



Purchasing

Policy FI004

Volume 7, Finance and Fiscal Management

Responsible Administrator: Treasurer and Vice President for Finance and Administration

Responsible Office: Finance and Administration

Issued: 1994

Last Updated: April 2017

Policy Statement

This policy describes the functions and activities of FIT's Purchasing Department, which serves the college community through the procurement of goods and services, in compliance with FIT's policies and procedures, consistent with the highest standards of ethical and responsible business practices.

Reason for the Policy

The policy establishes the processes, standards, and expectations associated with the procurement of goods and services for FIT. The FIT Board of Trustees, the governing body of the college, is committed to establishing administrative policies for FIT that keeps the college in compliance with all applicable laws and rules, including those regarding purchasing practices. In keeping with the college's commitment, FIT's Purchasing Department subscribes to the Ethics Codes of the NYS Public Officers Law, Section 74. Code of Ethics.

Who is Responsible for this Policy

- Purchasing Department

Who is Affected by this Policy

- All FIT employees

Definitions

- **Bid:** An offer to buy goods or provide services at a specified price and in a specified time period.
- **Blanket Purchase Orders:** A purchase order issued to a named supplier to reflect authorization for a User Department to purchase identified items or services from that supplier over a period of time where precise quantities to be purchased are not known in advance but the description and the unit price of the item(s) or service(s) are already established by agreement or bid.
- **Contractor:** Any individual, business, vendor, or other legal entity awarded a contract to furnish commodities or services for an agreed price.
- **Emergency:** A situation must arise out of an accident or other unforeseen occurrence or condition; the circumstances must affect the FIT buildings or property or the life, health, safety,

or property of members of the FIT community; and the situation must require immediate action that cannot await competitive bidding.

- Emergency purchases may not exceed the quantity required to meet the immediate emergency condition. For longer-term requirements, normal competitive procedures must be used.
 - Emergency purchase requisitions must contain an explanation detailing the nature of the emergency. Contact the Purchasing Department and make them aware that an emergency requisition has been entered so every effort possible is made to accommodate expediting the purchase order. The method of source selection used (informal quotes, bids, etc.), suppliers contacted, and all prices quoted shall be documented in the purchase file.
 - Emergency orders must be approved by the President, the Vice President for Finance and Administration, or the Controller.
- **Formal Bid:** One that is publicly advertised and asks for sealed bids that are publicly opened at the time and place specified in the solicitation.
 - **Informal Bid:** Same as a Request for Quote defined below.
 - **Invoice:** Presented to Accounts Payable, which is responsible for reviewing all invoices and other documentation pertaining to the purchase transaction to ensure that delivery has been made and payment is proper, and to make timely payment taking advantage of all available cash discounts.
 - **Procurement Record:** Documentation of the decisions made and the approach taken in the procurement process.
 - **Proposal:** A bid, quotation, offer, or response to a solicitation relating to procurement. In general, a proposal is submitted for a Request For Proposal (RFP) and a bid is submitted for an Inquiry For Bid (IFB), but the terms are used interchangeably.
 - **Purchase Requisitions:** A Purchase Requisition (PR) is used to initiate the procurement of all supplies, equipment, and services that are not available from within the college community. The PR originates in the User Department, and all required approvals are obtained in Workflow. It is routed to the Purchasing Department where it becomes the basis for the approved Purchase Order.
 - **Request For Quote (RFQ):** A short form sent by the Purchasing Department to several vendors asking for informal quotes for goods or services.
 - **Request For Proposal (RFP):** A competitive solicitation seeking proposals for a specified service or technology, pursuant to which an award is made to the responsive and responsible proposer(s) offering the best value.
 - **Service:** The performance of a task or tasks that may include a material good or a quantity of goods and which is the subject of a purchase or exchange. Procurements of technology are conducted in the same manner as are procurements of services.

- **Sole Source:** A procurement in which only one vendor is capable of supplying the required commodities or services.
- **Single Source:** A procurement in which, although two or more vendors can supply the required commodities or services, the agency, upon written findings setting forth the material and substantial reasons thereof, may award the contract to one vendor over the other. The agency shall document in the procurement record the circumstances leading to the selection of the vendor, including the alternatives considered, the rationale for selecting the specific vendor, and the basis upon which it determined the cost was reasonable.
- **Specifications (Requirements):** Description of the physical or functional characteristics or the nature of a commodity, the work to be performed, the service or products to be provided, the necessary qualifications of the offerer, the capacity and capability of the offerer to successfully carry out the proposed contract, the process for achieving specific results and/or anticipated outcomes, or any other equipment necessary to perform work. Specifications may include a description of any obligatory testing, inspection, or preparation for delivery and use.
- **User (Determination of Need):** The requisitioning department (User Department) is responsible for defining quantity, quality, specifications, delivery date requirements, and all other pertinent information essential to a proper purchase.
- **Vendor** - A supplier/seller of commodities or services.

