



**NEVADA SYSTEM OF HIGHER EDUCATION
BUSINESS CENTER NORTH PURCHASING DEPARTMENT
PURCHASING, CONTRACTING & FIXED ASSETS GUIDELINES**

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I OBJECTIVE & PURPOSE

The purpose of this document is to establish uniform policies and procedures consistent with the authority and responsibilities granted to the Business Center North Purchasing Department towards the establishment of an effective purchasing program for the acquisition of commodities, contractual services and construction.

Business Center North (BCN) Purchasing serves the procurement needs of the Desert Research Institute (DRI), Great Basin College (GBC), Truckee Meadows Community College (TMCC), University of Nevada, Reno (UNR), Western Nevada College (WNC), System Administration (SA) and System Computing Services (SCS).

This manual is designed to provide guidance on the procurement process from the point at which the user identifies a need for goods or services through the completion of the transaction and final payment. Among other things, it also includes information regarding: business contracts, delegation of purchasing authority, conflict of interest, P-Cards, Asset Management, payment requests, competitive exceptions, independent consultants and professional services. These policies and procedures are to be followed by all employees that have been given authority to acquire goods and services for the NSHE.

AUTHORITY

Note: Regarding Federal procurement guidelines, July 1, 2018, the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)*, commonly known as Uniform Guidance (UG) became effective. Business Center North Purchasing has adapted the procurement standards as specified in 2 CFR Part 200.

Chapter 333 of the Nevada Revised Statutes (NRS) exempts the Nevada System of Higher Education (NSHE) from the general provisions of the State Purchasing Act and provides that NSHE may use the services of the State Purchasing Division on a voluntary basis.

As stated in the NSHE Board of Regents General Policy Statements Title 4, Chapter 10, Section 1 – Purchasing Policy:

“All Purchases of supplies, equipment, services and construction, except items related to capital construction, shall be handled administratively by the respective Business Center Purchasing Department after following established policies and procedures approved by the Board of Regents and in compliance with State and Federal Procurement regulations, the respective Business Center Administrative Manual and procedures established by the Chancellor.

Once established, construction and service contracts may be assigned to the Facilities & Construction Department. Except as may be otherwise provided in this policy, the purchase contract shall be awarded to the lowest responsive and responsible bidder. The lowest responsive and responsible bidder will be judged based on price, quality, availability, conformance to specification, financial capability, service, and in the best interest of the NSHE, each of such factors being considered. Exceptions to this policy must be presented to the Board of Regents for approval.”

To review the entire policy document, go to: Fiscal Procedures, Chapter 5:

<https://nshe.nevada.edu/leadership-policy/board-of-regents/procedures-guidelines-manual/>,

Section 2. Purchasing and Related Procedures, and Section 3. Preparation and Approval of Contracts

These *Purchasing, Contracting & Fixed Assets Guidelines* serve as the Business Center Administrative Manual for BCN Purchasing.

INTRODUCTION

Purchasing's role within a public organization is to facilitate the acquisition of goods and services in the most efficient and effective manner, while ensuring compliance with established policies and statutes. Within the Nevada System of Higher Education (NSHE), the Business Center North (BCN) Purchasing Department serves the purchasing, contracting, and asset management needs of the Desert Research Institute (DRI), Great Basin College (GBC), Truckee Meadows Community College (TMCC), University of Nevada, Reno (UNR), Western Nevada College (WNC), System Administration (SA), and System Computing Services (SCS).

This manual should be a guide for employees and supervisors, all of whom are responsible for following these policies and procedures. And it should serve as a reference for suppliers, contractors, and members of the public who wish to review BCN Purchasing operations.

The timing and the way a department conveys the need to make a purchase is important to the process. The preferred method is one that allows Purchasing to have early involvement in the decision making, especially for major purchases. Resources and experience of the purchasing staff can bring value to the decision making and expedite the process by providing information on existing sources of supply or the most expeditious and efficient methods available. **Therefore, involve the Purchasing Department early, even before the requisition is initiated.** It is recognized that every situation cannot be covered in this or any manual; therefore, if you have special circumstances, contact the Purchasing Department. Individual campuses may have additional guidelines or restrictions applicable to the processes described in this document.

II GENERAL POLICIES AND PROCEDURES

The Purchasing Department procures materials at the lowest cost consistent with quality and service required. It ensures compliance with established purchasing policies and procedures approved by the Board of Regents and the Chancellor, State and Federal procurement regulations, and best business practices.

The Purchasing Department is responsible for monitoring purchasing operations to ensure compliance with applicable policies/regulations, including:

- Ensure availability of adequate sources of supply and seek new sources to increase availability and quality at advantageous pricing.
- Research new products and procedures.
- Provide information, assistance and guidance on the description, suitability, cost, quality, standardization, and/or substitution of a product or service.
- Expedite the delivery of goods, follow up on delinquent shipments and act on damaged or incorrect shipments.
- Canvass sources of supply and enter into contracts for the purchase of goods or services including installment or lease-purchase contracts.
- Evaluate the ability of any supplier to remain competitive, based on the supplier's responsiveness to competitive solicitations, the supplier's ability to fulfill the duties specified in contracts, or any disruptive or unprofessional conduct or conduct which is not conducive to the NSHE environment on the part of the supplier or its agents, and bar suppliers from doing business with the NSHE for demonstrated cause, including previous unsatisfactory performance.
- Planning and coordinating purchases in volume and negotiating with suppliers.
- Evaluate, approve, and utilize contracts let by the Federal Government, the State, other states, political subdivisions or entities, colleges, universities, educational or public cooperatives and/or consortia for the procurement of commodities and contractual services. When it is determined to be cost-effective and in the best interests of the NSHE to make purchases under such contracts, the Purchasing Department shall enter into cooperative or consortia contracts to achieve the savings.
- When it is necessary to proceed with a contract award process without delay to avoid immediate danger to public health, safety or welfare, BCN Purchasing will proceed with the process fully documenting the reasons, decisions, and actions taken.

- To negotiate and award contracts for commodities and contractual services. This includes the authority to make awards to multiple suppliers, awards in multiple year terms, or award contracts on behalf of multiple institutions or entities.
- Reject or cancel any or all competitive solicitations, in whole or in part, when determined to be in the best interest of the NSHE.
- In conjunction with the Business Center and NSHE Risk Managers, purchase insurance as deemed necessary and appropriate for the operation and the educational, research, and service missions of the NSHE.
- Coordinate with NSHE institutions' facilities or construction departments for the administration of construction services, which services shall be administered pursuant to NSHE and State of Nevada regulations.
- To plan and coordinate purchases in volume and to competitively bid, negotiate and execute purchasing agreements and contracts for the recurring needs of the NSHE.
- To prescribe the methods of securing bids or negotiating and awarding contracts.
- To negotiate on the best available terms and conditions in the event no bids are received.
- To establish standards, formulate specifications, and determine the source of supply for any commodity or service requisitioned by any department of the NSHE.
- To prescribe items and quantities to be purchased locally by departments.
- To execute contracts, purchase orders, or other approved processes, for commodities and services required by the NSHE.
- To develop, distribute, and maintain policies and procedures of the Purchasing Department in furtherance of NSHE policies.
- Perform any other responsibility in relation to acquiring materials and services.

RESPONSIBILITY OF ALL NSHE EMPLOYEES

Employees are expected to act in the best interests of the NSHE and demonstrate fiscal responsibility when conducting procurement related activities, ensuring compliance with established policies and procedures.

No NSHE employee is authorized to obligate the NSHE without reserving, in advance, sufficient funds to meet the obligation. Failure to reserve funds in advance will be treated as an After-the-Fact purchase and may result in the employee being personally responsible.

When using the P-Card, procure goods and services at the lowest cost consistent with quality and service required.

Provide consideration to Disadvantaged Businesses Enterprises when seeking supplier sources for goods and services.

Consider using "Green" alternatives whenever possible.

Contact the Purchasing Department to assist in any expediting requirements; inspect all deliveries immediately and work with Purchasing to resolve any damaged material claims and any incorrect shipment issues in a timely manner.

The Director of Purchasing has overall responsibility for assuring that all departments of the Business Center are complying with all requirements. Any authority or responsibility relating to purchasing which is not specifically delegated otherwise remains the responsibility of the Director of Purchasing.

Individuals placing orders or acting outside their authority without proper approval may be held personally responsible for the purchase.

Only authorized parties may enter into a contract with a supplier; please note that signature authority for contracting with outside suppliers is different from the budget authority that approves requisitions.

The NSHE Procedures and Guidelines Manual, Chapter 5 – Fiscal Procedures, Section 3. Preparation and Approval of Contracts, outlines signature authority for execution of contracts. The Chancellor is the contracting officer for

the NSHE and Chapter 5 explains contracting authority and provides details for signature delegation and other related matters.

TAXES AND FEDERAL TAX IDENTIFICATION

The Nevada System of Higher Education's Sales Tax-Exempt Account Number is RCE-000-441. The NSHE Federal Tax ID No. is 88-6000024.

CONFLICT OF INTEREST

NSHE Board of Regents Codification of Policy Statements Manual, Title 4, Chapter 10, Section 1 – Subsection 7 – Conflict of Interest states:

“In addition to such conflicts of interest prohibited by law, it shall also be prohibited for a member of the Board of Regents or an employee of NSHE:

To become a contractor or a supplier for the purchase of supplies, equipment, services and construction under any contract or purchase order of any kind authorized by NSHE under the provisions of this or, to be interested, directly or indirectly, through any member of the Regent's or employee's household, as defined by NRS 281A.100, or through any business entity in which the Regent or employee has a financial interest, in any kind of contract or purchase order so authorized by the receipt of any commission, profit, or compensation of any kind.

Except where prohibited by law, exceptions to this policy may be permitted: For contracts or purchase orders for which the proposed contractor or supplier is the sole source for the contract or purchase order and has not participated in or otherwise actively influenced the consideration or acceptance of offers for the contract or purchase order or when the public interest would best be served by making such an exception.”

