

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.1
Subject: Purchasing Policy Trustee Doc. T92-031, as revised (Appendix A)	

In accordance with the provisions of Section 3 and Section 13 of Chapter 75 of the General Laws, as amended, all purchases irrespective of source of funds under the provisions of said Section 13 shall be governed by this document subject to subsequent amendment, revision, or repeal, from time to time, by the Trustees. This policy shall also apply to agreements or franchises for the use of or access to University premises or facilities.

I. Definitions

Operational Services: Those services that are required for the routine operation of the University or maintenance and repair of University property or facilities but that cannot be provided by University employees and are instead provided by independent contractors. Operational services are to be distinguished from Consultant Services of a professional advisory nature, which are governed by the provisions of Appendix D.

II. Policy

General Bid Requirements

The University shall obtain all supplies, printing, equipment, and other property at the lowest cost to the Commonwealth and the University as is consistent with the quantity, quality, durability, availability, serviceability, and other factors affecting service and use as required by the using department of the University. In complying with this policy, the cost of acquisition and the delivery time required shall be considered as well as the cost of the item being purchased.

Advertisement for and receipt of competitive bids shall be used whenever practicable, or when required by law. Invitations to bid shall be posted on a publicly displayed bulletin board at the respective University campus, and when deemed desirable, or as required by law, may be advertised in newspapers and trade journals in the state.

Bid forms and specifications shall be drawn on a basis to encourage open competition; provided, however, that the specifications shall be written so as to assure the quality and features needed by the using departments of the University. Provisions may be made for the submission of samples

that may be examined, tested, and analyzed to determine if they meet the specifications.

Provisions shall be made for maintaining a list of all persons and firms who wish to bid on University purchases and the classes of items on which they have requested permission to bid. Invitations to bid shall be sent to all who have asked to be placed on the list and to such others as may be determined necessary to stimulate competition.

When practicable, requisitions and orders shall be grouped to take advantage of quantity discounts.

The University's commitment to the principle of Affirmative Action shall be applied to purchasing with the objective of achieving and fostering greater minority and women-owned business enterprise participation in University procurement activity and encouraging socially or economically disadvantaged business owners to respond to invitations to bid on University business.

Exceptions to bid Requirements

- a. Subject to provisions of Section 13 of Chapter 75 as amended, the purchase of supplies and other property without advertising and competitive bids shall be limited to:
 - i. Orders five thousand dollars (\$5,000) and under in value;
 - ii. Those cases where competitive bidding would be impracticable;
 - iii. Emergency situations

(See part two for dollar limits.)
- b. The purchase of any Labor and Materials Construction project without advertising and competitive bids shall be limited to ten thousand dollars (\$10,000) and under, and shall further comply with the provisions of any applicable Massachusetts General Laws.
- c. Contracts for Operational Services (not to be confused with Consultant Services – See Appendix D) shall be subject to competitive bidding whenever practicable, when the projected fee is more than twenty-five (\$25,000) or shall require sole source justification.
- d. For Purpose of administration of this policy, each campus may determine within the established ranges, outlined within this section, its own dollar limit on purchases requiring a bidding procedure.

III. Purchasing Administration

No person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the obligation.

The Vice President for Management and Fiscal Affairs and Treasurer, under the direction of the President, is designated as the officer of the University responsible for formulating and maintaining guidelines to implement these policies.

Each campus shall be responsible for maintaining a central procurement department.

The President shall appoint a Purchasing Council consisting of the directors of the campus Procurement/Purchasing Departments which shall meet at least annually to discuss system-wide procurement issues and to maximize economies through cooperative efforts when possible. The Board of Trustees encourages the continued use and expansion of the mission of the Massachusetts Higher Education Consortium.

Each Chancellor may delegate responsibility for procurement and implementation and enforcement of approved purchasing policies and procedures.

Where deemed appropriate and in the best interest of the University, contracts should be reviewed by the University General Counsel's office.

IV. Delegation of Purchasing Authority

The President of the University is hereby delegated the following purchasing authority, with authority to re-delegate solely to the Chancellors, their designee(s), or such other officers as the President sees fit:

- (a) Authority to enter into contracts for labor and materials exceeding \$25,000.
- (b) Authority to enter into leases of equipment for periods exceeding one year, irrespective of amount.
- (c) Authority to enter into leases of real property with specific Board of Trustees and the Division of Capital Asset Management and Operations (DCPO) approval.

The President of the University and the Chancellors are hereby delegated the following purchasing authority for University-wide or President's office matters and campus matters, respectively, with authority to re-delegate to the Treasurer, purchasing directors, and such other officers as they see fit:

- (a) Authority to sign purchase orders irrespective of type or amount.
- (b) Authority to enter into leases of equipment for periods that do not exceed one year, irrespective of amount.
- (c) Authority to enter into contracts for labor and materials and contracts or services under \$25,000

All delegation of purchasing authority shall be made in writing and forwarded to the office of the University Vice President for Management and Fiscal Affairs (with a copy to the General Counsel's Office).

University Of Massachusetts System	
Date: July 01, 2001	Section:1.2
Subject: Business Expense Policy Trustee Doc. T92-031, as revised (Appendix C)	

The *Business Expense Policy* applies to expenses incurred by a duly authorized University of Massachusetts employee or Trustee who incurs expenses in the process of conducting University business. Campuses may establish further guidelines and procedures within the scope of University policies regarding business and entertainment expenditure. Campus guidelines may be more, but not less restrictive.

General Policy

- ? Expenditures must be a necessary expense of the organization and an allowable charge to the funding source.
- ? Expenses must have a clear business purpose and be directly related to the goals and mission of the University/campus.
- ? Expenses must be reasonable and appropriate under the circumstances and in moderation and good taste.
- ? An individual's travel status does not affect reimbursement for business expenses.
- ? All expenses must be fully documented (see below).
- ? The signatory authority of the relevant account is responsible for compliance with this policy.

Specific Criteria

The following are examples of the type of expenditures that may be paid/reimbursed subject to the general policy articulated above and the documentation criteria described below:

- ? Expenditures for the purpose of recruiting potential employees, soliciting prospective donors or sponsors, and hosting official guests when necessary for the conduct of University/campus business;
- ? Expenses for meetings of regular University/campus committees, which may involve only participants from a single location, and which are documented as part of a working session necessitated by travel requirements, schedule conflicts or other unavoidable circumstances solely for the benefit of the institution;
- ? Institutional events, including recognition/morale activities, public relations/development/fund-raising events, conferences/retreats/seminars, and activities in conjunction with various ceremonial and official events.

These events may be either campus-wide or on a smaller scale and require prior approval. Such approval must be obtained through normal administrative channels. University and campus policy regarding administrative, budgeting, approvals, purchasing and documentation shall apply;

- ? Tickets for sports, theater, charitable/civic and other events for the entertainment of institutional donors, alumni, guests and visitors. In all cases the expenses must be shown to benefit the mission of the institution or directly support its programs.