Principles

- **Authority to Purchase**
All purchases made by FIT must be made for authorized purposes, by authorized individuals, in a manner consistent with all applicable laws, and following the procedures established by the college to enter into legally enforceable contracts.
- **Purchasing Department Solely Responsible for Purchases**
All purchases on behalf of FIT shall be made through the Purchasing Department. Any purchase made outside this procedure will be the sole liability of the individual making the purchase.
- **Purchasing Objectives**
In making purchases on behalf of FIT, the Purchasing Department shall seek best value for the college and shall do business only with responsible suppliers in an open and competitive manner so as to ensure the prudent and economical use of public money and to facilitate the acquisition of facilities, commodities, and services of maximum quality at the lowest possible cost.
- **Affirmative Action/MWBE (Minority and Women Owned Businesses)/Disabled Veterans**
In making purchases on behalf of FIT, the Purchasing Department shall take affirmative action to ensure that NYS Certified Minority and Women owned business enterprises, as well as NYS Certified Disabled Veteran Businesses, are given the opportunity to demonstrate their ability to provide the college with required goods and services at competitive prices, and to ensure that FIT suppliers do not discriminate against any employee or applicant for employment because of age, race, creed, religion, color, national origin, sex, sexual orientation, gender identity,

disability, military status, predisposing genetic characteristics, familial status, marital status, domestic violence victim status, or on any other basis prohibited by law.

- **Conflict of Interest**

In making purchases on behalf of FIT, the Purchasing Department shall ensure that the college does not enter into a purchase commitment or vendor selection that presents a conflict of interest. A conflict of interest exists when some factor (such as a financial or personal interest in a vendor) interferes or appears to interfere with a decision-maker's ability to be completely impartial and loyal to the college's interest. It is the responsibility of each member of the FIT community to disclose to the Purchasing Director any information that suggests a conflict of interest may potentially exist in connection with a proposed purchase. The Purchasing Director shall take all necessary steps to ensure that the needs of the college are met without a conflict of interest.

- **Authorized Purposes**

The authorized purposes for which purchases may be made are established in the annual budget document approved by the Board of Trustees. The following are never authorized purchases:

- **Personal purchases**

The Purchasing Department has no authority to purchase items for individuals for their personal use or to negotiate special discounts for college employees. College employees are prohibited from purchasing supplies and equipment from authorized college vendors using FIT as a reference account, shipping point, and/or billing address.

- **Alcoholic beverages**

Payment for alcoholic beverages from tax-derived funds is an inappropriate use of that money. Any invoice submitted on a purchase requisition for alcohol will be returned, and the individual who incurred that expense will be responsible for its payment.

- **The Purchasing Department**

The Purchasing Department is responsible as the college's representative with vendors to ensure that User Department needs are accommodated with quality goods and services in a prompt, cost-efficient manner and to commit the college to binding contracts within the guidelines of college policy. The responsibility includes the selection of vendors, negotiation of price and assurance of quality, and prompt delivery to the institution. The Purchasing Department is responsible for maintaining complete and accurate records of all purchases in department files. The Purchasing Department is also responsible for the development of specifications in conjunction with the User Departments. Purchasing also is responsible for advising User Departments on the availability and value of materials and services in the marketplace.

- **Budgeting and Evaluating Requirements**

User Departments are responsible for evaluating and specifying their requirements, to obtain proper budget authorizations, to coordinate their purchase requisitions with the annual budget cycle, to monitor expenditures against budget, to encumber funds in connection with all requisitions, and to communicate in a timely manner with the Purchasing Department to assure that their needs can be met in a cost-effective manner. The college must first seek to use negotiated and awarded contracts issued by New York City, New York State, or the Federal Government (General Services Administration) as a source for vendors.

