



Applies to: Purchasing and Supply Chain staff and any individual involved in approving, making, negotiating, or recommending purchases of goods or services on behalf of the university

Responsible Office

Office of Business and Finance

POLICY

Issued: 07/01/1972
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The Board of Trustees (Board) has the right of contracting and being contracted with on behalf of the university (Ohio Revised Code (ORC) §3335.03) and has delegated procurement responsibility for all areas except the Health System to the director of purchasing under the direction of the senior vice president for business and finance.

University Purchasing (Purchasing) and Health System Supply Chain (Supply Chain) are responsible for guiding units on the purchasing process and overseeing purchasing activities, in addition to accounts payable, distribution, inventory/warehouse management, receiving, and sourcing. The Office of Sponsored Programs (OSP) maintains a federally-approved procurement system for research using sponsored project funding sources, under authority delegated by the senior vice president for business and finance, and in accordance with Federal Acquisition Regulation (FAR) 44.305.

The university is a purchase order driven organization; in most cases approved purchase methods, approved suppliers, and unit authorizations are necessary to purchase goods and services. The university is not bound by and does not recognize as binding any purchasing obligation made by an unauthorized person or an unauthorized method.

Purchasing practices are often driven by contractual agreements between the university and approved suppliers. Only the president, senior vice president for business and finance, and individuals given signature authority annually through delegations are authorized to sign contracts on behalf of the university. Failure to ensure that the appropriate signature authority is obtained or executing a contract on behalf of the university without requisite authority may result in personal liability to any employee who executed the contract or was involved in the transaction.

Purpose of the Policy

To require that all university-funded purchases are authorized and in compliance with applicable federal, state, and local laws and regulations; university rules and policies, including the Board Policy on Purchasing and Competitive Bidding; applicable donor or sponsor-specific requirements; and any additional Health System and OSP requirements.

Definitions

Table with 2 columns: Term and Definition. Rows include: Buckeye Buy, Capital improvement, Exception, Gifts-in-kind.



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Term	Definition
Health System	University Hospital, East Hospital, Brain and Spine Hospital, Richard M. Ross Heart Hospital, Harding Hospital, Dodd Rehabilitation Hospital, Ambulatory Clinics and Services, and Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and Outreach Sites.
Internal supplier	University entities that sell goods/services as set forth in the Earnings Operations policy . Does not include unit storerooms or warehouses. Examples include Stores, Tech Hub, The Blackwell, UniPrint.
PCard	Bank issued credit card that serves as the university procurement card.
Purchase order	Formal, numbered record/document issued after a requisition for goods and services receives approval. An approved purchase order is issued to a supplier to initiate the delivery of goods and services. A purchase order accepted by a supplier constitutes a legal and binding contract between the university and the supplier that includes terms and conditions.
Sponsored project	Projects funded by awards administered by the Office of Sponsored Programs (OSP).
The Ohio State University Wexner Medical Center (Ohio State Wexner Medical Center)	University Hospital, East Hospital, Brain and Spine Hospital, Richard M. Ross Heart Hospital, Harding Hospital, Dodd Rehabilitation Hospital, Ambulatory Clinics and Services, and Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and Outreach Sites; College of Medicine and its School of Health and Rehabilitation Sciences; the Office of Health Sciences, including OSU Faculty Group Practice; various research centers, programs, and institutes; and The Ohio State University Comprehensive Cancer Center.
Trackable asset	All capital assets, high-risk non-capital assets, and non-capital assets bearing a non-capital asset tag provided by Asset Management or OSP asset tag.
Unit	College or administrative unit.
Waiver	Permission granted to a unit to operate differently than specified or required by a university policy issued by Business and Finance.

Policy Details

- I. To purchase goods or services, three things are generally required:
 - A. Approved purchase method,
 - B. Approved supplier, and
 - C. Authorization.
- II. Purchases must be for official university business only.
- III. Purchases must conform to federal, state, and local laws and regulations; university policies and rules, with special attention to the [Asset Management policy](#), [Expenditures policy](#), and the [Board Policy on Purchasing and Competitive Bidding](#); and applicable Health System and OSP requirements.
 - A. Business and Finance may require competitive bidding for projects under threshold amounts in accordance with the [Board Policy on Purchasing and Competitive Bidding](#). Units may also request a competitive bid for purchases under threshold amounts.
- IV. Ethics and Conflicts of Interest
 - A. All Ohio State employees, including Purchasing/Supply Chain staff must adhere to the [Ohio Ethics Law](#), with specific attention to [ORC §102.03](#), [ORC §2921.42](#), and [ORC §2921.43](#).
 - B. All individuals must avoid conflicts of interest in the purchasing process. It is the responsibility of all individuals involved in the purchasing process to ensure that the university does not knowingly enter into any purchase commitment that could result in a conflict of interest.
 - C. Sponsored project purchases must adhere to [Office of Management and Budget \(OMB\) Guidance §200.318\(c\)\(1\)](#).



