive environment, and vendors are advised to contact the Procurement Department at 931-221-7032 or at appurchasing@apsu.edu with any questions.

B. Purchases from Small/Minority/Women Owned Business

The University actively promotes and encourages diversity participation with small, minority, and women-owned business in order to obtain a fair proportion of goods and services from such business.

Small, Minority, and Women-Owned Business should also contact the Governor's Office of Diversity Business Enterprise to be officially certified by the State of Tennessee.

C. Removal from Vendors List

1. Failure to respond to a reasonable number of bids.
2. Failure to provide adequate goods and/or services.
3. Failure to comply with bids, awards, and/orders. Examples include but are not limited to:
 - a. Over shipment or under shipment
 - b. Early or late shipments
 - c. Damaged or defective products
 - d. Shipments not conforming with specifications
 - e. Unauthorized substitutions
 - f. Billing errors
 - g. Service deficiencies
 - h. Failure to ship
 - i. Unethical practices
 - j. Misrepresentation of merchandise

Section 6 – Exceptions to Competitive Requirements

A. Procurement Under the Authority of Another Entity's Bid Process

1. Purchase of materials or services may be made without adherence to Minimum Notice and Number of Bids, provided the vendor meets the bid specifications.
2. Note: the competitive bidding process of another entity (except the State Purchasing Division) must have specified that other institutions would be permitted to purchase under the bid.

B. Procurement of State Manufactured Articles and Services

All institutions are required to purchase items (goods) and services from other State agencies, e.g., Department of Correction, Blind Services, Tennessee Rehabilitative Initiative in Correction (TRICOR), Community Rehabilitation Agencies (CMRA) / TRUST in Tennessee, whenever such items or services are available therefrom and meet the desired conditions and standards.

C. Procurement from Group Purchasing Organizations

Purchases of goods and services under a contract with a group purchasing program as provided in T.C.A. § 49-7-127 are permitted. The statute specifically permits such purchases when the price for goods or services under a group purchasing program is lower than the price available on a state contract.

Comparison pricing must have been obtained within twelve (12) months of the date of comparison.

D. Emergency Purchases

1. Purchases of specific materials, supplies, equipment or services may be made in the open market for immediate delivery only to meet bona fide emergencies arising from any unforeseen cause.
2. All bona fide emergency purchases must be approved by the President or designee and a written report on the circumstances of any such emergency justifying the purchase shall be prepared and maintained by the University.
3. All emergency purchases shall, if practicable, be made on the basis of competitive bids.

E. Justification for Non-Competitive Purchases and Contracts

The declaration of a “sole source” purchase must be exercised judiciously and always with good faith.

1. Sole source purchases are made only when items are unique and possess specific characteristics that can be filled by only one source. The vendor must furnish a letter indicating that it is the sole source and the letter must be signed by an authorized company representative. Letter must be on vendor’s letterhead and dated in the current Fiscal Year.
2. A proprietary product is one that is manufactured and marketed by a person or persons having the exclusive right to manufacture and sell the product. Marketing is generally controlled by franchises that may include competitive sales at wholesale or retail levels. When it is found that bids may be obtained from different franchises, bid invitations must be issued unless the estimated purchase is less than \$10,000.
3. If a “sole source” purchase is being sought, a Non-Competitive Procurement Justification Form must be completed and attached to the requisition in Govs e-Shop. Approving authorities should note that their approval of the requisition includes approval of any special purchase requests including non-competitive purchases.
4. Factors to be considered in determining Sole Source and Proprietary Purchases include the following:
 - a. Whether the vendor possesses exclusive and/or predominant capabilities or the items contain a patented or copyrighted feature providing superior utility not obtainable from similar products;
 - b. Whether the product or service is unique and easily established as one of a kind;
 - c. Whether the program requirements can be modified so that competitive products or services may be used;
 - d. Whether the product is available from only one source and not merchandised through wholesalers, jobbers, and retailers;

- e. Whether items must be interchangeable or compatible with in-place items;
- f. Whether the cost of conversion, including but not limited to disruption, retraining, and replacement precludes bidding competitively;
- g. Whether the product is to be used in an instructional setting and the intent is to provide instruction on the specific product or diversity of products;
- h. For personal, professional and consultant services, whether the use of non-competitive negotiation is in the best interest of the Institution;
- i. Other justification(s) as approved by the President or designee.

Section 7 – Procurement with Special Considerations

A. Copiers Solutions– (Mandatory Source)

1. Current Vendor – Canon Solution America, Inc. The University is currently in a five (5) year contract.
2. Ordering Supplies – Supplies are not stocked at the University. Supplies can be order by phone or online.
 - a. To order supplies by phone:
 - Call 1-800-355-1390
 - Provide the model and serial number
 - Provide a list of requested supplies (toner, staples, waste toner cartridge)
 - Shipping and handling is included unless the department agrees to overnight deliver then a fee is charged.
 - b. To order online:
 - Log on to www.csa.canon.com
 - Enter Username and Password (if you have not registered before, you will have to register first)
 - Select Request supplies
 - Select machine from the list below – or- Enter serial and model number (if machine is not listed)
 - Enter quantity needed. Up to three (3) black toners can be ordered
 - Select add to cart
 - Select Continue order
 - Fill in attention label line
 - Select Continue order
 - Review information
 - Select Place order.

3. Service Call
 - Call 1-800-355-1385
 - Provide the model and serial number
 - Provide the reason for the service call
 - If a service call is placed for another reason than a machine malfunction or error, the department will be billed for the service call.
4. Copier as a Printer or Scanner
 - a. Printer – If the copier is used as a printer, the number of print pages count against the monthly copier allotment.
 - b. Scanner – If the copier is used as a scanner, the number of images do not count against the monthly copier allotment.

After the documents have been scanned, the images can be sent to email addresses.
 - c. Color copies or color prints – An additional cost is accessed if the machine is used to print color or make copies.
 - d. Renewing the Copier for an Additional Year- Department is responsible for preparing a requisition each year to renew the department's copier.