- **Goods or Services**

When goods or services to be purchased cannot be obtained from a New York State/New York City/Federal Government GSA contract then the following practices will apply:

- For purchases up to \$10,000 from a vendor in a fiscal year. End user must obtain at least two quotes for comparative pricing and overall value. Documentation of quotes must be attached to the purchase requisition. Quotes may be for a specific good needed, complete service provided, or an hourly rate. Options for documenting prices include (1) obtaining quotes from two separate vendors or (2) documenting prices from online sites or catalogs. However, in circumstances where two quotes are not available, or if the end-user is making a sole or single source purchase, documentation of an online price for a similar item or service to show reasonableness of price is acceptable.
- For purchases of goods or services, including construction, between \$10,000 and \$50,000 from a vendor in a fiscal year. The Purchasing Department will use a Request for Quote Form, which is e-mailed to a minimum of three vendors. The vendor who is responsive and responsible with the lowest price or best value will be awarded the Purchase Order.
- For purchases of goods and services, including construction, above \$50,000 to a single vendor in a contract period. A Formal Bid or Request for Proposal process will be conducted by the Purchasing Department. Goods or services will be publicly advertised in the New York State Contract Reporter and posted on the FIT Purchasing website for vendors to download. If the purchase is from a sole vendor or manufacturer (Sole Source) or a specific vendor is selected for a particular reason (Single Source), contact the Purchasing Department for guidance on how to document the purchase. When possible, the college uses blanket purchase orders to a vendor that can be used throughout the fiscal year.

- **Purchase Order System**

- **Purchase Orders Required**

All purchases of materials and/or services (including those purchased with restricted funds) must be made using a Purchase Order approved in advance of the transaction by an authorized individual. The Purchase Order is a contract that establishes rights and obligations of the supplier and of FIT. It also serves as the administrative control document for all purchases. Purchase orders will not be created for goods or services already received.

- **Authority to Sign Purchase Orders**

The following individuals are authorized to sign Purchase Orders on behalf of the college:

- President, Vice President for Finance and Administration, Assistant Vice President for Finance and Administration, Controller, Purchasing Director, and Purchasing Agent.
- No other person has legal authority to make any purchase or commitment binding on the college. Commitments by any other member of the faculty or staff are not binding on the college, and are the sole responsibility of the individual making the commitment. This policy is strictly enforced. Contact with a vendor, other than by Purchasing, is for price or general information only. Purchase commitments may be made only through the Purchasing Department.

Purchases may not be placed directly with a vendor by a User Department. Attempted deliveries of materials without an authorized Purchase Order will not be accepted by the Receiving Department. Vendor invoices are to be supported by an authorized purchase order.

- **Purchase Requisitions**

A Purchase Requisition is not a contract document. It cannot be emailed, faxed, or otherwise delivered to vendors as authority to deliver goods and services. Final commitment and notice to proceed under an approved purchase requisition will be in the form of an authorized FIT Purchase Order.

- **Required**

- An approved purchase requisition is required for all purchases of equipment, materials, and services.

- **Payments to college Employees**

- Purchase Orders are not used to pay employees of the college for rendering personal/professional services outside of their general employment responsibilities.

- **Authorized Signature**

- Verified electronic approvals of individuals authorized to approve purchase requisitions are required on all purchase requisitions. No other signatures shall be accepted as a basis for issuing a purchase order. Lists of the authorized signatures shall be approved and maintained by the Purchasing Office.

- **Record keeping**

- The Purchasing Department maintains all Purchase files.

- **Emergencies**

In true emergency situations, the responsible official of the college is authorized to purchase those items required to meet the emergency, using the most competitive method practicable in the circumstances.

- To qualify as a true emergency, the situation must arise out of an accident or other unforeseen occurrence or condition; the circumstances must affect the FIT buildings or property or the life, health, safety, or property of members of the FIT community; and the situation must require immediate action that cannot await competitive bidding.

- Emergency purchases may not exceed the quantity required to meet the immediate emergency condition. For longer-term requirements, normal competitive procedures must be used.

- Emergency purchase requisitions must contain an explanation detailing the nature of the emergency. User Departments should contact the Purchasing Department and make them aware that an emergency requisition has been entered so every effort possible is made to accommodate expediting the purchase order. The method of source selection used (informal quotes, bids, etc.), suppliers contacted, and all prices quoted shall be documented in the purchase file.

- Emergency orders must be approved by the President, the Vice President for Finance and Administration, or the Controller.

- **Sales Tax**

The college is exempt from State and City sales tax. Sales tax exemption forms may be obtained from the Purchasing Department on request and must be used for all college related purchases.

Responsibilities

N/A

Procedures

Please see FIT Purchasing and Procedures (Related Document)

Violations

N/A

Related Policies

- [Travel and Reimbursement](#)

Related Documents

- N/A

Contacts

- **Director of Purchasing**
Purchasing Department
333 Seventh Ave, 15th Floor
(212) 217-3630
Purchasing@fitnyc.edu