Exceptions permitted based on a sole source and when the contractor has not participated in or otherwise actively influenced the consideration or acceptance of offers can be approved by the Purchasing Director or designee.

Exceptions permitted based on the public interest being best served by making such an exception can be approved by the campus President.

CODE OF ETHICS AND STANDARD OF CONDUCT

All NSHE personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of the NSHE and the taxpayers of Nevada.

To rephrase the NSHE Board of Regents' Conflict of Interest policy statements above: No employee of the NSHE may participate in the selection, award or administration of any contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the NSHE employee, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Violations of NSHE Board of Regents' Conflict of Interest policy or these Code of Ethics or Standard of Conduct are subject to disciplinary action in accord with NSHE BOR policies and Nevada Revised Statutes (NRS 281A.765-790) up to and including termination.

GRATUITIES / GIFTS

Purchasing staff and other NSHE employees cannot accept personal gifts or gratuities from any past, current, or potential suppliers of goods or services to NSHE.

The Anti-Kickback Act of 1986 makes it illegal for any person to provide, attempt or offer to provide, solicit, accept, or attempt to accept any kickback in connection with any contract or subcontract with any department or agency

of the federal government. “Kickback” includes any monetary fee, commission, credit, gift or anything of value which is provided, directly or indirectly, to the NSHE or any of its departments, divisions, or employees to improperly obtain or reward favorable treatment in connection with any federal government contract. *BCN Purchasing applies this same rule to all purchase transactions, regardless of the source or type of funding.*

GIFT CARDS

The purchase of gift cards is generally limited to research participant use with approved funds. Other gift card use must have prior approval by the Controller or Chief Business Officer. Qualifying Gift Card purchases may be ordered on a purchase requisition. Use of P-Cards for the purchase of gift cards is only allowed with prior approval by the Controller or Chief Business Officer. Gift cards must be secured until distribution-use, and detailed records of who received the gift cards must be maintained.

RECEIPT OF UNSOLICITED GOODS

NSHE personnel are requested to contact the Purchasing Department anytime goods or services are received that were not requested by the Department.

PERSONAL PURCHASES

At no time are personal purchases to be made by any employees with NSHE funds. Purchasing will not process any requisitions for personal purchases, and personal purchases are not allowed with P-Cards. This also applies to purchases intended for any organization not a component part of NSHE.

Expenditure of public funds is prohibited for food products, entertainment or similar items with the following exceptions:

- Student or special functions, when approved by the institution;
- Used directly in instruction or research;
- Short course or conference fees have been collected for the express purpose of paying for such items;
- Specifically provided for in the terms of a contract, grant or donation;
- Specifically authorized by the grant or budget appropriation (hosting account); or
- Direct payment of hotel rooms or long-term rental of residences for individuals specifically approved by the Controller and Sponsored Projects/Grants & Contracts when applicable.

EMERGENCY PURCHASES

An emergency is defined as one which results from the occurrence of a disaster such as, but not limited to, fire, flood, earthquake, hurricane, riot, power outage or disease; or an event that may endanger the health, safety, or welfare of the students, faculty, staff, or public if not immediately resolved.

A purchase order or contract may be instituted in an “emergency” situation after waiving the necessary bidding and advertising requirements. The Director of Purchasing should be contacted immediately to notify them of the emergency and what action is anticipated to be necessary. A full written record shall be made of the circumstances. Purchasing will expedite the handling of these requests.

III CONTRACTS & AGREEMENTS

For Board of Regents’ policies and procedures regarding contracts see *NSHE Procedures and Guidelines Manual*, Chapter 5 Fiscal Procedures, Section 3. Preparation and Approval of Contracts. In addition to clear and detailed specifications, every contract should have the following Business and Legal terms specified:

Business Terms: Term/Duration of Agreement; Termination; Price & Payment; Deliverables; Delivery Terms & Timeline for Delivery; and Limitation on Liability.

Legal Terms: Warranty; Indemnification; Assignability; Termination Requirements; Confidentiality; Intellectual Property; and Jurisdiction.

CONTRACTUAL AGREEMENTS

- A. Contractual services are defined as the rendering by a contractor of its time and effort rather than furnishing specific commodities. This definition applies to individuals who are not performing the duties of an employee. Employment by the NSHE is not considered a contractual service nor can such actions be processed by Purchasing. The written agreement for contractual services shall be signed by all parties prior to the rendering of any service. For the purposes of this section, Construction and Insurance are not considered services.
- B. Requirement for Agreements – Unless otherwise exempted, all procurements of contractual services shall be evidenced by a written agreement embodying all provisions and conditions of the procurement. A purchase order may be used in lieu of a separate contract agreement provided that the order together with attachments contain a complete statement of the work to be completed and the necessary terms and conditions. At the discretion of the Purchasing Department, a contractual agreement may be required for supply items, particularly when the acquisition involves: a term contract, the furnishing of supplies with significant service and installation costs, the production of items from design or performance specifications, research and development equipment, high-value/unique/non-standard supplies and equipment, long lead time production items, or agreements involving partial payment schedules or definitive project phases.

Other circumstances when an agreement may be necessary include:

- The requirement for an agreement is prescribed by an authority, such as grant subcontracts.
 - Procurements where an agreement is necessary to protect the NSHE's best interests.
 - Complex service contracts to establish the payment method, payment schedule, contract deliverables, or performance standards.
 - Required by the contractor.
- C. Only NSHE personnel specifically delegated the authority are authorized to sign agreements and financially commit the NSHE within the limits of their delegation in accordance with NSHE Policy. No department or individual, unless specifically delegated so, may sign any agreement or represent in any manner whatsoever to an individual or business that they possess the authority to bind the NSHE. All agreements must be signed by the person with the delegated authority. All agreements may be subjected to legal review and approval by General Counsel prior to signature.
- D. The approval of any contract or agreement by General Counsel or an authorized signatory does not absolve nor exempt the Department from full and satisfactory compliance with purchasing and contracting requirements, especially adherence to the competitive thresholds. All contracts and agreements should be coordinated with the Purchasing Department for compliance prior to review by General Counsel or signature by an authorized individual.

TERM CONTRACTS

- A. Term contracts are indefinite quantity contracts whereby a supplier agrees to furnish items or services at specified prices, during a prescribed period (such as a number of months or years, or up to a specified date). The specified period or date is a necessary component of such contracts. The essential feature of a term contract is the establishment of a source, or sources of supply, for a specified commodity or group of related commodities or services for a stipulated price and period. Such contracts offer the economy of large-scale purchasing although requirements are spread over an extended period.
- B. Specified Period - A contract for supplies or services may be entered into for any period deemed to be in the best interest of the NSHE provided the terms of the contract and conditions of renewal or extension, if any, are included in the solicitations and funds are available for the first fiscal period at the time of contracting.
- C. The performance of the NSHE of any of its obligations under a multi-term contract shall be subject to and contingent upon the availability of funds expendable for the purposes of the agreement for the current and future periods. When funds are not appropriated or otherwise not available to support continuation of

performance in subsequent period(s), the contract shall be continued only for supplies or services received through the end of the current contract period.

- D. Departments will be contacted if purchases of a recurring nature indicate that a term contract would be advantageous and/or necessary. Information as to specifications and estimated annual usage shall be supplied by the using department. Departments should request assistance of the Purchasing Department in establishing term contracts.
- E. Cooperative Purchase Contracts - The Purchasing Department may evaluate and approve for use contracts let by the Federal Government, the State, other states, political subdivisions or entities, colleges, universities, educational cooperatives or other consortia for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the NSHE to make purchases under contracts let by such other entities.

IV SUPPLIER REGISTRATION SYSTEM

For a Supplier to be awarded a purchase order or contract and/or receive a payment from NSHE, the Supplier must be registered in Workday. It is the Supplier's responsibility to register themselves and to maintain their registration. The NSHE Supplier Registration System (SReg) allows suppliers to register and manage their business information online through their secure account. As part of NSHE's move to the new Workday financial system, all new and current suppliers need to register through the SReg system. This one registration will provide suppliers with NSHE-wide exposure to all eight system institutions and System Administration.

SReg operates in a similar manner to other on-line registration websites. To register a new account a supplier submits their company and contact information including name, email addresses, phone numbers, insurance, licenses, and commodity offerings. Once they are registered, suppliers can maintain and update their information. For a supplier to register or access their account, visit <https://suppliers.nevada.edu>.

NSHE employees wishing to do business with a supplier who is not registered should request the supplier to register themselves as soon as possible.

PAYMENT REGISTRATION – SUPPLIER REGISTRATION LITE

The NSHE Payment Registration website caters to individuals needing to register with NSHE in order to receive payments. The term "individuals" refers to non-business entities or persons which would not be considered a supplier such as a guest speaker-lecturer, student, research participant, etc. A business entity could register in this system but may be directed to continue their registration in Supplier Registration depending on the data submitted.

This website is available at: <https://suppliers.nevada.edu/lite/>

INDEPENDENT CONTRACTORS

An independent contractor is an individual performing services to another entity on a contract. According to IRS guidelines, a NSHE institution has the right to control or direct only the result of the work done by the independent contractor and not the means/methods of accomplishing the result.

Agreements or contracts with individuals or sole proprietorships are subject to independent contractor guidelines and may be subject to purchasing guidelines. Due to stringent IRS rules, requestors must exercise an extra level of due diligence in identifying when services will be provided by an independent contractor.

All independent contractors (i.e. Guest Speakers) must register and have an "accepted" status in NSHE's SReg system before a requisition in Workday can be processed.

SUPPLIER DIVERSITY – SMALL BUSINESS PROGRAM

The Nevada System of Higher Education and Business Center North recognize the benefit of creating an equal opportunity for all suppliers to participate in the procurement process. NSHE and BCN Purchasing are committed to diversity and nondiscrimination in its business operations. Accordingly, NSHE will make a good-faith effort to

utilize minority business enterprises, women-owned business enterprises, disabled business enterprises, veteran/disabled or veteran-owned business enterprises, and small business enterprises throughout the procurement process. This effort does not equate to a quota or set percentage. All efforts to contact and engage small, minority, disabled, veteran, and women suppliers will be fair and impartial.