B. Ordering from Amazon

Amazon is a punch-out catalog available in Govs e-Shop with an APSU email address. Orders are sent to the vendor the items are delivered to shipping and receiving or through US Mail to the Post Office depending on the items ordered. Items receive by Physical Plant will delivered to the departments.

Any returns or exchanges are processed by the ordering department.

C. Sam's Club

The Procurement Department has made arrangements with Sam's Club for the customer service desk to keep the Austin Peay membership card. To take advantage of the arrangement with Sam's Club; please follow these steps:

1. The requesting department should send an email to all Procurement staff detailing the FOAP, items to be purchased, date to shop and person to shop. Person shopping should obtain a signed letter from Procurement authorizing purchases at Sam's Club. (Note: only full-time or part-time permanent employees can shop at Sam's Club).
2. Complete instructions of all steps are on the back of the letter.
3. The purchaser will receive a receipt, which must be submitted to Accounts Payable through a payment authorization in Govs e-Shop. All Sam's Club receipts have to be submitted and approved within three (3) business days of the purchase. Failure to follow this procedure will result in a strike against the department. If a department receives three (3) strikes within a fiscal year, then the department's access to use Sam's Club will be suspended for the rest of the fiscal year.

D. Coke Products (Mandatory Brand)

Coca Cola Bottling Group has an exclusive contract on the University campus. Only Coca Cola products can be purchased with University funds.

If purchasing food from a local vendor and drinks are included in the meal, be sure that the drinks are Coca Cola products; if not, then arrangements will need made to obtain the drinks from another vendor.

The sales of any non-Coca Cola product by student groups or other events also violate the exclusive contract.

E. Office Supplies – (Mandatory Source)

Office supplies must be purchased from Staples through the Tennessee Board of Regents Contract. The only exceptions granted will be is if the item purchased is a better value than Staples. The documentation must be sent to accounts payable for the TBR report.

All orders should be processed through Govs e-Shop.

F. Cleaning, Janitorial and Paper Supplies– (Mandatory Source)

Cleaning, janitorial and paper supplies must be purchased from American Paper and Twine (APT) through the Tennessee Board of Regents Contract. The only exceptions granted will be is if the item purchased is a better value than APT. The documentation must be sent to accounts payable for their report.

G. Furniture

Any department considering furniture, please contact the Procurement Department to provide assistance in selecting what will best meet the department's needs in price, installation and warranty. Procurement has a variety of catalogs to look at as well as fabric and wood samples. All the furniture that is recommended has a lifetime warranty with the exception of fabric. Procurement can assist with special furniture for labs and classrooms, or other unique areas, as well as help with the information needed to make a selection. The Procurement Department can also assist with repair or replacement of furniture that needs parts.

H. Fixed Assets

The University records all of the fixed assets. Fixed asset is any physical resource (other than land, buildings or permanent attachments thereto) that will benefit a program for more than one (1) year and will cost \$5,000 or more.

I. Memberships, Subscriptions and Certifications

1. The memberships and subscriptions must be directly related to the goals and mission of the University.
2. The University may not pay the membership dues, subscriptions or certifications for individuals.
3. Membership dues that are part of the expense of registration for an organizational meeting for which the University pays the expense of an

employee to attend will be considered membership dues and subject to the approval process.

4. All subscriptions and membership renewals will be attached to a payment authorization form in Govs e-Shop.

J. Gifts, Prizes and Awards for Items Valued at \$5 or More

1. Prizes and awards are typically gift cards or other tangible personal property bestowed on University students in recognition of outstanding achievement in academic performance or other performance-related activities (such as door prizes or research participants, etc.).
2. Gift, prizes, and awards are considered taxable income per the IRS and must be reported as income to any recipient. This includes, but is not limited to: gift certificates, gift cards, and other non-cash items.
3. Each department should identify the recipients of these gifts, include their student numbers, and indicate the amount given as a gift to each individual (or the equivalent fair market value of each gift, if items other than gift cards are given). The Record of Gifts, Prizes, and Awards for Items Valued at \$5.00 or More form can be used for this purpose.

K. Energy Efficient Standards

1. Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that has established energy efficiency standards that are used by the Federal Government in its contracting for major energy-consuming products, as well as energy efficient best practices.
2. University shall use energy efficiency standards prescribed by Energy Star for the purchase of energy-consuming products.
3. The Energy Star website (<http://www.energystar.gov>) provides a qualified list of products and commodities meeting Energy Star's minimal energy specifications, life cycle costing calculations, life cycle formula information and qualified products that meet Energy Star's rating for using less energy and helping to protect the environment. (T.C.A. §§12-3-905).
4. Products and commodities listed on the Energy Star website's list of qualified products and commodities will be used as "acceptable brands and models" on solicitation documents.
5. The minimal energy specifications for products and commodities listed on the Energy Star Qualified Products list (see link above) must be included in the line item specifications on all solicitation documents for the purchase of major energy-consuming products.

Section 8 – Ethics and Conflicts of Interests

A. Code of Ethics

Only the highest ethical principles are to be employed by all persons involved in the procurement process. It is the responsibility of each member of the University faculty/staff and staff of the Procurement Department to take all appropriate steps

to assure that the University does not knowingly enter into a purchase commitment which could result in a conflict of interest situation. A conflict of interest exists when some factor (financial or personal interest in a supplier) interferes or appears to interfere with or influence a departmental requestor's ability and duty to be completely impartial and loyal to University's interests.

(See Exhibit B)

B. Conflicts of Interests

A conflict of interest occurs when the personal interests, financial or otherwise, of a person who owes a duty to the University (all employees) actually or potential diverge with the person's professional obligations to and the best interests the University. It is the policy of the University that no employee shall use his/her employment for personal benefit. Any appearance of favoritism or influence in doing business is prohibited.

Section 9 – Prohibited Transactions and Impermissible Clauses

A. Prohibited Transactions

No personal items shall be purchased through the Institution or from funds of the institution for any employee of the institution or any relative of any employee.