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- D. University employees are prohibited from accepting gratuities, premiums, or other items of substantial value from suppliers. Employees must not accept any item from a supplier that has more than de minimis value or is offered on a reoccurring basis.
 - E. Employees of **The Ohio State University Wexner Medical Center** are subject to the Ohio State Wexner Medical Center [Vendor Interaction policy](#) and are prohibited from accepting any item of value from a supplier.
 - F. Staff and Faculty are subject to the [Outside Activities and Conflicts policy](#).
 - G. University employees are subject to the [Financial Code of Ethics](#) that addresses financial ethical expectations and reporting requirements.
 - H. The university subscribes to the [National Association of Educational Procurement \(NAEP\) Code of Ethics](#); Purchasing and Supply Chain staff and service center buyers must adhere to this code.
- V. Purchasing methods are prioritized as follows, regardless of dollar value.
- A. **Internal supplier** orders – When goods and services are available from internal suppliers, those sources must be used when they meet required specifications.
 - B. **Buckeye Buy** orders – When not available from internal suppliers, goods and services must be purchased from the Buckeye Buy, available through Workday.
 - C. Non-catalog or special requests – When goods and services are not available from internal suppliers or the Buckeye Buy, when special instructions cannot be provided any other way, or when an emergency dictates the order be expedited, a non-catalog/special request may be placed.
 - 1. Non-catalog/special requests must be made with existing suppliers whenever possible. Use of new suppliers requires additional approvals and can therefore delay purchases and add internal expense.
 - 2. Non-catalog/special requests must be reviewed by Purchasing and can be altered as needed to meet requirements set by Supply Chain.
 - D. PCards must be used in accordance with the [PCard policy](#).
 - E. Reimbursement – Reimbursement to individuals for purchases made with personal resources is not a standard purchasing method but may be permitted in rare circumstances. See the [Expenditures policy](#).

PROCEDURE

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- I. The university adheres to the [Board Policy on Purchasing and Competitive Bidding](#); the policy, related resolutions, and supporting materials are updated upon Board action.
 - A. OSP adheres to federal bidding regulations. See [Competitive and Noncompetitive Procurement \(Sole Source\)](#) at [OSP Procurement](#).
- II. **Trackable assets** must be managed consistent with the [Asset Management policy](#).
- III. Special Supplier Considerations
 - A. Buy American Act
 - 1. The university is generally required to give first consideration to products that are mined or produced in the United States, unless:
 - a. The purchase is inconsistent with the public interest,
 - b. Quantities are insufficient or not reasonably available,
 - c. U.S. produced materials are not of a satisfactory quality, or
 - d. Goods are for use outside the U.S.