Open and fair competition is the cornerstone of the acquisition process, therefore, it is vital that all staff involved in facilitating the procurement process apply measures that lead to attaining successful competition by communicating opportunities to prospective suppliers, guiding them through the process, responding to questions and inquiries in a fair and efficient manner, as well as ensuring that the evaluation of supplier responses is done accurately and fairly, seeking the award of a best value contract that will ultimately meet the requirements of the requesting entity in terms of long-term cost, delivery timelines, performance and warranties.

In accordance with Nevada law, no preference will be given to any business group or classification. The Supplier Diversity Program has been created, however, to ensure that small and minority-, veteran-, disabled-, and woman-owned businesses have the unimpeded ability to compete in the bidding process and to do business with the NSHE.

The NSHE has established, to the maximum extent possible and practical, uniform purchasing procedures for full and open competition regarding the acquisition of commodities, contractual services, and construction.

Certifications of small, disadvantaged, woman and veteran owned, and minority business enterprises granted by federal, state and local entities, and business organizations can be recorded in the NSHE's Supplier Registration System (SReg).

V THE PURCHASING CYCLE IN WORKDAY

A. General

The purchase order initiates a contract by legally accepting the offer made by the supplier. In Workday, purchase orders are initiated through submission of an approved, on-line requisition.

The Workday on-line requisition is used to request purchases of all goods (commodities and equipment) and services through the Purchasing Department. It provides the cost center to be charged, obtains the approvals for the expenditure and purchase, and provides needed information such as item descriptions, quantity, delivery instructions, and desired delivery date. Complete and correct preparation of the requisition expedites the purchasing process.

B. Purchase Requisition - General Instructions

1. The purchase of needed equipment, materials, or services from off-campus sources shall be initiated in Workday using:
 - a. Ad-Hoc Goods and Services Requisition in Workday for those items not available in a NSHE Catalog or Punchout. Also used for the creation of Blanket Purchase Orders.
 - b. Workday Supplier Punchouts that connect directly to a supplier's website, creates the requisition in Workday, and issues the Purchase Order electronically directly to the supplier, or
 - c. NSHE Catalog Requisition for those line items entered in Workday by Purchasing,
2. Contracted Suppliers of goods and services can be found on the BCN Purchasing website under Preferred Suppliers, Contracted Suppliers, and/or Co-Operative Contracts. Purchases from contracted suppliers is recommended and encouraged, and will provide discounted pricing, contracted terms and established service levels.

C. P-Card Purchases – General Instructions

For small-dollar purchases, generally less than \$5,000, authorized individuals may use a purchasing card (P - Card) to purchase and pay merchants for goods and limited services up to their P-Card limit. Reconciliation

of P-Card transactions will be accomplished through Workday and the resulting financial information will be available in Workday statements.

EXPEDITED PURCHASE ORDERS

Departments are not authorized to place orders, above the small-dollar level, directly with suppliers for goods or services. The Purchasing Department is the only authorized agent for the NSHE. If a department has an immediate need, the Purchasing Department may expedite an order with a supplier after an approved Workday requisition has been received and the proper acquisition method has been selected and executed. If the department receives goods or services prior to the approval of the Purchasing Department or issuance of a Purchase Order, an explanation-justification shall be provided with the requisition.

Manual, walk-thru purchase orders are no longer available. All requisitions must be submitted electronically in Workday and route through all the required approvals before Purchasing can source the requisition and issue the Purchase Order. There are no bypass provisions for requisition approvals. There is no ability to approve or bypass a requisition assigned to another person as determined by the Business Process in Workday. The inability to walk-thru a requisition for a purchase order is not a valid justification for committing an after-the-fact purchase nor is it considered an Emergency unless so declared in writing by the Chief Business Officer or their designee.

DEPOSITS AND PRE-PAYMENTS

It is generally not a good business practice to agree to or pay deposits or prepay for any goods or services. Requestors are responsible for verifying that the intended supplier accepts purchase orders on open terms, i.e.: payment 30-days after receipt. If a deposit is required, the requesting department's Dean or Director (or equivalent) must accept the risk involved.

PAYMENT AND SHIPPING TERMS

The NSHE's standard for payment of Supplier Invoices is within thirty (30) days after the invoice date, or date of receipt of ordered goods or services (whichever is later). This is referred to as payment terms of 'NET 30.' Related to NET 30 is the trade credit where the NSHE can receive a percentage discount if payment is made within a shorter time frame. If not, the normal terms apply. For example, in 2/10 NET 30—if the invoice is paid within 10 days, the NSHE will receive a 2% discount. If not, then the NSHE will need to pay the invoice within 30 days.

Shipping Terms: FOB, Free On Board, is a transportation term that indicates that the price for goods includes delivery at the Seller's expense to a specified point and no further. The FOB term is used with an identified physical location to determine 1) the responsibility and basis for payment of freight charges, and 2) the point at which title for the shipment passes from Seller to Buyer. The FOB location terms, Origin and Destination, may be qualified by modifiers. The modifier determines the payment of the transportation charges. Modifiers denote nothing about the title of the goods or filing of claims. The NSHE prefers FOB Destination, where the supplier retains title and control of goods until they are delivered; the supplier selects the carrier and is responsible for the risk of transportation; and the supplier is responsible for filing claims for loss or damage. A common alternate shipping term is FOB Destination, Freight Prepaid & Add, where the supplier pays the freight and adds the freight charges to its invoice.

RECEIPTS AND 3-WAY MATCHING

- A. In Workday, Purchase Orders must have receipts submitted electronically by the requisitioner.
- B. Receipts are done in Workday through the Create Receipt task or as a related action to a Purchase Order.
- C. A 3-Way match in Workday is defined as the PO – Receipt – Invoice.
- D. Receipts for Goods Lines on POs are received by QUANTITY. Receipt for Services Lines and Blanket POs are received by DOLLAR AMOUNT of the order/service/delivery placed.
- E. If the PO, Receipt, and Invoice do not match, a Match Exception is generated.

- F. For further information regarding Receipts and Matching in Workday, please visit the Controller's and NSHE-Workday websites.

INCORRECT OR DAMAGED SHIPMENTS

If a shipment is received with incorrect or damaged goods, the packing material, packing slip, and/or shipping ticket should be saved. These may be needed if the items have to be returned or exchanged with the Supplier.

To handle incorrect or damaged shipments:

- The Supplier's process should be followed to obtain proper authorization and shipping instructions.
- The department shall notify the Supplier **immediately in writing** so that appropriate action may be taken such as issuing credit or providing a replacement.
- If the order has to be shipped back to the Supplier, it should be packed in the original cartons.
- The department should also appropriately record this activity (i.e. number of items received, number of items returned, comments, etc.) in Workday if the order was related to a Purchase Order.
- The Purchasing Department may be contacted to help settle any disputes or to negotiate a settlement.

CREDITS

Credits occur due to the receipt of defective merchandise, returned goods, discounts, or incorrect invoice payments. All credit memos shall be sent to Accounts Payable for processing. Be sure to reference the Purchase Order number and line numbers, or include the worktags.

CHANGE ORDERS

- A. A change order can be issued to modify quantities, encumbrances, terms and conditions, or to close or cancel the purchase order.
- B. Departments should initiate requests for Workday change orders via e-mail to the buyer who initiated the purchase order. The email request for a change order shall be routed through the proper Cost Center approvals before submitting to Purchasing. Purchasing will input the change order in Workday or notify the requisitioner of any problems.

BLANKET PURCHASE ORDERS

- A. General - A Blanket Purchase Order (BPO, "Blanket," or "Standing Purchase Order") is a form of Term Contract providing a simplified method of filling needs for quantities of supplies or services typically needed on a frequent basis, for indeterminable time periods, and/or unknown quantities by establishing open accounts with qualified suppliers. Blankets are designed to expedite the acquisition of urgently, and/or frequently, needed supplies or services and to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase orders. For most repeat purchases, the Blanket Purchase Order is preferable to using the P-Card.
- B. Limitation on Use - A Blanket Purchase Order may NOT be used when:
1. The aggregate monetary value will exceed the bid threshold for any one type of item or service in any twelve-month period (unless a solicitation or supplier contract is referenced).
 2. The purchases are for inventorial items and assets; or
 3. The purchases are of a personal nature; or
 4. The term is for longer than one year; or
 5. The term will cross fiscal years utilizing annually appropriated funds or for a period longer than the funding authorization (grant, aux, and local funds).

- C. Establishing a Blanket Purchase Order – Blanket Orders for goods and services are created in Workday using an Ad Hoc Request for Goods and Services, utilizing the Services Line and a Requisition Type of “Blanket PO”. For more information please review the Workday websites.
- D. Blanket Purchase Order Pricing and Other Terms and Conditions - The Purchasing Department negotiates agreements on prices, discounts, minimum purchases, and delivery with the supplier before Blanket Purchase Orders are issued.
- E. Orders Against Blanket Purchase Orders - Orders against Blankets may be made verbally by an individual authorized to place orders against the agreement. When placing an order, the individual should identify himself/herself and give the applicable purchase order number.
- F. Delivery of Goods or Services – Receipts for Goods and Services delivered under a blanket PO must be received in Workday by the requester using the Create Receipt task. Blankets must be executed on Service Lines and are Received based on the Dollar Amount of the delivery of services or goods.
- G. Invoices in conflict with the PO or the Receiver will cause a Match Exception. The Controller’s Office may require the requestor to initiate a change order or amend the receipt to clear the error, so the payment may be made. Invoices may also be returned to the supplier for correction, as required.
- H. Funds Increase/Decrease - The encumbrance of a Blanket Purchase Order may be increased or decreased by the using department by submitting a Change Order request. (See CHANGE ORDER section above.)
- I. Termination of Blanket Order - The agreement may be terminated by the using department by submitting a Change Order request to the Purchasing Department. The order may be unilaterally terminated by the Purchasing Department for misuse or failure to follow the procedures as set forth in the Purchase Order. All Blanket Orders expire on the end date specified in the Purchase Order unless otherwise modified.

