

Purchasing

Policy 509

1 Purpose

1.1 This policy defines the requirements surrounding the procurement of goods and services.

2 Scope

2.1 This policy applies to all Appalachian State University ("University") employees who have the need to requisition goods or services for the University.

2.2 All public funds irrespective of source, whether special, federal, local, grants, gifts, bequests, receipts, fees, or State appropriated, used for the purchase of goods or services shall be processed under the procurement rules established by the North Carolina Division of Purchase and Contract.

3 Definitions

3.1 Chief Procurement Officer ("CPO") - Individual designated to oversee Procurement Services at Appalachian State University

3.2 Goods - Purchases including, but not limited to, equipment, materials, and supplies.

3.3 Purchase Order - Contractual relationship to obtain small dollar value expendable operating supplies or services for which low or erratic demand usage exists. A set of terms and conditions are agreed upon between the buyer and seller wherein the seller will deliver, or permit pick up of, supplies ordered by the individual who has received authorization from Procurement Services. The prevailing market price, less any trade or volume discounts, as may be agreed upon, is charged and invoiced on a consolidated (usually monthly) basis.

3.4 Services - The furnishing of labor, time, personal services, professional services, or effort by an individual or 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.

3.5 Term Contracts - Agreements made for performance over a specified period of time when quantities are indefinite. Pricing is based on a unit-price as opposed to a fixed dollar amount.

3.6 University Contract - A University Contract is any document that legally binds the University to another party, including any agreement in which either party promises to take specific actions or to refrain from taking certain actions. A Contract could be called an affiliation agreement, memorandum of understanding ("MOU"), terms and conditions, letter of agreement, purchase order, work order, or any number of other labels. A Contract might or might not involve the payment of money. Online terms and conditions that must be accepted prior to using a product or service are also considered Contracts under this Policy.

In general, agreements entered into solely on behalf of Appalachian State University Foundation, Inc., other nonprofit corporations that support the University, a student organization, or private individual in his or her individual capacity are not University contracts. The term "University Contract" also does not include agreements between different departments or units of Appalachian State University.

3.7 Internal Service Providers - Providers within the University who provide services to the University as a whole. Such providers include, but are not limited to: Catering, Bookstore, Dining, and Postal Service.

4 Policy Statements

4.1 Purchasing Authority

4.1.1 The Appalachian State University Division of Procurement Services located within the Materials Management Division ("Procurement Services") has the sole authority to issue Purchase Orders for procuring goods or services on behalf of the University. Requests for purchases must be submitted through the University's designated [e-procurement platform](#) and will automatically be routed for required approvals.

4.1.2 Procurement Services has the authority to make purchases and enter into contracts on behalf of the University.

Procurement Services is responsible for the efficient and cost-effective procurement of goods and services, adhering to applicable State statutes, the Administrative Code for Purchase & Contract, and related rules, regulations, and procedures. All procurements should be directed to Procurement Services.

4.2 State Term Contracts

4.2.1 The State solicits competition and enters into Term Contracts with vendors to acquire favorable pricing for goods and services that are repetitively used by North Carolina agencies. Many of these Term Contracts are required by all State agencies and the University is required to purchase the contracted items from the specified vendors. However, exceptions to the mandatory use requirements exist for the UNC System and are explained in the University Purchasing Manual. Any purchases of contracted goods and services from non-contract vendors must be made using the State's established procurement rules. A listing of all State Term Contracts is available here: [North Carolina Term Contracts](#).

4.3 Purchasing Thresholds

4.3.1 Small Dollar Purchases

- A. Purchases that are not available under a State Term Contract and do not exceed the small dollar purchase threshold established in the North Carolina Administrative Code, [NCAC 05B.0301 \(1\)](#) may be made, without seeking formal competition, by issuing a University Purchase Order.
- B. Purchases that exceed the small dollar purchase threshold may not be split into multiple, smaller purchases as a way to avoid the competitive process. Procurement Services may direct purchases to other sources if a State Term Contract or a better overall value is available. The current small dollar purchasing threshold and related guidance is available in the University Purchasing Manual.
 - a. The competition threshold contained in Federal Uniform Guidance policies is different from that of North Carolina. Any purchases funded by federal grants are subject to Federal policies even if they fall under the classification of small dollar purchases according to State rules. Information about the current Federal Uniform Guidance small dollar purchase threshold is available in the University Purchasing Manual.