Examples of items that cannot be purchased with institution funds:

1. Flowers or gifts for employees, student workers or relatives of employees. Flowers can be purchased in support of an official university function.
2. Seasonal and party decorations specifically for individual or departmental use or purpose.
3. Alcoholic beverages.
4. Reimbursement for damages to personal property. Claims may be filed with the Board of Claims. Forms are available in the Office of Human Resources.
5. Any food or beverage for employees, graduate assistants, or student workers not in support of an official university function (including coffee, tea, bottled water, meals, parties, etc.) (Business Meal policy 4:010). Light refreshments can be provided for special non-recurring meetings.
6. Personal items primarily for employees use such as Kleenex, wet wipes, air fresheners, stamps or postage etc.
7. Personal use of departmental assets, ex. departmental copiers, without reimbursement to the department.

B. Impermissible Clauses for Purchase Orders/Contracts

The following provisions are unacceptable under State of Tennessee law and may not be contained in any purchase order/contract executed by the University:

1. Provisions requiring the institution to pay taxes (T.C.A. §§ 67-5-203 and 67-6- 322), cancelation fees, liquidated damages, incidental or consequential damages, or punitive or exemplary damages (Institution is liable for actual damages only T.C.A. § 9-8-101 et seq.).

2. Provisions requiring the Institution to pay late charges, finance charges or interest in excess of that provided under the Tennessee Prompt Pay Act (T.C.A. § 12-4-701 et seq.).
3. Provisions requiring the Institution to pay punitive damages or costs of litigation other than court costs (T.C.A. § 9-8-307(d)).
4. Payment of travel/per diem expenses in excess of maximum limitations set forth in APSU Policy 4:015.
5. Provisions designating the governing law of a state other than Tennessee. As an instrumentality of the State of Tennessee, Austin Peay State University has sovereign immunity under Article I, Section 17 of the Tennessee Constitution and the Eleventh Amendment to the Constitution of the United States.
6. Provisions requiring the institution to make deposits or payments before goods are received or services are performed (T.C.A. § 12-4-703), except that the institution may pay for licensing, preventive maintenance/service, subscriptions, memberships, and in other instances only if approved in accordance with APSU Policy 4:013 Contracts, upon the signing of an agreement.
7. Provisions requiring the institution to purchase or obtain liability, property or other insurance or a performance bond. The State of Tennessee self-insures its exposures in general liability, automobile liability, professional malpractice and workers' compensation. The State's self-insurance program insures all liability created under Title 9, Chapter 8 of the Tennessee Code Annotated, for all State departments, agencies and institutions, including State institutions of higher education.
8. Provisions requiring the Institution to insure, guarantee, or indemnify or hold harmless any party from claims which may arise out of the agreement or be brought by third parties. Institutions are subject to the direction of the Tennessee Attorney General pursuant to Article VI, Section 5 of the Tenn. Constitution and T.C.A. §8-6- 301. The Attorney General, in Tenn. Op. Atty. Gen. No. 78-71, 1978 WL 27014 (Tenn. A.G.).
9. Provisions requiring the institution to obtain or pay for outside labor of persons not employed by the institution (for example, union stage-hands, teamsters, etc.) are prohibited unless such cost is included as part of the total contract price.
10. Provisions requiring the institution to consent to binding arbitration by a third party of claims arising out of or relating to the agreement. (T.C.A. §§ 86-301 and 20-13-103.)
11. Provisions passing risk of loss or title to the Institution before delivery and/or installation of products unless vendor provides shipment protection in the Institution's interest.
12. Right of vendor to enter institution's premises without notice to remove equipment or product upon alleged default by institution.

13. Provisions permitting the vendor to take a secured interest in personal property under the agreement.
14. Provisions providing for a limitation of time in which the Institution may bring suit. (T.C.A. § 28-1-113).
15. Provisions requiring confidentiality and nondisclosure that potentially violate the Tennessee law regarding public records. (T.C.A. Title 10, Chapter 7).
16. Limitation of Liability. Pursuant to T. C. A. §§ 12-3-701 and 12-3-1210 an Institution shall not agree to limitation the liability of a contractor for less than two (2) times the maximum liability, estimated liability or maximum revenue of the contract.

Section 10 – Contract and Agreements

A. General Guidelines

Whether the document is called an agreement, contract, memorandum of agreement, memorandum of understanding, terms and conditions, purchase order or other similar name, it is subject to the requirements of this policy. The purpose of a written contract is to embody the complete agreement in writing. No relevant terms should be left to an unwritten understanding or verbal agreement. The document should be explicit and clearly state the rights and duties of each party and clearly identify all parties.

Any type of agreement that legally obligates the University including but not limited to the provision of payments, services, goods or use of University properties, facilities or other resources to an external party (hereinafter “contracts”) must be signed by the President or designee.

Individuals who execute contracts that are not authorized to do so may be subject to disciplinary action, including termination.

1. All contracts/agreements, including expenditure and revenue contracts, are initially reviewed or prepared by Procurement and Contract Services.
2. If the Contract is not a University standard form then Procurement and Contract Services will obtain the review and recommendation of the Office of Legal Affairs before contract is signed by an authorized University official. Contracts may be called, but are not limited to, contracts, agreements, memorandum of understanding, memorandum of agreement, purchase orders, or terms and conditions.
3. Contract/Agreement approval forms are routed electronically through Govs e-Shop and can be found under forms. The approval form allows departments to complete the form and, if required, attach vendor contract/agreement to allow Procurement and Contract Services to prepare the contract. All proposed contracts, even those using the standard form, must be reviewed by the department chair/activity head and University official responsible for monitoring the contract. A person initiating a contract (contract coordinator) is responsible for:

- a. the contract meeting programmatic and University mission and operational requirements
 - b. the contract being in the best interests of the University
 - c. ensuring that the contract is in compliance with the obligations it places on the University
 - d. the contract is fiscally prudent
4. For all non-competitive (sole source) contracts over \$10,000, a justification for sole source must accompany the routing form and contract. The Justification for Sole Source form is available on the Procurement and Contract Services website.
5. Prior approval of Tennessee General Assembly Fiscal Review Committee is required for all non-competitive (i.e., "sole source") contracts of a total value of \$250,000 or more, and for a term greater than one (1) year. This process requires submission to Fiscal Review Committee at least 75 calendar days prior to the effective start date.
6. Negotiation
- a. Generally, it is the University's responsibility to negotiate with the other party to bring an agreement into conformity with this Policy and to determine that the terms are acceptable to the contractor before the agreement is sent to the President or designee for approval.
 - b. The Procurement and Contract Services with the assistance of the Office of Legal Affairs are available for negotiating modifications with the contractor.
7. Contract Manual
- The University shall maintain a written contracts manual, which may be in electronic format, setting forth any procedures of the University in addition to or necessary to comply with the procedures outlined in this Policy. These procedures shall outline the university's process for routing and execution of agreements.