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2. [ORC §125.09](#) and the [Ohio Administrative Code \(OAC\) §1.23.5-1-06](#) define the Buy American Act requirements.
3. For OSP sponsored projects, requirements are defined by [48 CFR Part 25](#), Foreign Acquisition.
- B. Buy Ohio Program
 1. The university is generally required to participate in the Buy Ohio Program, defined by [ORC §125.11](#) and [OAC §123.5-1-06](#), except in the case of sponsored projects.
 2. The Buy Ohio Program does not affect university bidding procedures; however, a 5% economic preference is afforded to those vendors located in Ohio and bidders from “border states,” as determined by the State of Ohio.
 3. Current “border states” are Indiana, Kentucky, Michigan, New York, and Pennsylvania.
- C. [ORC §§4115.31-35](#) require instrumentalities of the state to use a qualified non-profit state agency for the purchase of products and services that are available from a work center employing persons with disabilities.
- D. [ORC §5147.07](#) sets requirements for purchase of articles or supplies manufactured by the labor of convicts of state correctional institutions.
- E. The university has a goal consistent with the State of Ohio to purchase from diverse suppliers (e.g., Minority Business Enterprises (MBEs), Encouraging Diversity Growth and Equity (EDGE) program, veteran-owned enterprises, etc.).
- F. Independent contractor versus employee relationship
 1. All individuals providing services to the university must be paid directly by the university and appropriately identified as an employee or independent contractor. Purchase orders are not issued to university employees.
 2. Units must use the [Documentation Form for Non-Employee Work Arrangements](#) to determine if an individual is an independent contractor or an employee.
 3. See the [Reemployment of Faculty and Staff 4.25 policy](#) for restrictions on OPERS and STRS retirees working for the university as independent contractors.
- IV. Special Approval Requirements
 - A. Certain purchases that require special review by subject matter experts and additional approval are identified in [Special Approval Spend Categories](#).
 1. Approved requisitions will workflow to Purchasing and to other units or positions if needed, for appropriate approvals.
 2. Some purchases also require review or certification prior to initiating the requisition (e.g., drones, software, vehicle, etc.).
 3. OSP must additionally approve [Special Approval Spend Categories](#) purchases when using sponsored project funds.
 - B. Facilities improvement projects and real estate transactions are governed by the [Board of Trustees Review and Approval of Facilities Improvement Projects and Real Estate Transactions policy](#).
 1. Requisitions for facilities improvement projects, including construction or renovation, are processed after review and approval by Facilities Operations and Development (FOD).
 2. Prevailing wages must be paid on projects whose estimated or actual values are equal or exceed the [current prevailing wage threshold levels \(ORC §4115\)](#). Prevailing wage information must be furnished to the FOD Design and Construction prevailing wage coordinator ([ORC §4115.0-99](#)).
 3. Federal prevailing wages must be paid on projects that include federal funding whose estimated or actual values are equal to or exceed the current prevailing wage threshold levels ([Davis-Bacon and Related Acts](#)).
 4. OSP must also review and approve all sponsored project funded **capital improvements**.
 - C. For purchases that include trackable asset trade-ins, see the [Asset Management policy](#) and the Health System [Capital Record Keeping and Asset Tagging policy](#) for guidance. Questions regarding the Health System policy can be sent to assetmanagement@osumc.edu.
 - D. Vehicles



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1. Purchasing coordinates the lease or purchase of vehicles with Transportation and Traffic Management (TTM), in accordance with the [University Fleet policy](#).
- E. Vending services
 1. All requests for the installation of vending equipment and concession service must be directed to Purchasing.
 2. Purchasing represents the university in administering all vending machine service and concession agreements and contracts.
 3. Specifications for competitive bids for any proposed vending or concession service are developed by Purchasing.
 4. Vending services at the university are subject to [ORC §3304.15](#).
- F. Use of university name and other identifying marks
 1. The university regulates and controls the use of its logos, name, trademarks, and other identifying marks in advertising and other uses by suppliers and other third parties that may or may not provide goods or services to the university. See the [Supplier Advertising policy](#).
 2. Requests by any person or entity to use the university logos, name, trademarks, or other identifying marks must be forwarded to the Office of Trademark and Licensing Services for approval. See the [Supplier Advertising policy](#).
- G. International purchases
 1. Shipments from international sources are cleared by the university's contracted customs broker who works with the U.S. Customs Office.
 - a. If the freight terms indicate the supplier is responsible for the brokerage fee/arrangements, the supplier may use their own selected freight broker.
 2. Brokerage fees will be charged to the appropriate worktag combination listed on the purchase order.
- H. Gifts-in-kind
 1. Goods and services offered at no cost by suppliers or other parties cannot always be accepted and are not automatically approved for use. Such **gifts-in-kind** are subject to reporting requirements.
 2. Units must report all offers for gifts-in-kind to the Office of Advancement to begin the gift credit process, if applicable.
 3. See the [Gift Acceptance policy](#) for guidance on accepting gifts-in-kind, and additionally consult Purchasing or Supply Chain as needed.
- I. Equipment leases
 1. Equipment leases require special approval and may be financed using various types of lease transactions. For the purpose of determining bidding thresholds, an equipment lease is considered a service and an equipment purchase is considered goods. The master lease, administered through the Office of Financial Services (Financial Services), provides low interest rates for equipment purchases valued at \$10,000 or more.
 2. For all areas except the Health System, all equipment leases must be approved by Financial Services, regardless of amount.
 3. For the Health System, equipment leases under \$100,000 require chief supply chain officer approval. Equipment leases of \$100,000 or greater require chief supply chain officer approval after written approval has been obtained from the Office of Business and Finance.
 4. See the [University Debt policy](#) for information about financing leases.
- J. Purchasing requisitions and changes to purchase orders route for approvals based on dollar value thresholds. Purchasing must approve purchase orders for all areas except the Health System if the transaction value is \$5,000 or more. Purchase order types are prioritized as follows:
 1. Standard – a one-time order.
 2. Standing (term) – a special request that allows for incremental purchase of a specific good/service when the price, quantity, and schedule of fulfillment are largely predetermined and specified in the purchase order at the time of initiation.