4.3.2 Informal Solicitation

- A. Purchases that exceed the State's small dollar purchase threshold, as specified in the North Carolina Administrative Code, NCAC 05B.0301 (2) are subject to the following requirements:
 - a. Informal competition requirements of the State.
 - b. Multiple quotes must be solicited, and the purchase will be made from the vendor offering the best value for the requested items.
 - c. A purchase that would be subject to competition requirements may not be split into multiple, smaller purchases as a way to avoid the informal solicitation process.
- B. Details regarding the informal solicitation process are available in the University Purchasing Manual.

4.3.3 Formal Solicitation

- A. Purchases that exceed the State's formal competition threshold, as established by the North Carolina Administrative Code, [NCAC .05B.0301 \(3\)](#) are subject to the formal competition requirements of the State and require Procurement Services to issue a written Invitation for Bids (IFB) or Request for Proposals (RFP).
- B. IFBs and RFPs are generated using the State-provided templates for solicitations and include the specifications/scope of work provided to Procurement Services by the requesting unit.
- C. Processes will be coordinated by Procurement Services in a fair, open, and transparent manner that is in accordance with State procurement rules. Details regarding the formal solicitation process are available in the University Purchasing Manual.

4.3.4 The Chief Procurement Officer ("CPO") or designee shall determine the appropriate solicitation methods to be used in procuring services for the University.

4.4 Purchases from University Service Providers

4.4.1 Goods or services provided by University Service Providers should be purchased directly from the associated provider using their prescribed process.

4.5 Purchases Exceeding Delegated Authority

4.5.1 Purchases that total above \$500,000 exceed the University's assigned delegated authority. Such purchases must be submitted to the North Carolina Division of Purchase & Contract (P&C) for review and approval before the contract can be finalized and the order placed. Procurement Services will coordinate applicable solicitation processes and prepare documentation in the same manner as other procurements before sending all information to P&C for review. Once State

approval is secured, the University will be allowed to proceed with the purchase.

4.6 Informal Construction, Repair, and Renovation Projects

4.6.1 Informal Construction, Repair, and Renovation Projects are those repair and improvement projects that are estimated to cost less than \$300,000, and as such, do not fall under the purview of Capital Projects or the State Construction Office. These projects are coordinated by Procurement Services in conjunction with the Design and Construction Department of Facilities Management and processed according to the procurement rules established by the Division of Purchase & Contract. Design Services' informal construction projects under \$30,000 are statutorily exempt from the bidding process.

4.7 P-Card Purchases

4.7.1 The University has a procurement card (p-card) program that allows designated employees to make purchases when it is not possible to use the e-procurement purchase order process. Pcard use is reserved for emergency circumstances and for instances when a vendor will not accept a purchase order or payment is required prior to shipping; contracted services generally cannot be purchased via p-card due to additional contract requirements associated with services. Transaction limits and other p-card use information are available in the Purchasing Card Manual and in [Section 01 NCAC 05B .1523](#) of the North Carolina Administrative Code.

4.8 Travel and Entertainment Card Purchases

The Travel and Entertainment Card (T&E Card) is a corporate card for the university that should be utilized by employees who frequently travel on behalf of the university. Once made available to a traveler, the travel card is the designated method of payment for all travel expenses except per diem and mileage reimbursements for employees who travel on behalf of the university 3 or more times in a fiscal year. Additionally the T&E Card should be used for business related entertainment expenses. Further guidance on the T&E Card can be found at the [Controller's Office T&E Card Page](#).