The following are examples of the type of expenditures, which should **not** be paid/reimbursed:

- ? Excessive or extravagant cost;
- ? Political contributions;
- ? Gifts to University employees other than those provided through official recognition programs authorized by the Human Resources Department;
- ? Expenses incurred in connection with personal business including parking fees, parking tickets, club memberships, stolen articles, etc;
- ? Meals during working hours, including “working meals” where one employee takes another employee to breakfast, lunch or dinner;
- ? Purchase of alcoholic beverages is highly discouraged due to the expense and potential liabilities involved. However, when written authorization is obtained prior to the event, purchase may be made through Food Services or their approved substitute;
- ? Expenses for spouses except as allowed in the *Executive Compensation Policy* (when approved) or as part of an institutional event which has received prior approval;
- ? Any unexplained or undocumented expenses.

Documentation

All expenditure must be accompanied by a “Business Expense Authorization/Voucher” and original receipts.

Documentation must include:

- ? The date, location and description of the expenditure.
- ? The name(s), title, company, affiliation and business relationship of the person(s) in attendance.
- ? Business purpose for incurring the expense.
- ? Approval of the expenditure through normal administrative channels.

Reporting Requirements

Campuses/locations should identify business and entertainment expenditures in the University Financial Records Systems (or approved alternative systems) in a manner, which will allow for regular reporting to the Board of Trustees.

University of Massachusetts System	
Date: July 1, 2001	Section:1.3
Subject: Consultant Services Trustee Doc. T92-031, as revised (Appendix D)	

The purpose of this policy is to provide guidelines and procedures for the appointment of non-employee personnel.

1. General

1. This delegation is made under and pursuant to Massachusetts General Laws Chapter 75, Section 3A, as amended, and to the By-Laws of the Board of Trustees.
2. This delegation relates to professional service contracts (other than operational services under Appendix A). Professional services shall be defined as those services provided by persons or groups identified as independent contractors by the Internal Revenue Service (Attachment 1). These individuals or groups are not paid through the University's payroll system. Any professional service contract whose annual projected expenditure exceeds \$50,000 annually shall be bid competitively whenever practicable or sole source justification shall be provided.
3. A standard contract form for each contract, where the amount expended annually exceeds \$5,000 shall be used as a binding contract. The standard forms shall be prepared by the Vice President for Management and Fiscal Affairs and approved by the General Counsel.
4. This policy does not apply to any items covered by the Purchasing Policy (Appendix A).

II. Delegation of Signature Authority

A. There is hereby delegated solely to the President of the University:

1. Authority to contract for Professional services to be performed by consultants and other persons engaged other than in an employment status where the amount to be expended for professional services under any such contract shall exceed \$200,000 in any fiscal year and other than for services to be performed for or under the direction of the Board of Trustees. The

President shall report to the Committee on Administration and Finance on all such contracts. Reports shall be made regularly, but no less than annually.

2. Authority to sign and deliver all papers and documents relating to the contracting as aforesaid for services of non-employees.

B. There is hereby delegated to the President of the University, with authority to re-delegate solely to the Chancellors:

1. Authority to contract for professional services to be performed for the particular campus by consultants and other persons engaged other than in an employment status where the amount to be expended for professional services under any such contract shall not exceed \$200,000 in any fiscal year.
2. Authority to sign and deliver all papers and documents relating to the contracting as aforesaid for services for non-employee.

C. There is hereby delegated to the President of the University, with authority to re-delegate to the Chancellors, who may sub-delegate such authority as they determine appropriate.

1. Authority to contract for professional services to be performed for the particular campus by consultants and other persons engaged other than in an employment status where the amount to be expended for professional services under any such contract shall not exceed \$50,000 in any fiscal year.
2. Authority to sign and deliver all papers and documents relating to the contracting as aforesaid for services of, or engaging as aforesaid, non-employees.

D. All sub-delegations shall be made in writing and forwarded to the office of the Vice President for Management and Fiscal Affairs (with a copy to the General Counsel's office).

- E. All contracts for professional services in an amount to exceed \$25,000 in a fiscal year should be reviewed for form and content by the General Counsel's office.
- F. The President shall have the authority to exclude from these delegations any categories or types of consultant service or professional service contracts as he deems necessary or appropriate.
- G. The President shall issue guidelines to implement this policy. Said guidelines shall include but are not limited to a requirement that campuses provide a quarterly listing of all newly executed consulting or professional service contracts over \$50,000 to the Vice President for Management and Fiscal Affairs and Treasurer. Listings shall include the name of the consultant or firm, contract purpose, total contract amount, and the duration of the contract.

A listing of all consultant contracts executed over \$50,000 shall be provided quarterly to the University Treasurer, and shall include the name of the consultant or firm, the amount, and the duration of the contract.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.3.1
Subject: ESTABLISHING CONTROL *	

To determine whether a worker is an employee or independent contractor, you should apply the common law test of control. Under this test, if you have the right to control and direct what a worker does and how he or she does it, a relationship between you and the employee exists. In the absence of such control, a worker may be classified as an independent contractor.

To determine whether control exists in an employee-employee relationship, the IRS uses the following 20 common law factors:

- 1) Required compliance with employer's instructions;
- 2) Training of worker by employer;
- 3) Integration of worker's services into employer's business operations;
- 4) Services required to be rendered personally;
- 5) Hiring, supervising, and paying worker's assistants;
- 6) Continuing relationship;
- 7) Set hours of work;
- 8) Full-time work required;
- 9) Working on the employer's premises;
- 10) Set order or sequence of work;
- 11) Required oral or written reports;
- 12) Payment by hour, week or month;
- 13) Payment of business expenses and/or travel expenses;
- 14) Furnishing of tools and materials;
- 15) Significant investment by the worker;
- 16) Realization of profit or loss;
- 17) Working for more than one firm or company at a time;
- 18) Making services available to the general public;
- 19) Right of employer to discharge;
- 20) Right of worker to terminate.

(See Contracting for Professional Services, Section 3.5)

* as defined by the Internal Revenue Service

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.4
Subject: Rationale for Centralized Purchasing and the Bid Process	

Following is the rationale behind centralized purchasing and why we obtain bids:

What is a Contract:

Each Purchase Order issued is a contract. A contract is established by someone making an offer and someone else making an acceptance that is covered by consideration (money). When you send out a Purchase Order, you are offering to buy something. The vendor accepts your offer by acknowledgment, or by filling the order and shipping the goods requested.

What is Centralized Purchasing?

Centralized purchasing is a system of purchasing in which the authority, responsibility, and control of purchasing activities is concentrated in one administrative unit. At the Lowell Campus, the administrative unit that has such control is the Purchasing Department. As a public institution, the University is governed by the laws and regulations that pertain to purchasing in higher education as established by the Commonwealth and the University's Board of Trustees. Centralized purchasing provides the checks and balances that are necessary to insure that goods and services are purchased within such laws and regulations, from responsible sources, and at the best possible prices.

Why obtain Bids?

There are many variables to be determined in buying that are best answered by obtaining bids. These variables, in the form of questions, are as follows:

1. Is the product the best one available for the particular application?
2. Is the product description current, or has a more current model superseded it?
3. What is the availability of the product?
4. What is the F.O.B. point?