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- 3. Blanket – a special request for emergency purchases or reoccurring purchases of a specific good/service when the quantity or frequency of delivery cannot be fully determined at the time the purchase order is initiated.

V. Delivery

- A. Purchase orders must contain the ship-to code for Central Receiving (381) and end user delivery address, unless the item qualifies as a Central Receiving delivery exception as noted in B.1&2 below.
B. Goods should be shipped to Central Receiving (2650 Kenny Road) for delivery to the end user address, unless the asset:
1. Requires special expertise for delivery and setup by the supplier; or
2. Is to be delivered to a regional campus, remote location, or off-campus research or job site.

VI. All records and documentation relating to purchases must be maintained for the minimum timeframes established in the General Records Retention Schedule set by University Archives and OSP, as applicable.

VII. Waivers to this policy must be approved in advance and documented by the Office of Business and Finance, using the Business and Finance University Policy Waiver Request.

VIII. Policy Violations

- A. All policy violations must be tracked as an exception in accordance with the Fiscal Stewardship policy.
B. The university may require successful completion of training.
C. The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.
D. The university may seek restitution, as appropriate.
E. Criminal charges may be filed, as appropriate.

Responsibilities

Table with 2 columns: Position or Office, Responsibilities. Rows include Chief supply chain officer, Employees, Financial Services, Individuals, Office of Business and Finance, Office of Sponsored Programs, and Purchasing.



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Position or Office	Responsibilities
	6. Approve standard, standing (term), and blanket purchase order requests with transaction values of \$5,000 or more.
Purchasing staff, Supply Chain staff, and service center buyers	Adhere to the National Association of Educational Procurement (NAEP) Code of Ethics.
Supply Chain	1. Guide units on purchasing process, oversee purchasing, sourcing, receiving, distribution inventory/warehouse management, and accounts payable. 2. Consult on accepting gifts-in-kind as needed.
Unit	1. Request competitive bidding for projects under threshold amounts as desired. 2. Use the Documentation Form for Non-Employee Work Arrangements to determine if an individual is an independent contractor or employee. 3. Report all gifts-in-kind to the Office of Advancement.

Resources

University Policies, policies.osu.edu

Asset Management, go.osu.edu/asset-management-policy

Board of Trustees Review and Approval of Facilities Improvement Projects and Real Estate Transactions, go.osu.edu/bot-review-approval-facilities-policy

Board Policy on Purchasing and Competitive Bidding, go.osu.edu/bppcb-policy

Earnings Operations, go.osu.edu/earnings-operations-policy

Expenditures, go.osu.edu/expenditures-policy Fiscal Stewardship, go.osu.edu/fiscal-stewardship-policy

Gift Acceptance, go.osu.edu/gift-acceptance-policy

Outside Activities and Conflicts, go.osu.edu/outside-activities-policy

PCard, go.osu.edu/PCard-policy

Reemployment of Faculty and Staff 4.25, hr.osu.edu/policy/policy425.pdf

Supplier Advertising, go.osu.edu/supplier-advert-policy

University Debt, go.osu.edu/university-debt-policy

University Fleet, go.osu.edu/university-fleet-policy

University-Provided Clothing and Uniforms, go.osu.edu/upcu-policy

Ohio State Wexner Medical Center Policies, wexnermedical.osu.edu/about-us/employee-onesource

Capital Record Keeping and Asset Tagging (Health System)

Vendor Interaction (Ohio State Wexner Medical Center)

Business and Finance Forms and Other Resources, busfin.osu.edu/policies-forms

Business and Finance University Policy Waiver Request, go.osu.edu/busfinpolicywaiverrequest

Documentation Form for Non-Employee Work Arrangements, busfin.osu.edu/sites/default/files/non-employee-work.doc

Financial Code of Ethics, busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf

Purchasing training, busfin.osu.edu/financial-training

Special Approval Spend Categories, busfin.osu.edu/sites/default/files/special-approval-spend-categories.pdf

Additional Resources

Competitive and Noncompetitive Procurement (Sole Source), osp.osu.edu/administration/procurement/competitive-and-noncompetitive-procurement-sole-source

General Records Retention Schedule, go.osu.edu/retention-schedules

National Association of Educational Procurement Code of Ethics, naepnet.org/page/ByLaws