B. Submittal of Contracts

- 1. All contracts are submitted on a Contract Routing Form in Govs e-Shop. The information contained on the form will be used to initiate, prepare or review or prepare a renewal.
- 2. After contract/agreement is fully executed then the contract will be sent to the vendor through an attachment to a Purchase Order which will encumber the funds.

Exceptions to a PO being issued due to no funds being expended:

- a. Clinical Affiliation Agreement submitted on a Clinical Affiliation form
- b. Use of on-Campus Facilities submitted on a Use of APSU Facilities form

C. Types of Contracts

1. Agreement to Incorporate Expired Contracts
2. Banking Services Agreement
3. Clinical Affiliation Agreement
4. Dual Services Agreement
5. Hotel Amendment
6. Professional Services Agreement (PSA)
7. Pro forma Contract
8. Renewal Amendment
9. Software License Agreement
10. Use of Campus Facilities
11. Use of Off-Campus Facilities
12. Vendor Agreement

D. Contract Monitoring

1. Service Contracts. All service contracts shall contain a provision that states that the contractor's activities shall be subject to monitoring by the University and/or state officials. These contract types include, but are not limited to:
 - a. Personal Service
 - b. Professional Service
 - c. Software Related Agreements
 - d. Grants, including subcontracts
 - e. Memorandums of Understanding
2. Monitoring Plan. The contract coordinator shall maintain a monitoring plan (Goods/Services Contract Monitoring Plan) for all service contracts including grants and grant subcontractors, to ensure the following:
 - a. Contract performance in terms of progress and compliance with contract provisions
 - b. Communication with Contractor to ensure maximum performance and intended results
 - c. Financial obligations do not exceed the contract pricing;
 - d. Deliverables are received
 - e. Appropriate approval and remittance of payments for acceptable work are in accordance with contract provisions and applicable law
 - f. Maintenance of records for each contract that documents activities such as procurement, management, and sub-recipient monitoring, if applicable
 - g. Evaluation of contract results in terms of the achievement of organizational objectives

3. Submittal of Contract Monitoring Plan. The completed "Good and/or Services Contract Monitoring Plan" shall be submitted in accordance with the timeframe identified in the Contract but shall be no less than once a year.

Failure to submit contract monitoring plan may be cause to delay the renewal of contract for an additional period of time until the submittal of the contract plan.

4. Goods, Materials and Supplies. Purchase Orders for goods, materials, and supplies shall not require a monitoring plan, but shall be received in Govs e-Shop.

E. Electronic Signatures

1. To the fullest extent permitted by law, the University accepts e-signatures as legally binding and equivalent to handwritten signatures to signify an Agreement. When a University transaction has been identified and approved by the University under policy for the use of e-signatures, and where University policies, state or federal laws, regulations, or rules require a handwritten signature, that requirement is met if the document contains an e-signature, unless otherwise prohibited by such policies, laws, regulations, or rules.
2. Contract Services routes all contracts through an electronic signature software to obtain the necessary signatures and or approvals. Exceptions are granted when requested by the vendor.

F. Approval/Authority

1. Contract Approval Process. The following guidelines apply to contracts/agreements between the University and any external party.
 - All proposed contracts of \$10,000 or more must be competitively bid unless adequate "sole source" justification is provided.
 - Before any \$50,000 and above contract/purchase order is executed, the associated budget amount must be approved by the appropriate Vice President.
 - All proposed contracts shall be approved prior to execution and the effective start date.
 - If the other party or contractor is a corporation, its name must be stated in the contract exactly as it appears in its charter. The person executing on behalf of the corporation must have legal authority to do so, and his/her title/position should be shown on the signature page. If the other party is a state agency, signature approval lines are necessary for the Department Commissioner or official of equivalent rank.
 - The President or those specific individuals authorized in this policy (see below) must execute all University contracts. The authority to execute contracts cannot be delegated.
 - Prior approval of Fiscal Review Committee is required for all non-competitive (i.e., "sole source") contracts of a total value of \$250,000

or more, and for a term greater than one (1) year. This process requires submission to Fiscal Review Committee at least 75 calendar days prior to the effective start date.

All proposed contracts must be reviewed and approved by the department chair/activity head or higher and Procurement and Contract Services before the contract will be executed by the President or other authorized officials. Please refer to the Procurement and Contract Services website for more information regarding Contract Services. (<http://www.apsu.edu/procurement>)

2. Execution/ Signature Authority

a. The President shall execute all contracts \$250,000 and above. The President delegates to the following University officials the authority to execute contracts on behalf of the University.

b. Vice President for Finance and Administration:

Contract/Agreements to purchase goods and services that do not exceed \$249,999.99;

- Banking Agreements
- Construction Agreements
- Post Retirement Agreements
- Clinical Affiliation Agreements
- To execute purchase orders in an amount up to \$249,999.99
- Requests to designate individuals participating in a University authorized volunteer program as University volunteers, pursuant to Tenn. Code Ann. § 8-42-101(3)(B), and to register their status as volunteers with the Board of Claims

c. Associate Vice President for Finance

Contracts/Agreements that do not exceed \$99,999.99 which include:

- Personal, professional, and consultant services agreements and dual services agreements
- Trademark license agreements
- Continuing education and public service short training course and space use agreements
- Use of Facilities Agreements
- Lease Agreements
- Clinical Affiliation Agreements
- Other agreements of similar nature which do not require the President's approval
- All documents related to the purchase of goods and services and others of similar nature which are repetitive
- To execute purchase orders in an amount up to \$99,999.99