This determines who pays the freight: but what is more important, title to the goods passes at the F.O.B. point. We always try to establish the F.O.B. point as the University, which means the vendor pays the freight, and if any freight is lost, stolen, or damaged in transit, it is the vendor's problem, because they have title of the product.

5. Are the vendor's name and addresses still current?
6. What are the payment terms?
7. What is the current price?

When a vendor returns a bid, (s)he is making an offer. If we issue a Purchase Order, we have accepted their offer and covered it by consideration. It may seem like a minor point, but going out to bid first simply places the horse before the cart and enables us to make the final decision whether we wish to place the order on the vendor's terms. Retention of this control within the University is an important prerogative.

These things should be kept in mind as you read through this manual. The various sections explain when formal, advertised bids through the Purchasing Department are required, and when the requesting department may obtain quotes, written or otherwise.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.5
Subject: Purchasing Policies and Procedures	

The following procedures expand upon the policies governing purchasing adopted by the Board of Trustees on June 3, 1992, in accordance with the provisions of Sections 3 and 13 of Chapter 75 of the General Laws, as amended by Chapter 142 of the Acts of 1991. This manual represents the basic purchasing policy to be followed by the University of Massachusetts Lowell.

Responsibilities and Objectives:

The Purchasing Department is the on-campus department that is charged with the responsibility to:

1. Obtain public bids to obtain maximum value from the expenditure of University funds in the purchase of materials and services, greater than \$5,000;
2. Coordinate the purchase of materials and services for all functions of the University;
3. Provide value added services to the University by constantly striving to find new and better products, sources of supply, and better ways of meeting the needs of the using departments;
4. Maintain liaison with the vendors that service the University;
5. Develop University purchasing standards based upon value analysis, economies of scale, total acquisition costs, and budget limitations;
6. Assist University departments in locating substitute materials in cases of emergencies, material shortages, strikes, or other external circumstances;
7. Protect the University against unfair or unethical trade practices and unrealistic or exorbitant price increases;
8. Expedite, if requested and warranted, the delivery of goods and services;
9. Assist in the transfer, trade, or sale of surplus property;
10. Maintain the Master Bidders and Commodities lists and the Vendor Code File.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.6
Subject: General Purchasing Policies	

1. Purchases shall be made on the basis of competitive prices, obtained by public bid whenever practicable. If the purchase is bid, the award will be made to the responsive and responsible bidder who, in the opinion of the Director of Purchasing, in conjunction with the requesting department, offers the best bid, based on price, conformance to specifications, and delivery.
2. Specifications shall be established by the using department and/or the Purchasing Department. Specifications will not be altered without prior consultation with the using department.

Specifications may be one of six basic types:

- a. Brand name or equal;
- b. Design or detailed specifications (used when blueprints or specific details are available);
- c. Professional Service Contracts (**See Contracting for Services, page 3.5**);
- d. Performance specifications; e.g., repair work, construction, maintenance, etc;
- e. Specifications as per an existing sample; e.g., printing jobs;
- f. Special Purpose Specifications:
 - 1) Requests for Information (RFI);
 - 2) Sale of Surplus Property;
 - 3) Concessions Rights (Award to highest bidder); and
 - 4) Term Contract for a Commodity Line.

3. Used or refurbished equipment may be purchased, in accordance with established purchasing policies, if in good condition and justified in writing to the Purchasing Department. Whenever possible, such equipment will carry a full manufacturer's warranty.
4. Departments are encouraged to suggest the names of prospective vendors to the Procurement Department for their purchasing requirements, but the final selection of vendors shall remain the responsibility of the Procurement Department. Departments are required to obtain appropriate documentation for any new vendor to be added to the Campus Vendor File.
 - a) Requests for bids should not be solicited from prospective suppliers unless the requester is willing to place an order with that supplier should that supplier be responsive, responsible, and the lowest bidder meeting specifications.
5. **Whenever practicable, departments shall make use of State, University, Campus and MHEC Contracts.**
6. No Department or individual is authorized to commit the University for materials or services except with the prior approval of the Purchasing Department. Purchases, agreements to purchase, or changes to existing purchase agreements made by any department member without the prior approval of the Purchasing Department will not be honored by the University and will become the financial responsibility of the individual who incurred the commitment. **(See Financial Commitment, page 1.9).**
7. Personal purchases in the name of the University are not permitted. No delivery of any personal purchase shall be authorized to be made to any University office or building other than University-owned or controlled dwelling facilities. University letterheads are not to be used for personal correspondence.
8. Vendors shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap, or sexual orientation.

Vendors shall comply with all applicable Federal and State statutes, rules and regulations prohibiting discrimination in employment including but not limited to: Title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act of 1967; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; and M.G.L. c151B.

9. Requirements for goods and/or services over \$5,000 shall be advertised on a public bid board. Procurements that total \$250,000 or more shall also be advertised in appropriate publications, at the discretion of the purchasing agent at the respective campus.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.7
Subject: Responsibilities of the Ordering/Requesting Department	

Individuals who are authorized by their dean or department head to originate requests for materials and services for public bid, are charged with the responsibility to:

1. Anticipate departmental requirements in order that a reasonable amount of lead time may be allowed for processing the request, or for public bidding, whichever applies. The Procurement Department will handle emergencies on a priority basis as outlined in the section entitled **Emergency Purchasing Confirming Orders – Financial Commitment, page 2.16.**
2. Combine, whenever possible, relatively small request for similar types of material, in order that orders/bids may be issued for reasonable quantities.
3. Insure that information furnished on the purchase request is complete and accurate and conforms to campus purchasing and accounting policies, as may be appropriate.
4. Provide written quotations, justifications, and backup documentation, as may be requested by the Purchasing Department.
5. Promptly process Change Order/Requests, as may be appropriate, to the Purchasing Department to properly reflect any modifications to the Purchase Order. (Authorization must be received from the Purchasing Department prior to processing any Change Order/Request for purchases that were bid through Purchasing.)
6. Promptly note receipt of materials, as may be appropriate, in accordance with campus receiving policy.
7. Accommodate the payment of invoices, as may be appropriate, in accordance with campus accounting policy.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.8
Subject: Ethical Practices and Conduct of Employees	

State employees are governed by the Commonwealth's Conduct of Public Officials and Employees statute ("Conflict of Interest law"), Massachusetts General Laws, Chapter 268A. This statute is lengthy and complex. It is interpreted and actively enforced by the State Ethics Commission. Copies of a brochure that generally discusses the law and restrictions placed on state employees may be obtained from the State Ethics Commission, Public Education Office, Room 619, at (617) 727-0060. You may request an advisory opinion from the Ethics Commission by writing to the State Ethics Commission, One Ashburton Place, Boston, MA 02108.

1. The University's vendors, and their products, personnel, and services, are, in a sense, a natural extension of the University's own resources. It is the responsibility of all employees to work to maintain the good name of the University, to develop and maintain good relations between the University and its vendors, and to keep in mind that personal contacts form much of the basis for the opinion of the University by its vendors.