VI PROCUREMENT DOLLAR THRESHOLDS-LIMITS

- A. **Small-Dollar - valued at less than \$25,000.00: Purchases of supplies and services, up to \$24,999.99 shall be made using the most effective and efficient means available,** while maintaining adherence to basic purchasing policies.
 - The preferred method for small-dollar is to use the P-Card for one-time purchases, or a Blanket Purchase Order for repeat purchases.
 - If a P-Card or Blanket Purchase Order cannot be used, then a purchase order should be used.
 - Purchase orders for the acquisition of goods and services in this range are issued by Purchasing following submittal of a properly approved and funded requisition.
 - Purchases in this range should be documented with a quotation or a price list reference from the recommended supplier.
 - Quotations from more than one supplier, demonstrating that the prices are competitive, are always welcome and encouraged.
 - To capture the needed detailed information, purchases of Equipment that must be licensed by the State such as vehicles and/or trailers and items that require special handling such as firearms must be purchased using a purchase order regardless of the dollar amount.
 - For all services, any supplier performing services on-campus must meet the NSHE Risk Management insurance requirements.
 - If an invoice for a small-dollar amount has been received, or there is no invoice such as a subscription, then the Supplier Invoice Request can be used to make payment and complete the transaction.
- B. **Purchases of \$25,000.00 to \$49,999.99* (non-construction related and non-professional):** Purchases of goods and services in this range require quotations from two or more responsible suppliers before a purchase order is issued.

**Refer to Section D. Professional Services (non-construction related)*

**Refer to Section E. Construction Procurement below for construction-specific dollar thresholds*

- C. **Purchases in amounts that exceed \$50,000.00*:** Purchases of supplies, equipment, and services, other than *capital construction and professional services, valued at \$50,000.00 or more, will be awarded after Purchasing completes a formal bid/proposal process. For the purposes of determining the bidding threshold the total cost of the requirement normally includes any options, add or deduct alternates, and trade-ins, for the life of the contract including option years.

**Refer to Section D. Professional Services (non-construction related)*

**Refer to Section E. Construction Procurement below for construction-specific dollar thresholds*

- D. **Purchases in amounts that exceed \$75,000.00 for Professional Services (non-construction related):**

**Refer to Section E. Construction Procurement for construction-specific professional service dollar thresholds*

Excerpted from the Nevada System of Higher Education (NSHE) Procedures and Guidelines Manual Chapter 5 – Fiscal Procedures Section 2 – Purchasing Policy: *“Except for personal/consultant services involving technical, professional or specialized skills or training, all materials, supplies, equipment, services, and construction shall be purchased from the lowest responsive and responsible bidder after giving due consideration to price, quality, availability, conformance to specifications, financial capability and service. The Purchasing Division of each Business Center shall develop policies for obtaining personal/consultant services involving technical, professional or specialized skills or training.”*

Personal or Professional Services: Services requiring a high degree of knowledge, expertise and training, of an intellectual, specialized or technical nature, performed only under general supervision and requiring the consistent exercise of discretion and judgment. Frequently the individual or organization performing the service(s) is professionally licensed, and/or possesses an advanced degree. Some of the more common types of professional services include:

- **Consultant:** An individual or organization who gives expert advice or assistance.
- **Accountant, auditor, actuary, appraiser, professional who assists in identifying specific employees (head hunter), computer or software designer, medical or legal specialist, and curriculum and training material provider.** An individual or organization who gives expert advice or assistance in an area of endeavor for which he or she has special or unique expertise and/or qualifications.

Selection of Personal and Professional Service Contractors:

Selection and documentation supporting the hiring of such suppliers for any project should, as a minimum, include provision of the following: evidence that an effective selection process has been employed to secure the most qualified supplier available, considering the nature and extent of the services required; and evidence that the fee is appropriate considering the qualifications of the supplier, their normal charges, and the nature of the services to be provided.

For all personal, professional and consultant service contracts, a scope of work must be defined detailing the assumptions, schedule and deliverables associated with the contract. The level of detail of the scope of work depends on the size of the contract. The scope of work must be provided to the potential suppliers and the basis for their response to the solicitation.

Although personal and professional services are not generally awarded on low price alone, they are not automatically exempt from competition and a public solicitation process is appropriate and required in many cases.

Where there is competition, and the size of the award will be between \$25,000 and \$50,000, there must be at least two (2) “competitive” informal solicitations sought based on a summary scope of work that is developed and presented to those responding. If the award will be more than \$50,000 and less than \$75,000 three (3) “competitive” informal solicitations must be obtained and the scope of work must be more detailed and meet format requirements defined by the Purchasing Department. The Purchasing Department will

conduct a formal solicitation process for any services over \$75,000, based on a formal and detailed scope of work. The scope of work developed for any solicitation must be part of the final contract, along with any formal response to the solicitation by the selected supplier. The award will not be based on price alone, but on the competence of the supplier and the supplier's ability to serve the needs of the institution. Departments are advised that a request for additional monetary consideration or expansion of scope after the award of any professional services contract will not automatically be granted if the change results in the total project costs exceeding the original solicitation requirements. (Example: If the original award was less than \$25,000 and the requested increase would bring the award to over \$50,000, the department may be required to obtain additional solicitations for the new scope of work.)

Note: "Competitive" informal solicitations are written solicitations received based on a request for solicitation containing a scope of work presented to the parties providing the solicitation. Formal requests for solicitation require a more detailed process which includes advertising in a public newspaper and sealed responses that are publicly opened and recorded. When soliciting Architects and Engineers, the requests will take into consideration any other applicable State requirements for such services when requesting solicitations.

Rarely there may be the case to declare a competitive exception. The requisitioning department must submit a Competitive Exception Form to the Purchasing department for consideration. These procedures apply to all professional services including architects and engineers.

E. **Construction-Related Procurement** (See Appendix B – Construction for NSHE Procedures & Guidelines Manual requirements for Capital Construction):

Capital Construction (From NSHE Procedures & Guidelines Manual, Chapter 5, Section 2. I. g.)

Any new construction, repair, improvement, or reconstruction on land, appurtenances and buildings of the Nevada System of Higher Education, the estimated cost of which is \$25,000 or more, which is intended for long-term, continued use or which extends the useful life of a capital asset, is deemed a capital construction project.

The respective institutional Facilities Departments must provide direct oversight for all capital construction projects, including remodeling projects. Facilities Management staff will be sufficiently involved in the project review, approval, and management of all capital construction projects to ensure compliance with all internal and external requirements.

All construction projects, renovations, and alterations to buildings, offices and land require approval by the institution's facilities-construction department. Approval is required for any alteration to a structure, land, or room including renovations for shelving, wall mountings, carpeting, and any ceiling mount such as data projectors and TVs.

Purchase Contracts Related to New Construction and Renovation Projects:

- **Purchases in amounts less than \$25,000:** For these purchase contracts, which requires a contractor's license, one written quote is required.
- **Purchases in amounts more than \$25,000.00 but not more than \$100,000.00:** For these purchase contracts, which requires a contractor's license, firm, written quotes from three (3) properly licensed contractors are required, or bids may be sought.
- **Purchases in amounts valued at \$100,000.00 and above:** For these construction project contracts, BCN Purchasing will conduct a formal bid process, as described in the Board of Regent's Procedures & Guidelines Manual and in accordance with NRS 338.

Purchase Contracts Related to Architectural or Engineering Services (defined below):

- **Purchases in amounts less than \$25,000:** For these purchase contracts, which requires a State of Nevada professional license*, one written quote is required.

- **Purchases in amounts more than \$25,000.00 but not more than \$100,000.00:** For these purchase contracts, which requires a State of Nevada professional license, three (3) firms are to be evaluated and a Consultant Evaluation Form documenting how the awarded firm was selected is required, not including price as a factor, or formal bids may be sought. Please reach out to BCN Purchasing for the template Consultant Evaluation Form to use.
- **Purchases in amounts valued at \$100,000.00 and above:** For these purchase contracts, BCN Purchasing will conduct a formal bid process, as described in the Board of Regent’s Procedures & Guidelines Manual.
 - **Architect:** An individual or organization engaged in planning and designing buildings and structures by applying knowledge of design, construction procedures, zoning regulations, building codes, building materials, and/or campus/area planning/master planning.
 - **Engineer:** An individual or organization that applies physical laws and principles of engineering in the design, development, and utilization of machines, materials, instruments, structures, processes, and systems. Assignments undertaken may involve any of the following activities: provision of advice, preparation of feasibility studies, preparation of preliminary and final plans and designs, provision of technical services during the construction and installation phase, inspection and evaluation of engineering projects, and related services.
- *A certificate showing current professional licensure (architect/engineer) in the State of Nevada must be included with quote or, if not currently licensed/registered at the time of bidding, proof that a temporary certificate of registration, has been issued prior to submittal of bid.

F. Requirements for more than one written quotation and/or formal bids-proposals may be waived by the Purchasing Department when it is in the best interests of the NSHE based on submittal of a completed and approved [Competitive Exception Form](#). The purchasing file shall be documented prior to the processing of a purchase order as to the circumstances when competitive quotes or solicitations are not obtained. **Competitive Exceptions do not apply to construction – the only exception is an emergency as defined in NRS 338.011.**

PRICE DETERMINATION

A. General

1. For requisitioning purposes, departments may obtain quotes, rough cost estimates from catalogs, or use prior orders from suppliers. A copy from a catalog or brochure will assist Purchasing in obtaining the correct item. When securing suppliers' estimates, the requisitioners should be careful to avoid the impression that they are asking for an official bid or placing an order.
2. Upon receipt of a requisition, the Purchasing Department will determine the method to be used to obtain the actual purchase price and source the requisition into a Purchase Order. Consideration will be given to utilizing contract or cooperative resources to insure minimum costs or obtain cost savings.