Prevailing wage threshold levels, com.ohio.gov/documents/dico_prevailingwagethresholds.pdf

Vehicle Acquisition Form, ttm.osu.edu/sites/default/files/vehicleacquisitionform.pdf



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State of Ohio Laws

Ohio Ethics Law, ethics.ohio.gov/education/overview.shtml

Ohio Revised Code and Ohio Administrative Code

OAC §1.23.5-1-06, Implementation of domestic, Ohio bid preference, codes.ohio.gov/oac/123:5-1-06

ORC §125.09, Bid conditions or terms – preferences, codes.ohio.gov/orc/125.09

ORC §125.11, Contract award, codes.ohio.gov/orc/125.11

Ohio Ethics Law

ORC §102.03, Representation by present or former public official or employee prohibited, codes.ohio.gov/orc/102.03

ORC §2921.42, Having an unlawful interest in a public contract, codes.ohio.gov/orc/2921.42

ORC §2921.43, Soliciting or accepting improper compensation, codes.ohio.gov/orc/2921.43

ORC §3335.03, Powers of trustees, codes.ohio.gov/orc/3335.03

ORC §4115, Prevailing wages, Wages and hours on public works, codes.ohio.gov/orc/4115

Products and services of persons with disabilities

ORC §3304.15, Opportunities for Ohioans with disabilities, codes.ohio.gov/orc/3304.15

ORC §4115.31, Products and services of persons with severe disabilities definitions, codes.ohio.gov/orc/4115.31

ORC §4115.32, State committee for purchase of products and services of persons with severe disabilities, codes.ohio.gov/orc/4115.32

ORC §4115.33, State committee – powers and duties, codes.ohio.gov/orc/4115.33

ORC §4115.34, Procurement lists, codes.ohio.gov/orc/4115.34

ORC §4115.35, Approval and audits of central nonprofit agencies, codes.ohio.gov/orc/4115.35

ORC §5147.07, Convict labor, purchasing supplies, codes.ohio.gov/orc/5147.07

Federal Laws and Regulations

2 CFR §200.320, Methods of procurement to be followed, govinfo.gov/app/details/CFR-2023-title2-vol1/CFR-2023-title2-vol1-sec200-320

48 CFR Part 25, Foreign Acquisition, govinfo.gov/app/details/CFR-2022-title48-vol1/CFR-2022-title48-vol1-part25

Davis-Bacon and Related Acts, dol.gov/whd/govcontracts/dbra.htm

FAR 44.305, Granting, withholding, or withdrawing approval, acquisition.gov/far/part-44#FAR_44_305

OMB Guidance §200.318(c)(1), General Procurement Standards, govinfo.gov/app/details/CFR-2023-title2-vol1/CFR-2023-title2-vol1-sec200-318

Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	Purchasing, Office of Business and Finance	614-688-8200	busfin.osu.edu/purchasing
Policy questions – Health System	Health System Supply Chain	614-293-0512	supplychainoutreach@osumc.edu
Asset management – Health System	Health System Asset Management	614-293-2086	assetmanagement@osumc.edu
Building maintenance and repair requisitions	Facilities Operations and Development, Office of Administration and Planning	614-292-0257	fod.osu.edu
Financials/procurement training	Financial Training, Office of Business and Finance	614-292-8791	busfin.osu.edu/financial-training FinancialTraining@osu.edu
Gifts-in-kind	University Development, Office of University Advancement	614-292-2141	gifts@osu.edu osu.edu/giving
Prevailing wages	Prevailing Wage Coordinator, Design and Construction, Facilities Operations and Development, Office of Administration and Planning	614-292-4458	fod.osu.edu/resources
Records retention	University Archives, University Libraries	614-292-2409	library.osu.edu/archives



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Subject	Office	Telephone	E-mail/URL
Research animals	University Lab Animal Resources, Office of Research	614-292-0272	ular.osu.edu ular.osu.edu/contact
Sponsored project funded purchases	Procurement, Office of Sponsored Programs, Office of Research	614-292-6871	osp.osu.edu/administration/procurement
Trade-in information	Asset Management, Office of the Controller, Office of Business and Finance	614-292-6048	busfin.osu.edu/controller/asset-management
Use of university name and identifying marks	Trademark and Licensing Services, Office of Business and Finance	614-292-1562	trademarklicensing.osu.edu/page/home
Vehicle purchase	Transportation and Traffic Management, Office of Administration and Planning	614-292-7433	tminfo@osu.edu ttm.osu.edu

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