2. University employees shall refrain from accepting gifts or gratuities from vendors. Reference is directed to the Conduct of Public Officials and Employees law, Chapter 268A, Section 3, of the General Laws, which states in part:

"Whoever...directly or indirectly, asks demands, exacts, solicits, seeks, accepts, receives or agrees to receive anything of substantial value for himself for or because of any official act or acts within his official responsibility performed or to be performed by him...shall be punished by a fine of not more than three thousand dollars or by imprisonment for not more than two years, or both."

In this respect, employees who are responsible for making purchasing decisions, or who are in a position to influence purchasing decisions, shall refrain from accepting any gratuity or benefit from any vendor, for they may be construed to influence such purchasing decisions.

3. Nepotism: Nepotism is contrary to both the Conflict of Interest law and Trustee policy. The Trustees have voted, in part:

- a. No officer or employee of the University shall participate directly in any decision or recommendation relating to appointment, promotion, retention, tenure, or other condition of employment at the University of any parent, child, spouse, sibling, parent-in-law, sibling-in-law, child-in-law, or stepchild of such officer or employee, except as the Chancellor has specifically approved as being within the best interest of the University.
- b. In cases where a person within one of the categories of relationship to an officer or employee (as described in "a," above) is proposed for appointment, retention, or promotion to a position which would normally be under the supervision of such officer or employee, such person may be appointed to, retained in, or promoted to such position, and may be supervised by such an officer or employee, only if documentation is provided that demonstrates that such person is especially qualified to perform the services required and that the services are of great value to the interest of the University. Such decisions shall be made by the Chancellor or by his designee. The documentation required shall accompany the personnel files of the related persons.

Questions concerning such conflict issues related to nepotism should be directed to the Human Resource department.

4. Employees shall not do business in the name of the University with companies in which they, or an immediate family member, hold a financial interest, unless disclosure of the facts of the matter and the employee's financial interest are first made to, and approved in writing by, the employee's Chancellor (M.G.L. Chapter 268A, Sections 6 and 6A.)
5. A state employee may not have a financial interest, directly or indirectly, in a contract made by a state agency in which the Commonwealth or a state agency is an interested party (M.G.L. Chapter 268A, Section 7).

This restriction is subject to certain qualifications. The employee should contact University legal counsel or the State Ethics Commission to discuss the employee's particular situation, before the fact.

6. The University subscribes to the Code of Ethics of the National Association of Educational Buyers, as follows:

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.8.1
Subject: NAEB Code of Ethics	

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honest in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth amount them.

July 1, 1985
Reviewed 1992

NATIONAL ASSOCIATION OF EDUCATIONAL BUYERS, INC.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.9
Subject: Financial Commitment	

1. In accordance with State, Federal, and University Board of Trustees policies, no person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the obligation, provided, furthermore, the purchase constitutes a proper expenditure and conforms to University Board of Trustees Procurement Policy. Therefore, all purchasing documents must be approved, in advance, for availability of funds before committing the University for the expenditure of any funds (appropriated or non-appropriated).
2. In this connection, no "Confirming" purchase shall be made for any amount that has not received the prior approval of the Purchasing Department. When an emergency occurs that requires the placement of a Confirming Order the Emergency Procedures set forth on **Section 2.16** shall apply.
3. Any University employee who makes commitments and/or expenditures by bypassing the normal purchasing channels, whether it be verbal, fax or telephone purchase order, an authorization to a vendor to increase the amount of any already-issued purchase order, or any other such commitments, **does so at no obligation to the University.** Commitments made in this manner will be the personal obligation of the employee(s) making them.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.10
Subject: Signature Policy – Purchasing/Accounting Documents	

Following are the minimum requirements that must be met to authorize the expenditure of funds on purchasing/accounting documents.

1. The Account Administrator (Responsible Person/Principal Investigator/Individual Exercising Budgetary Control), or his/her authorized designee, shall approve all purchasing and accounting documents.
2. When it is necessary for the Account Administrator to delegate signature authority, the following procedure will be utilized:
 - a) A memorandum of authorization from the Account Administrator, which reflects the account number(s), and the name and signature of the individual to whom signatory authority is delegated, shall be submitted to the campus Comptroller's Office. If delegation is temporary, the memo shall reflect the dates such authorization will remain in effect.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.11
Subject: Approvals, Additional, Required for Purchases	

Following is a list of purchases that require an additional approval or step beyond those normally required of the ordering/requesting department and Purchasing.

Procurement Type	Approving Authority/Step
Alterations to Building: e.g., Electrical, Plumbing, Structural	Special Assistant for Economic Development
Computer Networks	Chief Information Officer
Conflict of Interest	Campus Legal Counsel, Human Resources
Contracts for Services	See CFS Policy
Educational Alcohol, Government Tax- Free	Purchasing Department
Employment Ads, Classified	Dean/Director Chancellor/Provost Affirmative Action Human Resources Purchasing
Gifts (Univ. Related)	Executive Director of University Advancement
Hazardous Chemicals	Env. Health & Safety
Insurance	Treasurer's Office
Leases	Chancellor
Radioactive/Radiation Producing Materials/Equipment	Radiation Safety Office
Surplus Property, Disposal of	Property Office

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.12
Subject: Subsidiaries/Object Codes	

The Subsidiaries and Object Codes used by the University are adapted from those established by the Commonwealth, which are mandated for use by all State Agencies.

1. The University's budget is allocated among 14, two-character, alpha subsidiaries, which define very general types of payments/procurements; e.g., AA – Salaries, EE – Administrative Expenses, FF- Facility Operational Expenses, etc.
2. Under the University's FRS system, each general subsidiary contains numerous four-digit object codes, which more closely define the various types of payments/procurements within the subsidiary; e.g., Under Sub. EE- Administrative Expenses – one will find: Object Code 1401, Office and Administrative Supplies; 1406, Postage; 1408, Telephone Service, etc.
3. All purchase documents for encumbrance must bear an object code, which shall be selected by the department from the listing of object codes as contained in the campus Accounting Manual. The object code assigned by the department shall be the one that most closely defines the type of procurement to be affected. Object codes assigned to purchase documents are subject to review and correction by the Purchasing Department.
4. Object codes should be selected based on the type of procurement to be affected, not on the end result of the procurement. For example, photocopying should be charged to the object code for photocopying 1933, and not to teaching supplies and materials 1516 because the photocopies will be used in the classroom.
5. Departments may not charge procurements to subsidiaries for which they have received no allocation. The department shall first affect the necessary paperwork through the campus Budget Office.
6. Questions concerning object codes may be directed to the Purchasing Department.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:1.13
Subject: Vendor Code/Foreign Individual Tin Number	