- Authorized to execute and submit Federal post-award financial reports on behalf of the University, including certifying the truth, completeness, and accuracy of annual and final fiscal reports or vouchers requesting payment under such awards, the accuracy of time distribution reports, and the expenditures, disbursements and cash receipts were for the purposes and objectives set forth in the award's terms and conditions, and required under Title 2 Code of Federal Regulations, Part 200

- d. Director of Procurement and Contract Services:

Contracts that do not exceed \$49,999.99 which include:

 - Personal, professional, and consultant services agreements and dual services agreements
 - Trademark license agreements
 - Continuing education and public service short training course and space use agreements
 - Use of Facilities Agreements
 - Lease Agreements
 - Clinical Affiliation Agreements
 - Other agreements of similar nature which do not require the President's approval
 - All "Justification for Non-Competitive Purchases and Contracts" forms
 - All documents related to the purchase of goods and services and others of similar nature which are repetitive
 - To execute purchase orders in an amount up to \$49,999.99

- e. Contract Specialist:

Contracts that do not exceed \$9,999.99 which include:

 - Personal, professional, and consultant services agreements and dual services agreements
 - Trademark license agreements
 - Continuing education and public service short training course and space use agreements
 - Use of Facilities Agreements
 - Lease Agreements
 - Clinical Affiliation Agreements
 - Other agreements of similar nature which do not require the President's approval

- f. Associate Provost for Grants and Dean of the College of Graduate Studies:
 - All graduate assistant contracts
 - Research Grants/Contracts

- g. Appropriate Academic Dean:
 - Notice of appointments and employment agreement for tenure-track faculty
 - Notice of temporary employment and agreement of employment for Faculty
 - Notice of employment of adjunct
- h. Director of Athletics:
 - Athletic Game/Match Agreements
 - Athletics Sponsorship Agreements
- i. Provost and Vice President for Academic Affairs:
 - Study Abroad Agreements
 - Memorandums of Understanding (MOU) with other schools regarding exchange of students and/or faculty
 - Post Retirement Agreements
 - Professorship Appointments
 - Academic Articulations Agreements
 - All duties relative to intellectual property

G. Prohibited Contracts

1. The University shall not knowingly contract for the procurement of any merchandise, equipment or material with an individual who is, or within the past six months has been, a State employee. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid.
2. The University shall not knowingly contract with a company or corporation in which a controlling interest is held by any State employee or the employee's spouse.
3. The University shall not knowingly contract with any person in violation of Federal or State law.

Section 11 – P-Cards and T-Cards Usage Guidelines

A. General Guidelines

Welcome to the special group of employees who have been selected by their management to become an Austin Peay State University (APSU) Purchasing Cardholder. A nomination is proof of the University's faith and trust in an employee's ability to represent Austin Peay as an authorized Agent for placing small dollar orders on behalf of your department and the University. The P-Card/T-Card is entrusted in an individual's name and it can only be used for University business. In addition it may not be loaned or delegated to another employee at any time. The employee is fully responsible for ensuring that the P-Card/T-Card is safe, and that it is not used to personally benefit any one individual in our organization.

This card program has been established to streamline the purchasing process including requisitioning, order placement, receiving and the payment processing

for low value (\$4,999) per transaction not to exceed \$4,999 per month. Transactions for more than that amount will be denied at the point of sale. Our program utilizes the US Bank MasterCard Purchasing Card as the payment processing medium and it is administered by US Bank. Card holders are encouraged to use the card for all low value purchases; however, usage must always be in compliance with the University policies and procedures regarding purchases. It should also be noted that Suppliers who do not accept MasterCard can still be used if they accept the regular University PO issued by a Purchasing Department Buyer or payment authorization.

B. Program Overview

1. To obtain a credit card (P-Card) or travel card (T-Card), the employee must complete the P-Card Request Form or T-Card Request Form and then forward to the Procurement Department.
2. Vendors submit P-Card and T-Card purchases to be processed through the MasterCard system. US Bank generally pays the vendor within three to four working days.
3. A monthly summary billing statement is downloaded for each cardholder by US Bank Access Online detailing all account charges. A monthly summary download will not be received in the system if there have been no charges made during the billing cycle.
4. A monthly master statement is sent to the University Accounts Payable which includes the charges from all departments. One consolidated monthly payment is then made to US Bank. Each department's account will be debited for the total amount of charges made against it during the month.

C. Program Advantages

1. Reduced workload – Processing of paperwork is significantly reduced for requisitioning, purchasing, receiving, and accounts payable activities.

There is a large decrease in the volume of invoices and checks processed by Accounts Payable. A single electronic bank transaction replaces hundreds of invoices received and checks written, saving time and money.
2. Improved Deliveries and Quicker information – Without delays in processing requisitions, the order is placed immediately by the departmental employee. The availability of items, order processing, and ships dates are known immediately.

D. Program Administrator

Procurement is the Program Administrator for the P-Card and T-Card Program.

E. Operating Procedures

The following detailed policies and procedures provide information on how to obtain a P-Card account number, responsibilities by activity, account

reconciliation, and who to contact for assistance with summary billing statements or charges.

1. Account Description

The MasterCard account for is a charge number issued in the name of the employee. Each card is assigned to a specific employee.

2. Authorized Purchases

- a. Supplies, except those TBR mandated contract supplies can be ordered directly from vendors. Any transactions outside the established parameters will automatically be declined at the point of sale.
- b. Office Supplies must be purchased from Staples through the Tennessee Board of Regents Contract. The only exceptions granted will be that the item you are purchasing is cheaper at the other vendor. Documentation must be supplied with the purchasing card as well as sending this documentation to Account Payable for their report.
- c. Cleaning, Janitorial, and Paper Supplies must be purchased from American Paper & Twine (APT) through the Tennessee Board of Regents Contract. The only exceptions granted will be if the item you are purchasing is cheaper at the other vendor. Documentation must be supplied with the purchasing card as well as sending this documentation to Account Payable for their report.
- d. The expenditure limit for this program is \$4,999 for each transaction including shipping. Purchases of like or similar nature are not to be split in order to bypass the bid limit of \$10,000. Failure to comply with these requirements may result in the cardholder and department losing their Purchasing Card privilege.