B. Bids/Proposals/Quotes

1. The Purchasing Department shall determine when a formal bid, proposal, or quote is necessary for commodities, services, and contracts for any item or group of items, except as provided below. The formal bid-proposal threshold is \$50,000. For purchases of \$25,000 up to \$50,000, written quotes, from two or more suppliers, need to be solicited to ensure competitive pricing.
2. The Purchasing Department will advertise formal solicitations in a newspaper of general circulation and on the e-bidding system. Solicitations are conducted and managed through use of an on-line bidding system, IonWave; NGEM is the Nevada version of IonWave.
3. The formal bid process (ITB or RFP) typically requires 45 – 90 days starting with the customer’s draft of the specifications-statement of work until a final award decision is made. This time includes review and approval of draft specifications, statutorily required public notice posting times, time for supplier bid

responses, and the proposal evaluation process. The formal bid process for complex commodities and services will take longer than a standard ITB or RFP, especially where the award evaluation is comprehensive and negotiations with the bidders will be conducted. The requisitioning department should contact Purchasing far in advance of any major purchase to allow sufficient time to plan and accommodate the formal bid process.

4. When only one response is received for the purchase of an item or a group of items in a solicitation, the Director of Purchasing shall review the response to determine the reasons why only one was received. If it is determined that another solicitation would not be in the best interest of the NSHE, the circumstances shall be documented, and Purchasing may proceed with the purchase. If it is determined that a second solicitation would be in the best interest of the NSHE, Purchasing may issue another solicitation.
5. If no responsive and responsible quotes, bids, or proposals are received in response to a competitive solicitation, the NSHE shall negotiate the purchase at the best possible price, at the most favorable terms.
6. No purchase shall be divided or subdivided to circumvent the requirements for competitive purchases.
7. The Purchasing Department, at its sole discretion, shall determine whether a response meets or exceeds specifications.
8. The NSHE shall reserve the right to reject any and/or all bids or proposals.
9. All contracts for the purchase of commodities or contractual services exceeding the bid threshold shall be awarded pursuant to a competitive solicitation, unless otherwise exempted.
10. When multiple responses that are equal in all respects are received to a competitive solicitation and are equivalent between two or more responses, a card draw may be used.
11. The contents of responses to formal solicitations shall be kept confidential until the NSHE makes an award or provides notice of the intended decision.
12. In the case of extension errors, the extended price (unit price multiplied by the quantity) will be based on the unit price as stated in the Supplier's Response.

COMPETITIVE EXCEPTIONS

Purchases in excess of solicitation thresholds must be made based on competition with certain exceptions. Competitive exceptions should be avoided, except when no reasonable alternative exists. Cost cannot be used as a reason for competitive exception. Competitive exceptions will not be granted just because there is not enough time to issue a proper solicitation. Each department is responsible to plan its activities in such a manner to allow the bid process to take place. Waiting until the equipment or service is actually needed before contacting Purchasing is not a valid reason to bypass Board of Regents and Federal policies. The earlier Purchasing is notified of a requirement, the sooner they can assist in specification writing and begin and complete the bid process.

A [Competitive Exception Form](#) must be submitted with any requisition requesting equipment, supplies, or services from a supplier without a second quote that exceeds \$25,000.00 (aggregately within a 12-month period).

Competitive Exceptions do not apply to construction – the only exception is an emergency as defined in NRS 338.011.

Purchases that may be approved as not requiring second quotes or formal solicitations include:

- A. **Cooperative Agreements:** Purchases from contracts and price agreements established by the Federal Government, the State, other states, political subdivisions or entities, colleges, universities, educational cooperatives or educational consortia satisfy the need for further competitive solicitation.

Note: Cooperative agreements are aimed to satisfy competitive solicitation requirements for items that are purchased sporadically and would not benefit from soliciting each purchase. But where the individual cost or

the total size of a single purchase warrants it, a bid or RFP should be used rather than the cooperative agreement.

- B. **Non-Competitive:** The following commodities and contractual services, by their nature, do not lend themselves to the competitive solicitation process, and are pre-approved as exempt from competitive solicitation, but they may be, and should be solicited, at least informally, if beneficial to NSHE:
- Art;
 - Artistic services;
 - Academic reviews;
 - Lectures;
 - Accountant Services;
 - Auditing services;
 - Legal services, including attorney, paralegal, expert witness, appraisal, arbitrator or mediator services; (Approval by the NSHE System Counsel is required for any private attorney services acquired by the NSHE)
 - Health services involving examination, diagnosis, treatment, prevention, medical consultation or administration;
 - Prescriptive assistive devices for medical, developmental or vocational rehabilitation including, but not limited to prosthetics, orthotics, and wheelchairs, provided the devices are purchased based on an established fee schedule or by a method that ensures the best price, taking into consideration the needs of the client;
 - Training and education services;
 - Advertising;
 - Continuing education events or programs that are offered to the general public for which fees have been collected to pay all expenses associated with the event or program;
 - Purchases from suppliers that are prescribed by state or federal rule or specified by a granting agency;
 - Regulated utilities and government-franchised services;
 - Regulated public communications;
 - Purchases for resale;
 - Contracts or services provided by not-for-profit, direct support, health support and NSHE affiliated organizations and faculty practice plans;
 - Implementation, programming, or training services available from the owner or agent of copyrighted software;
 - Prototype (for test purposes);
 - Compatibility with installed equipment; and
 - Follow-up Work.
- C. **Research or Compatibility:** Purchasing of products from a previous supplier to ensure consistency of research results, or for clinical trials. Purchasing of equipment that requires brand compatibility with existing equipment or supplies and is available only from manufacturer or sole authorized distributor.
- D. **Grant Requirement:** The award to a specific supplier, service provider, or contractor is a condition of a grant or donation that will fund the full cost of the supply, service, or construction item.
- E. **Used Equipment:** With the approval of the Chief Business Officer of the purchasing institution, used equipment, or products from an auction, closeout, bankruptcy, or similar sale may be purchased without competitive solicitation. Such purchases should provide savings over comparable new products.
- F. **Emergency Purchases:** When the Chief Business Officer or designee determines, in writing, that the delay due to the competitive solicitation process would cause an immediate danger to the public health, safety or the welfare of person(s), animal(s), the preservation or protection of property, or the continuance of a vital NSHE function, the Purchasing Department is permitted to proceed with the procurement of commodities or contractual services without a competitive solicitation. The emergency purchase shall be limited to the

purchase of the type of items and quantities needed, or for a time period sufficient to meet the immediate threat and shall not be used to meet long-term requirements.

Even if these commodities and contractual services are not solicited, they should follow all other purchasing procedures, i.e.: ensure that the pricing is reasonable, ensure advantageous terms and conditions are met, and use a purchase order, contract, or p-card as appropriate.

PURCHASING VIOLATIONS

Purchases that are made without following BCN Purchasing Guidelines, or other applicable policies and procedures, are considered Purchasing Violations and must be explained and corrective action taken. The purchaser's department is responsible for acknowledging the mistake and corrective action to prevent recurrence. If the goods cannot be returned to the supplier, and an invoice must be paid, a Supplier Invoice Request should be submitted. It must be accompanied by a written explanation by the purchaser, approved by the Dean or Director, and detail measures implemented to prevent recurrence.

SPLITTING OF ORDERS

The deliberate attempt to split orders, where the purpose is keeping the total cost of each order below bid or quote limits, and failure to combine orders when practical for the interest of economy, is an evasion of NSHE, State and Federal regulations. The splitting of orders is a prohibited activity and therefore, unlawful. Any related needs that are known or should have been reasonably known at the time of the requirement should be combined into one coherent request for procurement.

VII INFORMATION TECHNOLOGY AND COMMUNICATIONS

Information Technology and Communications (ITC) is comprised of the computer equipment, facilities, software, and all voice and data assets that comprise the NSHE's network and all the electronic information and communication infrastructure contained therein. An institution's ITC department is responsible to functionally integrate NSHE administrative data systems across campuses, colleges, departments, and associated organizations. It is important that any software and applications be reviewed and approved by ITC so that existing software operational activities are not compromised.

The following guidelines apply for the purchase of Information Technology and Communications (ITC) hardware and software:

- A. Purchases of IT or communication equipment, telephone systems, software, network services, and all other computer hardware are subject to prior approval. Workday requisitions for monitored spend categories related to ITC Hardware and Software will route to the appropriate IT office for approval.
- B. Acquisition Process
 1. Department Responsibilities - The requesting department submits a requisition for approval:
 - a. Explain the reason for requesting the equipment and its proposed use. This information may be in the requisition, or as an attachment;
 - b. If the equipment is on a cooperative or other contract, enter the contract information in the requisition, or as an attachment;
 - c. If the cost of the equipment is expected to exceed the bid threshold and is only available from a single source, a Competitive Exception must be submitted with the requisition.
 2. Information technology office reviews and approves requisition.
 3. For equipment exceeding the formal bid threshold and not on a cooperative or other contract, a formal solicitation is created and issued.

ADDITIONAL PROVISIONS FOR ITC

- A. Departments are responsible for adhering to all applicable federal, state, and local laws and regulations and all NSHE regulations and policies, specifically including without limitation those pertaining to the privacy of student records (FERPA), the Health Insurance Portability and Accountability Act (HIPAA), and the Digital Millennium Copyright Act (DMCA).
- B. Copyright: Departments are responsible for respecting the copyrights of others and must refrain from unauthorized distribution, downloading and use of copyrighted works.

ACCESSIBILITY

"Accessible" means that individuals with disabilities are able to independently acquire the same information, engage in the same interactions, and enjoy the same services within the same time frame as individuals without disabilities, with substantially equivalent ease of use.

Information and Communication Technology (ICT) acquisitions must follow the Purchasing Guidelines established by the BCN Purchasing Department. Additionally, when making ICT purchases or renewals the purchase requestor or the department buyer must ensure a compliant [Voluntary Product Accessibility Template \(VPAT\)](#) or an acceptable alternative must accompany the requisition or P-Card before the purchase can be made/paid. The only time the BCN Purchasing Department will obtain the VPAT is when conducting a formal bid. Only suppliers with a compliant VPAT or acceptable alternative will be evaluated and awarded the bid. Go to: [UNR VPAT procurement process](#) for further information.