1. In the University's FRS System, a vendor code is an 11-digit number that is assigned to a vendor that dictates the address to which the remittance will be mailed.
2. Vendor codes are created based upon the vendor's 9-digit Taxpayer's Identification Number (F.E.I. or Social Security Number). On the University's FRS System, the first character of the vendor code is a letter (usually "A" if for a vendor). The last digit of the code is zero.
3. No encumbrance can be affected in the University's FRS System without a valid 11-digit vendor code, which must appear in the University's FRS System. If the 11-digit vendor code is not on file, the department must provide the vendor's 9-digit taxpayer's number, with a completely signed original VW-9 form. Vendor code creation can be processed within 48 hours of the request. All vendors must have a Taxpayer Identification Number that has been assigned by the Federal Government in order to obtain a Vendor Code.
4. Those departments that are on-line to FRS can access vendor codes from screen 202 by keying in the vendor's name or screen 204 with an A/and the vendor's 9-digit Taxpayer's ID Number. Departments that do not have access to FRS may obtain vendor codes by contacting the Purchasing Department.
5. Purchases that are done against state appropriated accounts require a 13-digit vendor code, which is controlled by the Commonwealth through the MMARS System. No encumbrance can be affected against a state-appropriated account unless and until there is a valid 13-digit vendor code for the vendor in the Commonwealth's MMARS System, and a valid 11-digit vendor code number in the University's FRS System. Vendor Code assignment and changes through MMARS take three or more weeks to process and require that stringent processing parameters be followed.
6. Questions concerning vendor codes may be directed to the Purchasing Department.

Note: Citizens and Resident Aliens (Foreign Individual) of the United States must certify with the MW-9 that they have a valid social security (SS) number or a Taxpayer Identification (TIN) number.

Non-Citizens who are Non-Resident Aliens (Foreign Individuals) must complete a University Payee Information Sheet to provide written documentation of required IRS information. This information sheet can be obtained from the Business office. If a person cannot obtain a Social Security Number, then they can file a Form W-7 to receive a TIN. The University is attempting to become a “Certified Accepting Agent” for the IRS so it can assist individuals in obtaining a TIN in the future.

The IRS requires that the Payor (the University) withhold 30% of all service payments and reimbursements to Non-Resident Aliens (Foreign Individuals). Exceptions exist for countries under tax treaty with the U.S., but these exceptions are the responsibility of the payee and must be certified and documented. Otherwise, the 30% must be withheld and transferred immediately to the IRS.

The Comptroller’s Office will prepare and issue 1042 forms to report payments for Non-Resident Aliens (Foreign Individuals) to the IRS, INS, State Department of Revenue and the Payee, when they prepare the 1099 forms for payments to citizens and Resident Aliens.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.1
Subject: Purchase Requisitions for all Purchases	

Following are the instructions for completing the purchase requisition form.

1. All purchases must be processed through campus Purchasing Department on purchase requisition form.
2. Reasonable care should also be exercised to include on each requisition only such items as can be furnished by the same type of supplier (e.g., do not mix hardware with lab supplies).
3. Each requisition must contain a complete description of the material desired and the name and address of suggested source of supply. If the material desired is available from a "single source" vendor, a sole source documentation form containing an explanation of why it is the only acceptable source must accompany the requisition together with a written quotation if amount exceeds \$5,000. **(See Dollar Limits, Section 2.4)**
4. If the product description will not fit easily in the description space of the requisition form, the information should be typed on a continuation sheet.
5. The prices, properly extended and totaled, and the approval of the Department Chairperson, director, or person exercising budgetary control must also appear on the requisition.
6. Each requisition should also designate the date that the material is required. Every effort will be made to obtain delivery by the required date. Do not use terms such as "Rush" or "ASAP".
7. Each requisition should be prepared and the original should be submitted to the Purchasing Department; the requisitioning department should retain a copy for its files. The department must state when (date) the prices were quoted and to whom they corresponded with (name of person contacted). This information must appear in the description column of the requisition or a quote should accompany the requisition.
8. The requisition is pre-numbered and all inquiries concerning the requisition should reference that number.
9. A copy of each purchase order issued by the Purchasing Department against a requisition, will be forwarded to the requisitioning department.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.2
Subject: Competitive Bid Procurement, Policies and Procedures	

Following is the policy and the procedures that shall be followed, in those instances when competitive bids, whether they be public or otherwise, are required. A competitive procurement is one in which the specified product/service, or an equivalent, alternate type of product/service, is available from more than one source of supply.

Departments are also referred to the section that covers the specific type of purchase to be effected for dollar limits, information, and instructions for those types of procurement; e.g., *Contracting for Services, **Section 3.5**; Sole Source, Sole Acceptable Source/Brand, **Section 2.3**; Equipment and Software Maintenance, Including Software Licenses, **Section 3.16**; Rental/Lease/Lease-Purchase of Equipment, and the Rental and Lease of Space, **Section 3.15**; and Contracting for Labor and Materials (Construction/Renovations)., **Section 3.4**.*

See *Dollar Limits for Most Types of Procurements, **Section 2.4**.*

1. Departments may issue a purchase requisition up to \$5,000 without benefit of competitive bids. State, University or MHEC Contract should be utilized, if available for the desire product/service.
2. Any purchase requisition for a competitive product in excess of \$5,000, which is not covered by a State, University or MHEC Contract, shall be competitively bid.
3. Following are the procedures for processing Competitive Bid Procurements.
 - a. Requesting departments will prepare a Purchase Requisition and may furnish the names and addresses of as many suggested sources of supply as they wish, with a minimum of three; however, the final selection of prospective bidders shall be left to the discretion of the Purchasing Department.
 - b. The description of a request for materials shall contain, at a minimum, the manufacturer's name and model number of the desired product, together with a brief description of the item, and an estimated unit and total price for each line item.

Keep in mind that Purchasing must know what the item is in order to determine possible sources of supply. The more complex the product, the more detail that is required.

- c. Purchasing will check the requisition to determine that it is complete and that the object code is accurate. Purchasing may add suggested sources of supply at its discretion. Purchasing will not significantly alter a purchase request without conferring with the requesting department.
- d. Purchasing will prepare the necessary bid forms, which will duplicate the information provided by the requesting department, minus the estimated prices, and mail them to the potential bidder(s).
- e. Purchasing will maintain a list of all purchase requisitions that are out to bid on a public bid board, which may be reviewed by vendors that call on the Purchasing Department. No eligible vendor may be denied the right to bid on an **open** purchase request that is so advertised. "Open" requests are those that have not yet been opened and read by the Purchasing Department.
- f. Bids will be publicly opened and read in the Purchasing Department by 11 a.m. on the bid opening date as specified on the bid form. Anyone may attend the bid opening. It is the vendor's responsibility to insure that the bid is received in the Purchasing Department by the due date and time. **Bids that are received in Purchasing after the due date and time cannot, and will not, be considered.**
- g. Prices will be checked for mathematical accuracy, and the bid will be awarded to the lowest eligible and responsible bidder meeting specifications. If the bidder elects to add shipping charges to his/her bid, those charges must be considered when determining low bid.
- h. Once the bids have been opened, no modification or alteration may be made by anyone.
 - (1) Any bidder who wishes to alter his/her bid may request to withdraw his/her bid from consideration.
 - (2) If the departmental requester wishes to alter the bid specifications once the bids have been opened, a rebid will be necessary.
 - (3) If the departmental requester wishes to alter the bid specifications prior to the opening of the bid, the Purchasing Department must be notified immediately, and a determination

will be made by Purchasing as to whether an addendum, cancellation or a rebid, is appropriate.