Examples of erroneously splitting orders to avoid bidding:

| | | | |
|------------------------|---------|---------------------------|-------------|
| (Order A) Furniture | 2/4/15 | Furniture for Room 106 | \$4,000.00 |
| (Order B) Furniture | 3/14/15 | Furniture for Room 107 | \$4,000.00 |
| (Order C) Furniture | 4/14/15 | Furniture for Room 108 | \$4,000.00 |
| | | TOTAL | \$12,000.00 |

Orders should not be split into multiple orders to avoid bidding. The bid limit is \$10,000.00 including shipping costs.

The combining of card accounts within a department to exceed the bid limit or single purchase limit is not allowed.

3. Restricted Purchases for P-Card

The following are excluded from this program and may not be obtained with the Purchasing card:

- Personal purchases or cash withdrawals
- Entertainment expenses
- Restaurants (fast food or otherwise) to include guest meals
- Catering (Chartwell food purchases for any amount must be done with a payment authorization).
- Hotel/Motel Rooms
- Any type of agreement
- Carpet
- Animals
- Insurance of any sort
- Fuel
- Internet services
- Used equipment (must be approved by Procurement Director)
- Rental of any type of Vehicles
- Pagers, cell phones or telephones of any type
- Flowers, Awards, Gifts, Gift certificates or gift cards
- Computers
- Alcohol beverages
- Personal computation devices
- Sales taxes
- Memberships and Subscriptions
- Controlled substances including radioactive materials and drugs
- Banking services
- PayPal
- Software
- Contracts

Any use of this program for unauthorized transactions may result in disciplinary action including but not limited to the loss of the P-Card or T-Card. Employee may be held personally liable for any misuse of P-Card or T-Card.

4. Applying for a P-Card/T-Card

The President, Vice Presidents, Deans, Directors, and Department Heads are responsible for designating employees to receive the P-Card and must use the P-Card Request or T-Card Request form to apply. Designated employees obtain a card by submitting the completed forms to the Procurement Department. Legitimate charges made on the P-Card/T-Card are a University liability (not a personal liability to the individual). Employees should ensure that the P-Card/T-Card is adequately safeguarded from loss or misuse.

There will be no credit reference checks on the personal credit of the employee for the University Purchasing Card or Travel Card. Nor will the

use of the P-Card or T-Card have any effect on the employee's personal credit rating.

Each employee designated to receive the P-Card or T-Card must attend a mandatory user training session. Training is provided by Procurement Department. After completion of the training, the employee will receive a P-Card or T-Card issued by the Bank. P-Cards or T-Card will only be issued to permanent full-time employees.

The cardholder whose name is on the P-Card or T-Card is responsible for all charges placed on the card.

5. Cancelling a P-Card/T-Card

If a cardholder is terminating employment, discontinuing their use of their P-Card or T-Card, or changing to a new position on campus, the Change in Cardholder Status form must be completed, signed and forwarded to the Program Administration. The Program Administrator will update the bank system to ensure that either the card has been cancelled or moved to the new department and approver.

Supervisors are responsible for ensuring that the Procurement Department has been notified and has received the P-Card/T-Card.

Any documentation (receipts, invoices, etc.) must remain in the original department whose FOAP was used to pay the charges. The cardholders' records must be kept for five (5) years in addition the current fiscal year. Records must be kept where they can be accessed for auditing purposes.

6. Grants

The Principal Investigator of the grant must obtain Grants and Sponsored Programs approval before any purchase. Attach the approval to the monthly transactions, this step is necessary to be sure expenditures are monitored for Grant records.

7. Employee Travel

The State of Tennessee and University policies allow the P-Card to be used for travel expenditures in limited circumstances. P-Cards can be used for the payment of registration fees and airfare but may not be used for expenses incurred during actual travel time.

The T-Card can be used for all travel expenses in accordance with university policies.

The Cards can only be used for travel for University employees and students, candidates for employment and guest speakers. Non-APSU individuals (guests) are not included (such as students from other schools, etc.).

8. Registration Fees:

Conference/workshop registrations are allowed to be paid with the P-Card or T-Card.

9. Airline Payments:

Airline tickets are allowed on the P-Card and T-Card for only employees and student. Travel insurance or flight protection insurance is not an allowable purchase. Seat selection and baggage charges which include an extra-charge are not allowed.

10. Other Allowable Purchases for T-Card

The following may be obtained with the Travel card:

- Restaurants (fast food or otherwise) while traveling
- Fuel
- Rental of any type of Vehicles
- Airlines
- Registration
- Other costs associated with travel in accordance with University policies

F. Department Responsibilities

1. Departments are responsible for monitoring the appropriateness of Purchases and insuring the availability of funds. In accordance with approved University policy, any budget account that reflects an aggregate over-run on travel, operating and equipment at the end of the fiscal year may have the amount of the over-run deducted from the following year's allocation.
2. Instruct the vendor where to deliver materials. It is important that the vendor record on the packing slip cardholder's complete name, department name, and building and room number for each order. The vendor's packing slip is the only information Central Receiving will have on where to deliver the goods.

Delivery Address to Central Receiving:

Department Name
Austin Peay State University
681 Summer Street
Clarksville, TN 37044

3. P-Card users should tell vendors that the University is tax exempt before placing an order. Tax-exempt forms are available from the Procurement Department if a vendor requests the form. Employees may be personally liable for any taxes charged to the P-Card.
4. Obtain the total costs of the order from the vendor (including estimated shipping cost) before the order is placed to ensure that the total order does not exceed \$4,999.99 for the P-Card.
5. When merchandise must be returned, a credit is to be issued by the vendor back to the P-Card or T-Card on which the charge was made. Refunds are not to be made with cash, gift cards, or as a store credit.

6. An activity log may be maintained to record purchases and credits, but is not required. Some departments may find it helpful to maintain a log for their own information needs or may use the transactions management print-outs.
7. The cardholder will receive a monthly summary billing statement in Access Online on the 26th of each month or the closest working day to that date which needs to be printed and placed with cardholder transactions for auditing purposes.