CAPITALIZATION OF COMPUTER SOFTWARE

The cost of computer software (other than for research and development activities) purchased for data systems, computer systems, and other systems requiring operating software and documentation must be capitalized if all of the following criteria are met:

- Absolute useful life of one year or more, and
- Owned or having a non-time-limited license for use, and
- A value of \$250,000 or more per unit of software.

Note: For details see NSHE Procedures and Guidelines Manual, Chapter 5, Fiscal Procedures, Section 12, Intangible Asset Policy.

VIII INSURANCE

The NSHE's Risk Management is managed by the Business Center Risk Manager. Insurance coverage for existing NSHE property, the purchase of new insurance, claims, and other risk services both under the NSHE's self-insurance and outside commercial carriers should first be coordinated through the Risk Manager. This includes coverage for specialty items like high value lab equipment, art, and marine insurance. Coverage for special events, transit shipping and other insurance as may be required for the use of off-campus facilities also require advanced coordination through the Risk Manager.

All suppliers who conduct business with Business Center North must comply with established insurance requirements, prior to delivering goods or services. These requirements are set by the NSHE and BCN Offices of Risk Management and are intended to protect the Nevada System of Higher Education. Suppliers are required to submit current proof of insurance coverage for general liability, automobile and workers compensation in the required limits per NSHE policy and name NSHE as additional insured. This applies to all suppliers who perform work at any BCN campus site. An insurance certificate is required and will be requested of the supplier if one is not on file or the coverage is not current. The lack of an insurance certificate will delay the issue of a purchase order.

For additional information please visit the BCN-NSHE Risk Management website at: <https://www.unr.edu/bcn-nshe/risk/contracts>.

INSURANCE REQUIREMENTS FOR SUPPLIERS & CONTRACTORS

Each Contractor-Supplier shall, at Contractor's sole expense, procure, maintain, and keep in force for the duration of the Contract the following insurance conforming to the minimum requirements specified below. Unless specifically noted herein or otherwise agreed to by NSHE, the required insurance shall be in effect on or prior to the commencement of work by Contractor and shall continue in force as appropriate until the latter of:

- a. Final acceptance by NSHE of the completion of this contract; or
- b. Such time as the insurance is no longer required by NSHE under the terms of this contract.

Any insurance or self-insurance available to NSHE shall be in excess of and non-contributing with any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. NSHE reserves the right to require complete, certified copies of all insurance policies required by Contract at any time.

Workers' Compensation and Employer's Liability Insurance

Contractor shall provide proof of workers' compensation insurance as required by NRS 616B.627 or proof that compliance with the provisions of Nevada Revised Statutes, Chapter 616A-D and all other related chapters, is not required. If work occurs outside of the State of Nevada, by employees who do not live and work in Nevada, proof of the applicable statutory state's workers compensation insurance must be provided.

\$1,000,000 per Accident or Disease for Employer Liability

Commercial General Liability Insurance

\$2,000,000 General Aggregate

\$1,000,000 Products & Completed Operations Aggregate

\$1,000,000 Personal and Advertising Injury

\$1,000,000 Each Occurrence to include bodily injury and property damage.

Umbrella or Excess Liability Insurance

Shall be endorsed to state it is "As Broad as Primary Policies".

Business Automobile Liability Insurance (when services include driving activities)

\$1,000,000 Each Occurrence

\$5,000,000 Each Occurrence for Charter Services

- Coverage shall include owned, non-owned, and hired vehicles.
- Coverage shall be written on ISO form CA 00 01 or a substitute providing equal or broader liability coverage.

Professional Liability/Errors & Omissions Insurance (when services include professional services).

\$1,000,000 Each Occurrence

\$3,000,000 Annual Aggregate

- Retroactive date: Prior to commencement of the performance of this contract.
- Discovery period: Three (3) years after termination date of contract.

Technology Errors and Omissions/Cyber Liability (when services include software/financial programs)

\$3,000,000 Each Occurrence

Contractors' Pollution Liability (when services include potential for environmental impact)

\$1,000,000 Each Occurrence

\$3,000,000 Annual Aggregate

NSHE Risk Manager may make exceptions (for higher or lower limits) if it is determined that the exposure is more or less than contemplated by these requirements. Exposures related to aircraft, drones, watercraft, financial services and hazardous activities will require additional insurance and/or higher insurance limits.

Additional requirements

Additional Insured:

By endorsement to all liability policies except professional liability, the Nevada System of Higher Education on behalf (Campus/College/ Department) shall be named as an additional insured for all liability arising from the contract and be added to the insurance policy as an “additional insured”.

Waiver of Subrogation:

Each liability insurance policy shall provide for waiver of subrogation against the NSHE.

Deductibles/Self-Insured Retention:

Any deductible or self-insured retention shall not exceed \$100,000.00 per occurrence, unless otherwise approved by a NSHE Risk Manager.

General Conditions:

- Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made.
- Contractor must provide the following documents to the NSHE:
 - The Accord 25 Certification of Insurance form or a form substantially similar must be submitted to the NSHE to evidence the insurance policies and coverages required of Contractor.
 - An Additional Insured Endorsement (ISO form CG20 10 11 85 or equivalent), signed by an authorized insurance company representative, must be submitted to the NSHE by attachment to the Certificate of Insurance, to evidence the endorsement of the NSHE as an additional insured entity.
 - Contractor must provide an updated certificate upon policy renewal during the course of the contract term.
 - Contractor shall notify NSHE at least 30 days prior to changing or cancelling any insurance terms that are in place upon the award of this contract.
 - Contractor shall require their insurers to provide NSHE with a minimum of a 10-day notice of cancellation or non-renewal of each required insurance policy.

IX OTHER TYPES OF PURCHASE TRANSACTIONS

HOSTING

Hosting expenditures may be incurred for reasonable expenses for meals, beverages, flowers and small gifts by or on behalf of employees or guests of the NSHE institutions. Hosting must provide a benefit through the establishment of good will and promotion of programs to advance the mission of the NSHE. Some restrictions include: expenses may not be charged to state accounts, gratuity may not exceed 20%, may not be used to pay for expenses not allowed by other policies. Host accounts may be set up for grants, contracts or gift accounts, student government funds and unrestricted funds. Host accounts are audited periodically.

MEMBERSHIPS & PROFESSIONAL LICENSES

- A. For NSHE funds expended for payment of dues or membership for any individual, department, or group, an explanation should accompany the transaction detailing the benefits such membership provides to the NSHE.
- B. Professional Licenses may be paid only if NSHE requires the particular license for the execution of a NSHE mission function and the individual’s job position requires the license.

1. For example, if a position in Accounting where a CPA license is required to perform required duties of the office then the license or renewal fees may be paid by the NSHE.
 2. If the position was hired as CPA preferred, or if it simply wasn't a requirement at all then any professional licensing fees would be the responsibility of the individual.
- C. A statement of "benefit to the NSHE" shall be included on each requisition for memberships and professional licenses.

TEMPORARY, TRIAL, TEST OR LOAN BASIS

Items (including commodities, services and software) to be used by the NSHE on a temporary, trial, test or loan basis at no cost must have the prior approval of the Purchasing Department and other required NSHE approvals. It may be necessary to add loaned items into the NSHE's property record for Risk Management coverage or to memorialize the loan agreement. It is the responsibility of the user department to ensure the loaned item is returned to the supplier after the trial period is over. Items used on a temporary or loan basis is not sufficient justification for a non-competitive purchase of the items.

PRINTING

A. Definitions

1. Printing - The transfer of an image or images using ink or similar substance from an original image to the final substrate through the process of letterpress, offset lithography, gravure, screen printing, or engraving. Printing shall include the process of and the materials used in binding. Printing shall also include duplicating when used to produce publications.
2. "Duplicating" - The process of reproducing an image or images from an original to a final substrate through the electro photographic, xerographic, laser, or offset process or any combination of these processes, by which an operator can make more than one copy without re-handling the original.

B. The NSHE shall purchase, when economical, recycled paper when recycled paper can be obtained that is of adequate quality for the intended purposes.

C. Preference shall be given to suppliers located within reasonable distance from NSHE to allow for timely exchange of proofs and edits.

D. All specifications for printing shall provide that all cost for delivery, storage, freight, and packing are to be prepaid by the supplier, F.O.B. the address or addresses listed on the solicitation or purchase order unless otherwise specified.

E. Information to Be supplied with Requisition:

1. Printing requirements should be planned well in advance to permit purchase in compliance with the procedures described above.
2. Adequate information should appear in the requisition to ensure that the required printing is obtained. The following list of terms may be of assistance in describing the printing desired: type style, type size, color of ink, size of paper, weight of paper, number of pages, printing on one or both sides, printing on inside of cover, stapled, stitches, perforated, scored, folded, numbered, padded, packaged.
3. The requisition should also include the following information: date final copy will be available; date for receipt of proof, if required; date final delivery is required; point of delivery; person to be contacted in requisitioning department if additional information is required; and any other pertinent information.
4. If samples of similar printing jobs are available, scans of the documents should be attached to the requisition.
5. Approval(s) by the Institution's marketing, communications, public relations, or other unit as required by the Institution's policies and procedures.

HAZARDOUS MATERIALS

Any purchase of materials considered hazardous must be made in compliance with all federal, state and local safety policies and regulations. Departments should request assistance from the Environmental Health and Safety (EH&S) and Purchasing Departments in identifying special shipping, handling or disposal requirements; this includes any requisitions to purchase materials, new or substitute, that have a Material Safety Data Sheet (MSDS) and that may require special purchase order or contract provisions.

TOXIC SUBSTANCES

All orders for toxic substances should contain a statement for the supplier to furnish the material safety data sheet (MSDS) with each shipment of toxic materials. The requisitioning department must comply with all NSHE, State and Federal guidelines and directives regarding the safety, storage and disposal of these materials.

RADIOACTIVE MATERIALS

Radioactive materials are controlled by the Environmental Health and Safety (EH&S) department. Approvals for the purchase of radioactive materials must be received from EH&S. Only EH&S may receive and transport radioactive substances. The requisitioning department must comply with all NSHE guidelines and directives regarding the safety, storage and disposal of these materials.