- i. All bid(s) are referred to the requesting department for review and recommendation. The requesting department shall promptly review the bid(s), and compare the specifications of any lower priced alternates that might be offered to the original bid specifications. While the bidder should have included with his/her bid, descriptive literature on any alternate product that was offered, the requester may have to contact the bidder(s) of the alternate product(s) to obtain this information. The original bid(s) may not be marked (written on) in any way.
 - j. If the requester finds that the specifications of any lower priced alternate product(s) are not **essentially** equal to the product(s) specified, the requester would do a written side-by-side comparison of the specifications to justify rejecting the lower priced product(s).
 - k. The requester may recommend that the award be made to the lowest, acceptable overall bidder, or, the requester may recommend that the award be split among the respective acceptable low bidders, provided a minimum savings of \$100 per award will result.
 - l. A bid analysis sheet, listing all the respective bidders, with a side-by-side comparison of the materials and prices, shall accompany recommendations for split awards.
 - m. The requesting department will submit the written recommendation to the Purchasing Department for the review/approval and the subsequent preparation and issuance of the Purchase Order(s).
 - n. Recommendations for award must be signed by the requesting department. If the recommendation will result in an increase to the estimated dollar amount specified on the purchase requisition, or a change that would affect the funding of the procurement in any way, the recommendation must be co-signed by the individual who has signatory authority for the account charge (Account Administrator), if different from the requester.
 - o. After awarding, modifications to any Purchase Order that has been bid, regardless of dollar amount, must first be discussed with the the Purchasing Department.
4. **Bonds:** The Purchasing Department reserves the right to include in the bid specifications the requirement that the successful bidder furnish the University with a Performance Bond, if deemed appropriate.

5. See the chart, *Dollar Limits for Most Types of Procurements, Synopsis of*, Section 2.4. Note that any type of procurement that is not specifically referenced in this manual shall be governed by the dollar limits assigned to Material Purchases, as indicated in that chart.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.3
Subject: Sole Source, Sole Acceptable Source/Brand	

Departments are also referred to the sections on *Contracting for Services*; **Section 3.5**; *Equipment and Software Maintenance including Licenses*, *Software*, **Section 3.16**; *Equipment, Rental/Lease/Lease- Purchase of, and the Rental and Lease of Space*, **Section 3.15**; and *Contracting for Labor and Materials*, **Section 3.4**, for complete information and instructions for those types of procurements.

Note that the section on *Contracting for Services*, **Section 3.5**, has a different set of processing parameters for sole source, sole acceptable source/brand, which takes precedence over the following:

1. **SOLE SOURCE:** A "Sole source" purchase means that the product/service is unique and that the vendor, to the best of the requester's knowledge and belief, based upon thorough research, is the only one in the world from whom the product/service can be obtained.
 - a. Sole source Purchase Orders/Requests that exceed \$5,000 shall be accompanied by a current, original written quotation from the vendor and a justification and/or an explanation from the requester written on the *Documentation Form for Sole Source, Sole Acceptable Source/Brand*. **Such justifications shall be written and signed by the end user/requester (the individual who claims the purchase is sole source/brand). The form shall be countersigned by the Account Administrator, if other than the requester.**

All such sole source justifications/quotations are subject to the review of the Comptroller, or his/her designee, who may request additional documentation/justification from the requester, and approve or disapprove the request.

- b. **Justifications for Sole Source** shall include the following: (1) a statement to the effect that the requester has thoroughly researched the purchase, and to the best of the requester's knowledge and belief, based upon thorough research, the vendor for the product/service is the only one in the world from whom the product/service can be purchased; (2) a detailed explanation of what the product/service is, its purpose, and what it is about the product/service that makes it unique. As a general rule, the greater the value of the product/service, the more detail that is required to justify sole source.

- c. Sole source justifications should be written in lay terminology, as much as possible, so that they can be understood by those individuals who will review them. However, if unique technical features or accuracy are the basis for sole source, the justification must so include.
2. **SOLE ACCEPTABLE SOURCE/BRAND:** A "Sole Acceptable Source/Brand" purchase means that similar types of products/ services may exist, but that the vendor/brand, for reasons of expertise, and/or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source/brand that is acceptable to the requester or the University.
- a. **Sole brand** may be available from more than one source of supply and, if so, shall be competitively bid to those sources in accordance with the University's purchasing policy established for the particular type of procurement. (See the section on Policies and Procedures for Competitive Bid Procurements, **Section 2.2**) Justification for Sole Brand shall be written on the *Documentation Form for Sole Source, Sole Acceptable Source/Brand*.
 - b. Such a Purchase Order/Request in excess of \$5,000 shall be justified, in detail and in writing, to the Comptroller, or his/her designee, who may request additional documentation/justification from the requester, and approve or disapprove the request.
 - c. The justification/explanation shall be written on the Documentation Form for Sole Source, Sole Acceptable Source/Brand, and shall be accompanied by a requisition and an original written quotation from the vendor. Such justifications shall be written and signed by the end user/requester (the individual who claims the purchase is sole acceptable source/ brand). The form shall be countersigned by the Account Administrator, if other than the requester.
 - d. **Justifications for Sole Acceptable Source/Brand** shall include the following: (1) a statement to the effect that the requester has thoroughly researched the purchase and that the vendor/brand is the only acceptable vendor/brand to fit the particular need; (2) a detailed explanation of the particular need; (3) a list of the other vendors/brands considered; (4) why the vendor/brand was selected over other vendors/ brands, including a detailed comparison of features, if applicable; (5) what the requester has done by way of cost comparison to determine that the charge is not out of line with the current market pricing for the product/service.

3. "Best price" alone cannot be used as a basis for sole source; e.g., "We checked around, and this is the best price." If the product/service is available from more than one source of supply, "best price" must be determined as outlined in the section entitled, Competitive Bid Procurements, Policies and Procedures for, Section 2.2.

4. **QUOTES:** All quotations shall be current, (less than 30 days) and shall be legible. Such quotations shall appear on the vendor's letterhead, and shall not be marked (written on) by anyone other than the vendor. If other terms and conditions are referenced on the face of the quote, they must be included. Original faxed quotes are acceptable, provided they have been signed by the vendor, and/or appear on the vendor's letterhead.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.4
Subject: Dollar Limits for Most Types of Procurements, Synopsis of	

Type of Procurement	Department Sends purchase requisition to Purchasing	Department Prepares purchase requisition Competitively Bids through Purchasing (Unless Sole Source. See Last Column or contract)	Contract Agreement Required	Department Prepares Sole Source/ Sole Acceptable Source/Brand Form. Submit to Purchasing With Written Quote & purchase requisition
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Material Purchases					
1	Under \$1,000-Use Procard	No	No	No	No
2	Under \$5,000	Yes	No	No	No
3	Over \$5,000	Yes	Yes	No	Yes

Contract for Professional Services					
1	Under \$50,000	Yes	No	Yes	No
2	Over \$50,000	Yes	Yes	Yes	Yes

Contract for Operational Services					
1	Under \$25,000	Yes	No	Yes	No
2	Over \$25,000	Yes	Yes	Yes	Yes

	Equipment/Software Maintenance				
1	Under \$5,000	Yes	No	Yes	No
2	Over \$5,000	Yes	Yes	Yes	Yes

	Equipment Rental/ Lease/Lease Purchase				
1	Under \$5,000	Yes	No	Yes	No
2	Over \$5,000	Yes	Yes	Yes	Yes

? For complete and accurate details, see the respective section of the Purchasing Manual that deals with the type of procurement that you wish to effect; e.g. Sole Source; State and MHEC Contract; Competitive Bids; Contract for Services; Equipment Maintenance, Labor & Materials etc.