4.9 Direct Pay Request and Reimbursements

4.9.1 Direct Pay Requests ("DPR"s). DPRs should only be used in certain circumstances or for certain types of payments. Purchases for goods and services should be arranged in advance using the aforementioned requisition and purchase order process. DPRs for goods and services should be used to make payments as defined in the University Purchasing Manual for transactions that cannot be processed on a purchase order and cannot be paid via p-card.

DPRs are processed through the campus e-procurement system. Contracts and other supporting documentation should be linked to or included with the DPR to streamline processing of the request. Employees and students are not part of the e-procurement system and payments to these individuals are processed using the University's Travel and Expense Reimbursement System, identified by University Policy.

4.10 Exemptions from Competition Requirements: Sole-source Purchases

4.10.1 Specific circumstances may dictate that there is only one satisfactory source of supply for a particular item or service. To request a waiver of competition requirements, the requesting department or unit must complete and submit a Sole-source Justification form to Procurement Services for review. The written justification must clearly state how this item or service is unique, why it is only available from a single vendor, and why that specific item or service is needed by the University.

4.10.2 Conditions permitting a waiver are established by the North Carolina Administrative Code and can be found in the [University Purchasing Manual](#) or by contacting Procurement Services.

4.11 University Contracts

4.11.1 A fully-executed University Contract, Purchase Order, RFQS, IFB or RFP is required any time a campus department wants to engage with an individual or company to provide a Service to the University, regardless of the cost of the Service. Procurement Services, in conjunction with General Counsel, will review and negotiate any contract provided by a vendor to ensure compliance with North Carolina contracting law. University-developed templates are available to departments so that contracts can be created internally and presented to the service provider. All requests for contracted services are subject to both the State's procurement rules and competition requirements in the same manner as any other request for goods or services.

4.11.2 Only designated individuals have University delegated authority to sign contracts, and only for the types of contracts that accompany their designation. For further information about signature authority, refer to [University Policy 102 University Contracts and Designation of Signature Authority](#) and the University [designation of signature authority chart](#).

4.12 Consulting Agreements

4.12.1 Consulting services are those provided by an outside entity for expert, objective insight about how to complete a task or perform it more efficiently. A University Contract is required every time a University department or unit wants to hire an individual or a company for consulting services.

4.12.2 Additionally, any request to contract with a consultant must be accompanied by a justification that explains the project and the reasons why an outside consultant is necessary; the justification is required regardless of the cost. The required components of the justification are contained in the University Purchasing Manual.

4.13 Solicitation Protest Procedures

4.13.1 As a custodian of public funds, the University adheres to fair and open competition practices that are governed by State law, University policy, and good administrative practice. If a respondent to an Invitation for Bid or Request for Proposal feels that the award was not made in accordance with State procurement guidelines, a formal letter must be sent to the University within thirty (30) calendar days of the date the award was made. The letter shall be sent to the Division of Materials Management c/o Chief Procurement Officer 353 Industrial Park Dr. PO Box 32008 Boone, NC 28607 and must contain specific grounds and reasons for the protest, how the protesting party was harmed by the award that was made, and documentation providing support for the protesting party's claims. A response from the University Procurement Services will be provided to the protesting party within fifteen (15) calendar days.

4.14 Policy Enforcement

4.14.1 Procurement Services is the sole campus department given authority by P&C to acquire goods and services on behalf of Appalachian State University in accordance with North Carolina procurement laws. All departmental purchases must be made through use of the established eprocurement platform or p-card program; employees are not allowed to otherwise commit the University to a purchase from a vendor. The University is not legally bound to acquisitions made outside of established procurement rules, and individuals who commit to purchases, whether verbally or in writing, are personally responsible for the purchase and may be held liable by the University. Employees found to be in violation of this policy may be subject to discipline up to and including termination.

4.15 Policy Exceptions

4.15.1 Exceptions to this policy may be made on a limited basis by the Vice Chancellor of Finance and Operations, or designee.

5 Additional Resources

Administrative Unit Contact: Office of Finance and Operations

[Finance and Operations](#)

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6 Original Effective Date

October 25, 2023