CONTROLLED AND MEDICAL GRADE SUBSTANCES

Controlled and medical grade substances such as chemicals and gases may only be ordered by licensed personnel and with the approval of the EH&S. The requisitioning department must comply with all NSHE guidelines and directives regarding the safety, storage and disposal of these materials.

LIVE ANIMALS

Live animals may only be ordered with the approval of the Veterinary Services Department. The using department must comply with all NSHE guidelines and directives regarding the safety, and handling of live animals.

PESTICIDES

All pesticides are controlled by the Environmental Health and Safety (EH&S) Department. Only EH&S personnel can receive, transport and dispose of such material. The requisitioning department must comply with all NSHE guidelines and directives regarding the safety, storage and disposal of Hazmat.

SECURITY, ALARM, MONITORING, CAMERA, AND CARD ACCESS SYSTEMS

All security, alarm, monitoring, camera and card access systems must be approved by appropriate campus Police/Security Department, Office of Information Technology, and Facility or Construction Services. This approval is required for all systems including wireless and those systems operating one's network regardless of the location and intent of the system. The appropriate campus Police/Security Department must have complete access to the system.

SECTION 889 COMPLIANCE

Prior to purchasing goods or services Purchasing must ensure all vendors are compliant with Section 889(a)(1)(B)- Prohibited Use of Telecommunications Equipment or Service to prohibit the purchase of covered telecommunications equipment and services from vendors who sell products containing spyware. The [Section 889 Easy Search Tool](#) checks for Section 889 representations in a vendor's System for Award Management (SAM) record at [SAM.gov](#). If a vendor representation is not available, account holders may still be permitted to purchase from a listed vendor. However, the account holder would be responsible for documenting compliance with Section 889 in accordance with Purchasing requirements.

X FIXED ASSETS – EQUIPMENT INVENTORY

FIXED ASSETS

Fixed Assets or inventoried equipment is anything tangible, other than real property, meeting the following criteria:

1. has a unit cost of \$5,000 or more;
2. is complete in itself;
3. does not lose its identity even though it may become a component part of another item when placed in use, and
4. is of a non-expendable, repairable, durable nature with a life expectancy of one year or more.

The following "sensitive" items must be inventoried by the institution regardless of acquisition cost:

1. Firearms
2. Computers: i.e. Desktops, servers, laptops

The method of payment or the source of funding does not affect the definition of inventoried equipment. A single lump-sum payment, a down payment and/or staggered payments over any period of time, a lease-purchase agreement (with either the equipment supplier or a third-party financing entity), and a gift are all proper and possible ways of acquiring inventoried equipment. Equipment that meets the above definitions and is acquired as part of the construction or remodeling of a building or facility is to be separately inventoried. Equipment that is leased (with no intent to purchase), rented, or placed for demonstration purposes only is not inventoried. Leased equipment that has only a nominal buy-out clause is to be considered a lease-purchase. (It may be prudent to record rented or demo equipment in the department's Sensitive Equipment List.)

Responsibilities:

- A. Each department has custodial responsibility for all equipment within its jurisdiction. Each department is also responsible for reporting all additions, deletions, and material changes in condition of equipment within their unit, to the Purchasing Department. Deans, directors and department heads are responsible, within their area, for reconciling physical inventories with periodic or special Purchasing Department reports. The accuracy of such reconciliations shall be documented by signed certification.
- B. The Purchasing Department, through the Asset Management Section, is responsible for maintaining and reporting records of equipment inventories. The Purchasing Department is responsible for establishing and monitoring control procedures, ensuring that purchase acquisitions of inventoried equipment are properly recorded and recording equipment disposals.
- C. All equipment located at off-campus sites and used for institutional programs must be inventoried and maintained in the same manner as equipment on campus. If the institution does not control the site, written agreements must be in place with the organization that owns or controls the site.
- D. Loans of equipment to not-for-profit and non-political entities may be made if it is determined to be in the best interest of the institution and the public good. All loans must be documented in writing, including which entity is responsible for maintenance, and approved by the president. Each president shall submit to the chancellor annually a list of loaned equipment.

LEASES AND INSTALLMENT-PURCHASES OF EQUIPMENT

- A. Leases, including month-to-month leases and all other leases of equipment regardless of the period of time, are subject to the review and approval of the Purchasing Department.
- B. All extended payment contracts of 5 years (60 months) or more requires the approval of the NSHE Chancellor.
- C. Interest on extended payment commodity contracts is defined as a separate commodity and is subject to competitive purchase requirements.

- D. Requesting Department's Responsibilities - The requesting department is responsible for submitting a requisition for the lease or installment purchase of equipment to the Purchasing Department with the following information:
1. Equipment specifications,
 2. Lease versus purchase cost benefit analysis,
 3. A statement from the Dean, or appropriate Vice President guaranteeing that funds will be provided during the entire term of the lease.
- E. Purchasing Department Responsibilities
1. Leases - The lease of equipment is subject to the Purchasing and bid procedures contained herein. All leases shall contain a cancellation clause, and an availability of funds clause. Leases may contain renewal options, if appropriate.
 2. Installment Sales Agreements - The Purchasing Department may obtain alternate installment sales proposals from other than the proposed financial entity. Upon approval of the most advantageous financing, the Purchasing Department will notify the supplier furnishing the equipment, that financing has been arranged and complete the order.
- F. Note: Leases are a component of NSHE's indebtedness calculations and therefore are subject to review and approval by NSHE's and the institution's financial managers to ensure compliance with limits.

TRADE-IN OF NSHE-OWNED PROPERTY

- A. Departments wishing to trade-in equipment must submit a Workday requisition with an attached quote for the commodity to be purchased and include (in internal memo field) the following information about the equipment to be traded: inventory number, a description, the manufacturer's model number, the serial number, and the license plate number for vehicles. Quotes must have an itemized line item listing the equipment trade-in value.
- B. The Purchasing Department obtains a firm price for the equipment that is to be traded following established purchasing procedures.
- C. To determine the appropriate bid/quote level requirements involving trade-in property, the value of the trade-in property and the price of any new equipment is combined (not deducted) to calculate the net total value of the transaction.

SURPLUS PROPERTY

Purchasing must be notified when property, inventoried and non-inventoried equipment, is deemed to no longer be of use to the responsible department. Purchasing will decide on a course of action based on age, condition, usefulness to other departments, disposal or salvage value, and costs to remove the property. If the property is deemed to be worthless or a safety hazard, Purchasing will coordinate its disposal as refuse. Equipment and furniture disposed of by one department but deemed to have some useful life will normally first be made available to other departments. NSHE departments may avail themselves of this merchandise without cost other than moving expenses. Merchandise not claimed by NSHE departments and items deemed to be unacceptable for re-use within the NSHE, will be disposed of through public sale, sale to surplus or salvage dealers, or disposal through donation or refuse.

MOTOR VEHICLES, WATERCRAFT, AND AIRCRAFT

All vehicles (including trailers) regardless of price need to be purchased on a Workday PO. This insures all titling, registration and insurance is added to the vehicles. Departments wishing to purchase any motor vehicle, or watercraft or aircraft must contact BCN Purchasing's Asset Management Section for verification of required forms. The requesting department submits a Workday requisition with approvals, attached quotes (Second quote if required), State or Co-Op agreement number, specifications, color, trim package, and other features.

WEAPONS-FIREARMS

The purchase of firearms and related items, and incendiary devices or materials must be approved in advance by the appropriate campus Police/Security Department and, in some cases Environmental Health & Safety. Any department that wants to purchase firearms, replicas, and weapons of any kind for academic or demonstration purposes must acquire written authorization from the appropriate campus Police/Security Department and coordinate a storage, safety and accountability plan with the appropriate campus Police/Security Department in advance of receipt of the weapons meeting the definition in NRS 202.265. For weapons not meeting the NRS definition (such as bows), a storage, safety and accountability plan must be approved by the department's Dean or Director. All must be inventoried, see "Fixed Assets" above.

EQUIPMENT REPAIRS

If possible, obtain an estimate for the repair and submit this information with your requisition. If an estimate is not available until the item is examined by the supplier, the department should submit a requisition with an estimated cost. The P-Card may also be used to pay for equipment repairs. Individual campus approval requirements may also apply. Insurance requirements for suppliers coming on campus to perform repairs must be followed.

MAINTENANCE OR SERVICE AGREEMENTS

Requisitions for maintenance or service agreements on office machines, laboratory equipment, vehicles, elevators, software systems, hardware and others must include the following:

1. Confirmation that the equipment is not under warranty for parts or labor;
2. Location of machine and name of contact person;
3. Brand name, model number, serial number, and inventory number of equipment;
4. Beginning and ending dates of maintenance period;
5. Names of individuals authorized to place service calls and approve invoices; and
6. The proposed maintenance agreement. Please note that the using department is not authorized to sign and approve supplier maintenance agreements. All agreements should be submitted with the requisition and may need review by General Counsel and signature of the Purchasing Department.

Additional campus approval requirements may apply. Purchasing cards may also be used to pay for maintenance agreements when a signed agreement is not required. In all instances insurance requirements for suppliers coming on campus must be followed.