Note: If covered by State, University and MHEC Contracts – No dollar limit. (Use judgment. Bid large quantities through Purchasing, if appropriate.)

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.4.1
Subject: Purchase Requisition Flow – Purchase of Materials Only *	

A	B	C
\$1 - \$5,000 – Non Contract \$1 – Unlimited – Contract	Over \$5,000 Non-Contract – Competitive purchase requisition Advertises & Obtains Public Bids. If Contract – Follow Column A	Over \$5,000 Sole Source/Sole Acceptable Source/Brand If Contract – Follow Column A
Dept. researches purchase & maintains backup documentation, as may be appropriate. Dept. states where prices were obtained and when. Delivery terms must be stated.	Purchase requisition prepared by Dept. & attachments affixed Submitted, as appropriate. Dept. furnishes name & address of one or more suggested source of supply & Account Administrator signs purchase requisition.	Dept. researches purchase & determines only available from one source of supply.
If material is available on MHEC, Univ. or State Contract, Dept. must state the contract used on the purchase requisition. Dept. states where and when Prices were obtained. Delivery terms must be stated.	Purchase Requisition to Purchasing w/attachments, if applicable. Purchasing checks purchaser requisition to insure that purchase meets policy & that purchase requisition is complete.	Dept. obtains written quote from vendor
Purchase requisition is prepared by Dept. and signed by Account Administrator.	Procurement adds vendors & creates bid.	Documentation form for Sole Source/Sole Acceptable Source/Brand completed by Dept. & Signed by Requestor and Account Administrator
Purchase requisition to Purchasing	A bid opening date is established. Bid is mailed to suggested vendors & posted on a public bid board.	
Purchasing verifies that purchase meets policy; checks object code to insure purchase requisition is complete.		
Purchasing issues purchase order. Purchase order is mailed to vendor by Purchasing.	Purchasing opens & publicly reads bids on bid opening date.	Purchase requisition prepared by Department & signed by Account Administrator.
	Purchasing reviews bids & refers bids out to Dept. for review & recommendation. Department submits recommendation to Purchasing.	Purchase requisition quote & documentation form to Purchasing
	Purchasing reviews recommendation, & if all is in order, issues a PO.	Form & Quote is sent to Comptroller for review. If all is in order the Comptroller signs Sole Source Form.
	Purchasing mails PO to vendor.	Purchasing creates Purchase Order/maintains file & mails PO to the Vendor.

*For complete and accurate details, see the respective section of the Purchasing Manual that deals with the type of procurement that you wish to effect; e.g., Sole Source; State, University and MHEC Contract; Competitive Bids, etc. the flow is the same for most types of procurement; however, the dollar limits may vary; i.e., Contracts for Services, Equipment Maintenance, Equipment Rentals. (See Dollar Limits for Most Types of Procurements, Synopsis of, section 2.4)

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.5
Subject: Equipment Purchases	

1. For Procurement purposes, the Lowell Campus defines "Equipment" (Subsidiary KK, FRS Object Codes 2001-2012) as any item that meets **all** of the following criteria:
 - a. Is an entity unto itself (stands alone – must be externally visible): e.g., computer, printer, external modem, microscope, filing cabinet, etc;
 - b. Has a unit net price of \$1000 or more (after any discount that may be taken); and
 - c. Has a life expectancy of two years or more.
2. The item may or may not bear a manufacturer's serial number.
3. Supply or accessory items may be included on a purchase requisition with the piece of equipment (Subsidiary KK) when they are an integral part of that equipment; e.g., cabling for a computer, glare screens, software, internal drives, etc. However, if a separate Purchase Order is issued for those types of items only, the cost should be charged to the appropriate subsidiary/object code for the item purchased (Subsidiary EE or FF).
4. Computer boards generally go inside the computer itself and do not "stand alone". Therefore, a board purchased alone without the computer would ordinarily be considered an enhancement or a replacement part (Subsidiary EE or FF). However, if the net price of the board is \$1,000 or more, an/or bears the manufacturer's serial number, it may go in Subsidiary KK.
5. Any equipment item with a net price of \$1,000 or greater shall be charged to the equipment object code that most appropriately fits the description of the item to be purchased.
6. To properly identify these items within the inventory system, it is important that the item description contain the following: the noun describing the item (e.g., "Table"), the manufacturer's name and catalog or model number (e.g., "Steelcase Model 3225"), and whatever description remains (e.g., "30" W x 60"L plastic laminate oak top, stainless steel legs"), followed by the cost of the item.
7. Any item that meets the definition of "Equipment" as contained herein shall be charged to an "Equipment" object code, regardless of the source of funds.

8. Any item that meets the definition of "Equipment" as contained herein may not be charged to a reservation of funds.
9. Upon completion of the construction of the piece of equipment, the department shall report the new equipment item to the Property Office to be recorded in the Fixed Assets Systems.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.6
Subject: Equipment, Disposition/Disposal	

1. All equipment items serviceable, repairable or unusable that become excess to a department's needs shall be reported to the Property Office for redistribution or disposal. Items so reported may be: (1) reissued to another department on campus, (2) used as a trade-in to offset the acquisition cost of a purchase of like equipment, (3) transferred to another state agency, or (4) declared surplus through State Surplus Property as items no longer capable of serving the purpose for which they were obtained.
2. Please see the University of Massachusetts Lowell Property Office Web Site at www.uml.edu/Dept/property for complete information and downloadable forms.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.7
Subject: Alterations to Buildings	

Requirements for the installation of any equipment in, or renovation to, any building that will involve utility connections and/or building alterations shall be processed as follows, (Subsidiary JJ, FRS Object Code 1960, & Subsidiary NN, FRS Object Code 2316):

Installation of Equipment:

Departments that wish to purchase equipment that involves utility connections and/or building alterations; e.g., scientific equipment, washing machines, large computer installations, air conditioner installations, water coolers that require plumbing connections, etc., shall contact the campus Facilities Department prior to processing their purchase request to Purchasing. The Facilities Department must determine whether present building utilities are adequate to carry the load and if the structure of the building is sufficient to house the equipment.