A statement will not be generated each billing cycle, if no purchases have been made.
8. Each month, even if the cardholder did not make any purchases, the cardholder must verify their statements to ensure that there are no fraudulent charges.
9. The cardholder must reconcile the monthly billing statement to the supporting documentation (sales slips, parking slips, etc.) and upload into the US Bank system. The documentation for each purchase should include the vendor name and an itemized list of the items purchased and the price of the items. If documentation was not received or lost, the cardholder needs to obtain duplicate documentation. If duplicate information cannot be obtained, then the Purchasing/Travel Card Lost Receipt/Invoice form must be completed, all signatures obtained, a copy uploaded into the bank system and a copy forwarded to the Program Administrator. All credits are also to be documented.
10. If the summary statement has a charge that incorrect or was not made by the cardholder, the cardholder needs to notify the bank immediately as well as the Procurement Department. The cardholder must also dispute the charge online.
11. Upload all matching documentation (receipts, packing slips, etc.) into the US Bank system. The supervisory individual must approve all transactions online in the US Bank System. Failure to reconcile and approve online shall result in a strike for the department. Three (3) strikes can result in all departmental P-Cards/T-Cards being suspended.
12. All charges are to be approved through the US Bank System by the approver. Failure to reconcile and approve online shall result in a strike for the department. Three (3) strikes can result in all departmental P-Cards/T-cards being suspended.
13. The department must keep these transaction records for five (5) fiscal years beyond the current year. Records will be audited periodically by Internal Audit or the State Auditor.
14. Lost or Stolen Card

Contact US Bank immediately at 800-344-5696. Then immediately notify the Procurement Department at 931-221-7022.

15. Approval of Purchasing Denied

If a vendor advises that approval has been denied by the credit card company, please contact the Procurement Department a 931-221-7022 to see if the merchant code is blocked or declined for another reason. The Procurement Department may be able to override the code and allow your purchase.

Minimum General Bid Conditions**A. ACCEPTANCE AND REJECTION.**

1. The Institution reserves the right to reject any and all bids, to waive any informality in bids and, unless otherwise specified by the bidder, to accept any item in the bid.
2. Bids may be awarded based on low by item, low by group of items or low by total items accepted, as best suits the needs of the Institution.

B. PREPARATION AND SUBMISSION OF BID.

1. Failure to examine any drawings, specifications, or instructions will be at the bidder's risk.
2. Each bid should give the full name and business address of the bidder. Unsigned bids will be rejected. The person signing the bid must show his title, and if requested by the Institution, must furnish satisfactory proof of his or her authority to bind his or her company in contract. Bids must be typewritten or in ink; otherwise they may not be considered. Purchase order will be issued to the firm name appearing on the bid.
3. No erasures are permitted. Errors may be crossed out and corrections printed in ink or typewritten adjacent to error and must be initialed in ink by person signing bid.
4. Discounts, other than "Time" or "Cash", offered should be deducted from the unit price.
5. Specifications: Reference to available specifications shall be sufficient to make the terms of the specifications binding on the bidder. The use of the name of a manufacturer, or any special brand or make in describing an item does not restrict the bidder to that manufacturer or specific article, unless specifically stated. The articles on which the bids/proposals are submitted must be equal or superior to that specified. Informative and Descriptive Literature: Bidders must furnish all information requested in the space provided in the bid form unless otherwise specified by the Institution. When applicable, bidders must submit for bid evaluation, cuts, sketches, descriptive literature and technical specifications covering the product(s) offered. References to literature submitted with a previous bid or on file with the Institution will not be sufficient.
6. Samples: Samples of items when called for, must be furnished free of expense, and if not destroyed will, upon request, be returned at the bidder's expense. Requests for the return of samples must be made within ten (10) days of bid opening. Each sample must be labeled with the bidder's name, manufacturer's brand name and number, bid number and item reference.
7. Time of Acceptance. If a bidder fails to state a time within which a bid must be accepted, it is understood and agreed that the Institution shall have sixty (60) days to accept.

8. Time of Performance: The number of calendar days in which delivery is to be made after receipt of order shall be stated in the bid and may be a factor in making an award, price notwithstanding. If no delivery time is stated in the bid, bidder agrees that delivery is to be made within two weeks (10 business days) of order.
 9. Transportation and delivery charges should be included in the price and be fully prepaid by the vendor to make delivery F.O.B. Institution, or another destination which may be specified in the bid.
 10. All items bid must be new unless otherwise specifically stated in the bid.
 11. Alternate/multiple bids will not be considered unless specifically called for in the bid.
 12. Bond Requirements: Bond Requirements, if any, will be stated on the face of the Request for Quotation/Proposal (RFQ/RFP). The Institution reserves the right to require that the selected vendor post a performance and/or payment bond in such amount as deemed reasonable by the Institution. The cost of the bond shall be separately identified in the bid. The Institution reserves the right to waive the bond requirement and delete the cost of the bond from the successful bid.
 13. Brand and Trade Names. The bidder must show brand or trade names of the articles bid, when applicable.
 14. Bids for purchases of \$50,000 or more must be signed and sealed with the bid number or other identifying information listed on the outside of the envelope.
 15. Late bids will NOT be opened or considered. Bidders are cautioned to verify their bids before submission, as amendments received after the bid deadline will not be considered.
 16. Bids are to be submitted on bid forms furnished by the Institution, otherwise they may not be considered. The Institution reserves the right to consider telephone, e-mail or faxed bids for purchase under \$50,000 if received by the deadline and confirmed in writing within five (5) days on Institution forms.
- C. FAILURE TO BID/ERROR IN BID. Failure to bid without advising the Institution that future invitations for bids are desirable may result in removal from Institution's bidders' list covering this category of items. In case of errors in the extension of prices in the bid, the unit price will govern. No bid shall be altered or amended after the specified time for opening bids. After bid opening, a vendor will be permitted to withdraw a bid only where there is obvious clerical error in the bid such as a misplaced decimal point, or where enforcement of the bid would impose unconscionable hardship due to an error in the bid resulting in a quotation substantially below the other bids received. Bid withdrawals will be considered only upon written request from the vendor.
- D. INSPECTION OF BIDS. All RFQs bids will be opened publicly and are subject to public inspection after completion of the bid evaluation. Bidders may be present at opening.