XI APPENDIX A – DEFINITIONS

DEFINITIONS

- **Anti-Competitive Practices** - A practice among bidders or others which reduces or eliminates competition or restrains trade. An anti-competitive practice can result from an agreement or understanding among competitors to restrain trade such as submitting collusive bids or proposals (bid-rigging) or result from business actions which have the effect of restraining trade, such as controlling the resale price of products. Such actions as described here are in violation of Federal and State laws and are reportable to law enforcement agencies.
- **Artistic Services** - Services provided by an individual or group of individuals who profess and practice a skill in music, dance, drama, folk art, creative writing, painting, sculpture, photography, graphic arts, web design, craft arts, industrial design, costume design, fashion design, motion pictures, television, radio or tape and sound recording or in other related or similar fields.
- **Award** - The acceptance of a bid or proposal; the presentation of a purchase order or contract to a selected respondent.
- **Best and Final Offer (BAFO)** - In a competitive negotiation, the final proposal submitted by a respondent after negotiations have been completed and which contains the respondent's most favorable terms in response to the solicitation.
- **Chief Procurement Officer** – Alternate title for the Director of Purchasing; either title has the same authority and responsibility.
- **Commodity** - Any of the various supplies, materials, goods, merchandise, food, equipment or other personal property, including a mobile home, trailer or other portable structure, which are purchased, leased, lease-purchased or otherwise contracted for by the NSHE. Commodity also includes interest on deferred-payment contracts entered by the NSHE for the purchase of other commodities. Printing of publications, vehicles, software and license agreements are considered commodities.
- **Competitive Exception** – Term used to describe any number of reasons that a purchase contract is exempt from a normally required competitive solicitation process. Detailed reasons and justifications for an exception are required and must be approved in advance of any award.
- **Competitive Negotiation** - A step toward a contract involving back and forth communication regarding costs and other criteria between the evaluation team and respondents who have been found suitable for award of a contract pursuant to evaluation of responses to a solicitation.
- **Competitive Solicitation** - An Invitation to Bid (ITB) or Request for Proposal (RFP) to competitively select a contractor.
- **Construction Services** - Contractual services, including labor and/or materials, for the design, construction, renovation, repair or demolition of NSHE facilities.
- **Contract** - All types of NSHE agreements including but not limited to purchase orders, for the acquisition or disposal of goods and services or the generation of revenue for the NSHE.
- **Contractor/Supplier/Vendor** - A person or firm who contracts to sell commodities or contractual services to the NSHE.
- **Contractual Service** - The rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors.

- **Consultant** - An independent individual or firm contracting with the NSHE to perform a service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the NSHE except as to the result of the work. The NSHE monitors progress under the contract and authorizes payment.
- **Cooperative Buying Organization (Co-Op)** - A public or private organization that offers goods or services to subscribing public or private procurement units from suppliers who have agreed to uniform terms, conditions and pricing in accordance with an agreement entered by the participants pursuant to a competitive award process. Also known as Consortium.
- **Emergency Purchase** - The purchase of commodities or services due to a danger to the public health, the safety or the welfare of person(s), animal(s), the preservation or protection of property, or the continuance of a vital NSHE function. Note that emergency purchases can only be applied to unforeseen events; a lack of planning does not constitute an emergency.
- **Evaluation Committee/Team** - A group of individuals designated to conduct interviews and negotiations during the evaluation of responses to a solicitation. The team members may be requested to provide scores for solicitations reviewed.
- **Extension** - An increase in the time allowed for the performance of the contract.
- **Firm, Fixed Price Contract** - A contract where the total amount to be paid to the contractor is fixed and is not subject to adjustment by reason of the cost experience of the contractor. The term includes contracts where the unit price is set but the total price varies because actual quantities purchased deviate from the quantities estimated to be purchased. The term also includes contracts where the price may be adjusted in accordance with a contractually established price adjustment provision which is not based upon the contractor's costs.
- **Formal Solicitation** – Process of soliciting written, sealed bids from multiple suppliers. Formal competition requires that the solicitation be publicly advertised, and sealed bid responses are due on a specified date at which time an official bid opening will be held. Once reviewed and evaluated through a process managed by the Purchasing Department with participation from the Department, a notice of intent to award or purchase order is issued. Formal solicitations require specifications development and/or evaluation criteria. The award may result in complex supplier negotiations, based upon price, non-price factors, as well as other terms and conditions. Request for Proposals (RFP); Request for Qualifications (RFQ), and Bids may be used as appropriate.
- **General Services Administration (GSA) Contract Schedules** - Long-term government-wide contracts awarded by the U.S. General Services Administration to commercial entities to provide government procurement access to a broad spectrum of commercial goods and services at volume discount pricing. These pricing schedules are not the same as a cooperative agreement and cannot be used to satisfy competitive purchasing requirements. If a supplier wishes to extend GSA pricing to the NSHE, that would be welcomed, but it does not satisfy competitive purchasing requirements.
- **Goods** – Purchases including, but not limited to, equipment, materials, supplies, maintenance and leases on real property.
- **Identical (Tie) Bids** - Two or more bids which are equal in all respects as to price, quality and service.
- **Independent Contractor** - A person or firm who provides a service to the NSHE but does not have any employment or other relationship or connection with the NSHE.
- **Informal Solicitation** – Process of soliciting competitive quotations from multiple suppliers using an informal method such as email or fax. The solicitation, and evaluation process may be conducted by the campus department(s), as per delegated authority, or by the Purchasing Department. Specifications are provided, and the award is based on price and/or minimal non-price factors. The complete solicitation process usually takes 1-2 weeks.

- **Intergovernmental or Interagency Contracts** - Contracts or agreements in which each of the parties is a governmental entity or between subdivisions or institutions under their jurisdiction.
- **Invitation to Bid (ITB)** - A written solicitation for competitive sealed bids, designating the title, date, and hour of the public bid opening and defining the commodity, group of commodities or services.
- **May** - Denotes the permissive.
- **Memo of Understanding (MOU)** – This is a nonbinding agreement that states each party’s intentions to take action, conduct a business transaction, or form a new partnership.
- **Multi-Step Bids or Proposals** - A solicitation involving two competitive steps, combining the elements of both competitive sealed bids and competitive sealed proposals. The first step may require the submission of technical and price proposals with only the technical proposal being evaluated and scored. The second step may involve the consideration of price proposals of those firms that have achieved the highest technical scores, or the firms with the highest scores may be asked to submit other proposals.
- **Negotiation** - Conferring, discussing, or bargaining to reach agreement in business transactions on a potential procurement or contract.
- **P-Card** - The Purchasing Card is used for official NSHE-related purchases by regular NSHE employees who are in a fiscally responsible position.
- **Procurement** - The process by which the ownership or use of goods or services is acquired. Also includes all functions that pertain to the obtaining of goods and services, including but not limited to description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
- **Professional Services** – Includes services that are rendered by an independent contractor who has a professed knowledge and an advanced specialized study and training of some department of learning or science used in practical applications to the affairs of others or in the practice of an art founded on it. Professions typically included but are not limited to: lawyers, doctors, dentists, psychologists, nurses, veterinarians, architects, engineers, land surveyors, landscape architects, accountants, actuaries, claims adjusters, pharmacists, visiting professors and scientists.
- **Proprietary Specifications** - A specification that cites brand name, model number, or some other designation that identifies a specific product to be offered exclusive of others.
- **Protest** - A written objection by a potential aggrieved party to a solicitation or award of contract, with the intention of receiving a remedial result.
- **Public Entity Crime** - A violation of any state or federal law by a person in the transaction of business with any public entity of any state or with the United States government involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy or material misrepresentation.
- **Purchase** - An acquisition of commodities, services or licenses obtained by purchase order, contract or other authorized purchasing method, whether by rent, lease, installment, lease-purchase, or outright purchase.
- **Purchases for Resale** - The purchase of commodities or contractual services acquired for the purpose of selling them for the benefit of the NSHE.
- **Purchasing Activity** - A NSHE function delegated to the Purchasing Department to develop descriptions and/or specifications, selection and solicitation of sources, and prepare and award contracts for commodities and services.
- **Quotation** - A written or verbal offer for commodities or services not requiring a public opening at a specific date and time.

- **Recurring Procurements** – Repeated purchases of goods and services in a 12-month period based on established needs.
- **Renewal** - Contracting for an additional period after the initial contract term, provided the original terms of the agreement specify an option to renew.
- **Request for Proposal (RFP)** - A written solicitation for competitive proposals for commodities or contractual services designating the title, date, and hour of the public opening. The request for proposal is generally used when the scope of work is not clearly defined.
- **Request for Qualifications (RFQ)** – A written solicitation for submissions of qualifications from suppliers of professional services such as architects, engineers, lawyers, etc. Qualifications will be reviewed and evaluated to determine fitness and comparative skillset for current and/or future assignments. RFQs do not normally request pricing or cost information.
- **Respondent** - An individual or entity that submits a response to a solicitation.
- **Responsible Respondent** - A business entity or individual determined to have the capability and financial and technical capacity to perform the requirements of the solicitation and the subsequent contract. A responsible respondent must be able to fully document in advance the ability to provide good faith performance. Responsible respondents shall not have been convicted of, or pled guilty to crimes involving procurement fraud or damage to the environment during the previous five years and shall not currently be included on any list of debarred or suspended business entities or individuals.
- **Responsive Bid/Proposal** – A bid submission or proposal that conforms in all material respects to the solicitation (Bid or Request for Proposals (RFP)) and all of its requirements, including all form and substance.
- **Reverse Auction** – A competitive online solicitation process conducted for goods and/or services in which respondents compete against each other online, in real time, in an open and interactive environment.
- **Services** - The furnishing of labor, time or effort by a supplier which may involve, to a lesser degree, the delivery or supply of a product, incidental to the required performance. Construction services are not included.
- **Shall** - Denotes the imperative.
- **Single Procurement** – One-time purchase of goods and services in conjunction with an established need.
- **Small Purchases** – Single procurement of goods and services for which the aggregate cost does not exceed the established small purchase threshold and, where a master contract cannot be used.
- **Sole Source Procurement** – A non-competitive purchase made when there is only one source for a good or service and only one supplier or supplier has the sole ability to meet the requirements of the procurement. See Competitive Exception.
- **Specialty Services** – services rendered by individuals possessing artistic talents such as graphic artists, sculptors, musicians, entertainers, photographers, or writers, or which require the use of highly technical or unique individual skills or talents, such as, but not limited to, paramedics, therapists, handwriting analysts, expert speakers, trainers within a continuing education program, and expert witnesses for adjudications or other court proceedings.
- **Used Equipment** - Pre-owned or rebuilt/remanufactured/refurbished equipment that may be offered for purchase.
- **Vehicles** - Includes any automobile, truck, motorcycle, bicycle, golf cart, watercraft or other vehicle designed primarily for transporting persons as well as construction vehicles or farm equipment.