- E. DISCOUNT PERIOD. Time in connection with discount offered will be computed from date of satisfactory delivery at destination and performance, or from the date correct invoices are received, whichever is later. Discount periods of less than 20 days will not be considered in determination of low bid. Discounts other than time discounts will be shown on the face of the bid opposite the item to which it applies.
- F. DEFAULT OF SELECTED VENDOR. In case of default of the vendor, the Institution may procure the articles or services from other sources and hold the vendor responsible for any excess cost occasioned thereby.
- G. TAXES. The Institution is tax exempt; do not include taxes in quotation. Appropriate exemption certificates will be furnished to the successful bidder upon request. Vendors making improvements to, additions to, or repair work on real property on behalf of the Institution are liable for any applicable sales or use tax on purchases of tangible personal property used in connection with the contract or furnished to vendors by the Institution for use under the contract.
- H. INSPECTION OF PURCHASES. Articles received which are not equivalent will not be accepted and will be picked up by the vendor or returned to vendor, shipping charges collect. The Institution shall have a reasonable period in which to inspect and accept or reject materials without liability. If necessity requires the Institution to use nonconforming materials, an appropriate reduction in payment may be made.
- I. NON-DISCRIMINATION. The parties agree to comply with Title VI and VII of the Civil Rights Act of 1964, as amended; Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Executive Order 11,246, and the American Disabilities Act of 1990, as amended, and the related regulations to each. Each party assures that it will not discriminate against any individual including, but not limited to employees or applicants for employment and/or students, because of race, religion, creed, color, sex, age, disability, veteran status or national origin.
 - 1. The parties also agree to take affirmative action to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, creed, color, sex, age, disability, veteran status, or national origin.
 - 2. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection available to employees and applicants for employment.
- J. PROHIBITIONS / CONFLICT OF INTEREST. Acceptance of gifts from vendors is prohibited. T.C.A. § 12-3-106. Bidding by state employees is prohibited. T.C.A § 12-4-103. The bidder warrants that no part of the total contract amount shall be paid directly or indirectly to any officer or employee of the State of Tennessee.

- K. NO VENDOR CONTRACT FORM – TERMS / TENNESSEE LAW. The contract documents for purchase under the RFQ/RFP request shall consist of the RFQ OR RFP, the successful bidder's quotation/proposal, the contract awarded and/or the Institution's purchase order. The terms and conditions of an order and duly authorized change orders shall be the sole terms and conditions that apply to a purchase. Any subsequent terms and conditions set forth by the vendor on invoices, or in any other manner, shall not apply unless expressly agreed to in writing by the institution. The contract shall be governed by Tennessee law.
- L. AUDIT. The Contractor shall maintain documentation for all charges against the Institution and payment made by the Institution under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of final payment. These documents shall be subject to audit at any time and upon reasonable notice, by Institution or the Comptroller of the Treasury or their duly appointed representatives. The Contractor's financial statements shall be prepared in accordance with generally accepted accounting principles.
- M. PROHIBITION ON HIRING ILLEGAL IMMIGRANTS. T.C.A. § 12-4-124, requires that Contactor attest in writing that Contractor will not knowingly utilize the services of illegal immigrants in the performance of this Contract and will not knowingly utilize the services of any subcontractor, if permitted under this Contract, who will utilize the services of illegal immigrants in the performance of this Contract.
1. If Contractor is discovered to have breached the Attestation, the Commissioner of Finance and Administration shall declare that the Contractor shall be prohibited from contracting or submitting a bid to any the university or any other state entity for a period of one (1) year from the date of discovery of the breach.
 2. Contractor may appeal the one (1) year by utilizing an appeals process in the Rules of Finance and Administration, Chapter 0620.
- N. PURCHASING POLICIES / BID PROTESTS. This bid request and any award made hereunder are subject to the University and State of Tennessee policies and guidelines.

Exhibit B

Code of Ethics in Procurement and Contracting

The code of ethics shall be applicable to all employees of the University who primarily are responsible for the purchase of goods or services for any institution or technology center in the system.

A. Statement of Policy

Employees must discharge their duties and responsibilities fairly and impartially. They should maintain a standard of conduct that inspires public confidence in the integrity of the Institution.

B. General Standards of Ethical Conduct

1. Any attempt to realize personal gain through public employment, inconsistent with the responsible discharge of that public employment, is a breach of public trust.
2. Employees shall base all purchases on the principle of competitive bidding consistent with policies of the institution.
3. Employees shall grant all competitive bidders equal consideration, regard each transaction on its own merits and foster and promote fair, ethical and legal trade practices.
4. Employees shall avoid misrepresentation and sharp practices, and demand honesty in sales representations whether offered through a verbal or written statement, an advertisement or a sample of a product.
5. Employees shall be receptive to competent counsel from colleagues, and be willing to submit any major controversy through the appropriate appeals processes.
6. Employees shall accord prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
7. Employees shall not use without consent the original designs developed by a vendor for competitive purposes.

C. Conflict of Interest

It shall be a breach of ethical standards for any employee, in the performance of his or her official duties, to participate directly or indirectly in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter pertaining to any contract, or subcontract, and any solicitation or proposal thereof, in which to his or her knowledge:

1. He or she or any member of his or her immediate family has a substantial financial interest; or

2. A business or organization in which he or she or any member of his or her immediate family has a substantial financial interest as an officer, director, trustee, partner or employee, is a party; or
3. Any other person, business or organization with whom he or she or a member of his or her immediate family is negotiating or has an agreement concerning prospective employment is a party.

The determination of whether a substantial financial interest exists shall be based upon the criteria identified in, Institution policy 1:001 Conflict of Interest.

Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

D. Gratuities

It shall be a breach of ethical standards for any employee or former employee to solicit, demand, accept or agree to accept from another person a gratuity or an offer of employment, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal thereof.

E. Contemporaneous Employment Prohibited

It shall be a breach of ethical standards for any employee who is involved in procurement to become or be, while such an employee, the employee of any party contracting with the particular governmental body by which the employee is employed.