Alterations to Buildings:

Physical alterations and/or renovations to any University building that involve the utilization of trade labor and materials not only must deal with unique statutory requirement, but also must be concerned with building and safety codes. Whenever a University department intends to alter the existing electrical wiring or plumbing, perform carpentry, install carpeting or flooring, or the like, the requirements must be processed through the Facilities Department, regardless of the amount of money involved or the source of funds. If the contract exceeds \$10,000 and needs to be bid, all bidding for Labor & Materials must generate from the Office of Economic development. In may cases, the Facilities Department will already have contracts in place that serve to expedite the completion of small jobs.

Requests for such equipment and/or building alterations should be sent directly to the Facilities Department. Once approval has been given, the request will be forwarded to the Purchasing Department for processing.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.8
Subject: Postage, How To Purchase	

1. Like many governmental agencies, the U.S. Post Office will not sell anything on credit. They must have the cash/check in hand first. Therefore, a payment voucher must be generated and a check issued to the U.S. Post Office before postage can be obtained (Subsidiary EE, FRS Object Code 1406).
2. Make a payment voucher out to the U.S. Post Office for the required items. Address the payment voucher as follows:

Postmaster of Lowell, MA
C/O (the name of your department)
(The name of your building location)
University of Massachusetts Lowell
Lowell, MA 01854

Submit the request to Accounts Payable to be processed.

3. The requesting department will be notified when the check is available to be picked up from Treasury.
4. Postage should only be purchased outside the University when the University Mailroom cannot provide the desired service.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.9
Subject: Travel	

Reimbursable Expenses

The following items are reimbursable as described below:

- ? Air travel booked at lowest Coach Fares
- ? Business entertainment essential to the transactions of university business, which is consistent with university policy. The Policy for Management of University Funds is available in the Comptroller's Office.
- ? Conference fees.
- ? Laundry and dry cleaning expenses for travel period if away seven nights or longer.
- ? Lodging for approved business travel in moderately priced single occupancy accommodations.
- ? Meals while on travel status (per diem meal allowance and meals included with conference registration).
- ? Mileage allowance for personal auto use on university business is reimbursable at the current authorized rate as per the university travel guidelines (University travel guidelines are available in the Comptroller's Office.
- ? Passport, passport photo and visa fees for international business travel.
- ? Rental of mid-size car (only when a rental car is necessary and warranted).
- ? Taxis and other local transportation while on travel status.
- ? Telephone charges while on travel status, relating to business and personal phone calls to maintain reasonable contact with family.
- ? Tips for business meals (20%), bellhops, baggage handlers, taxis, maid service.
- ? Tolls, parking etc., while on university business.
- ? Travelers check fees.

Non-Reimbursable Expenses

The following items are intended to be a representative list of expenses that are not eligible for reimbursement; however, the list is not all-inclusive:

- ? Airline stopover charges (additional airfare, lodging, etc. when made for personal convenience.
- ? Air travel & car rental trip insurance.
- ? Alcoholic beverages, mini-bar services in a hotel.
- ? Articles stolen while on travel status (requires approving authority).

- ? Car rental charge over mid-size rate (unless directed by specific business reasons).
- ? Driver's license issuance or renewal fees.
- ? Gasoline and other operating expenses for personal car.
- ? In-room movies, newspaper.
- ? Laundry and dry cleaning expenses for travel period less than seven nights.
- ? Loss or theft of a cash travel advance or personal item.
- ? Luggage, including attaché case or similar article (claim for damage to personal property must be filed with the transportation carrier).
- ? Optional trip insurance (including air travel, lost luggage, etc.)
- ? Personal credit card membership dues, fees, or charges including liability insurance for lost card use by third parties.
- ? Personal expenses (i.e. Toiletries, barber, masseur, city tours, personal entertainment, etc.) while overnight out-of-town travel.
- ? Telephone charges from airplane.
- ? Traffic fines, parking violations and court costs.
- ? Transportation between home and work location when not on travel status.
- ? Unauthorized trips or entertainment.
- ? Unauthorized use of company charge card.
- ? Unreasonable meal expense incurred while discussing business with another employee when not on travel status.

Personal Vehicle

The University will reimburse travelers the standard Internal Revenue Service (IRS) mileage allowance. This mileage rate covers all automobile expenses such as fuel, maintenance, towing, repairs, tires, depreciation, and insurance. The current standard Internal Revenue Service (IRS) mileage rate as of January 1, 2002 for employees who use their cars for University business is 36.5 cents per mile.

- ? In addition to the standard mileage allowance, necessary and reasonable charges for the following automobile-related expenses are allowed: tolls, ferries, parking, bridges, tunnels, and liability and physical damage insurance coverage in foreign countries that do not provide such coverage.
- ? If two or more employees travel in the same vehicle, only the employee who owns the vehicle will be reimbursed.
- ? When employees travel on a one-day trip they are encouraged to utilize the "Single Day trip" form that incorporates flat rate mileage allowance.
- ? The traveler will be reimbursed mileage based on the actual driving distance by the most direct route. The most direct route is considered the

shorter distance from the traveler's home or Lowell Campus to the destination point.

- ? Non-reimbursable expenses include car repairs, rental car costs during repair of personal car, and traffic violations, fines or tickets.

MEALS & BUSINESS EXPENSES

Personal Meal Expenses

Personal meal expenses are reimbursed to a University employee while on travel status on behalf of the University via a domestic per diem rate as calculated below.

- ? A University employee is reimbursed a full per diem rate of \$35.00 when in travel status for 24 hours for Massachusetts, New York City and Washington, DC; the per diem is reduced to \$30.00 for travel in the rest of the United States after the 1st 24 hours. An employee is eligible for one half the per diem when travel status is 12 consecutive hours but less than 24 hours.
- ? The per diem includes meal gratuities.
- ? Conferences frequently provide meals to attendees, either as part of the registration fee or separately. The University may pay for these meals if appropriate.
- ? The domestic meal per diem shall not be reduced by conference meals.

Business Meal Expenses

Documentation for business meals must include a statement of business purpose and a list of attendees in order to meet IRS guidelines.

- ? Reimbursement for business meals must also include original receipts attached to the travel expense voucher.
- ? Tips included on business meal receipts will be reimbursed. As a general rule, travelers should not tip more than 20% of the bill.

Alcoholic Beverages

The use of alcohol for business entertainment purposes is highly prohibited and only allowed in special circumstances as it places significant exposure on the University.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.10
Subject: Logos/Trademarks (UMass), Licensing	

1. The University of Massachusetts has initiated a licensing program under which the right to the commercial use of the name, seal, initials, mascot, and associated logos of the University of Massachusetts is granted to manufacturers for use on various products (clothing, glassware, key rings, etc.) for sale or distribution. The Licensees pay a royalty to the University of Massachusetts for use of the University's trademarks at the five campuses: Amherst, Boston, Dartmouth, Lowell, and Worcester.
2. Any University department that wishes to have such items produced for resale or for promotional purposes shall first contact Christine Dunlap, Communications & Marketing office, at extension 3224 to determine if licensing will be required.
3. If licensing is necessary, the vendor will be required to be an authorized Licensee and pay the University a 7.5% royalty based on the total product cost inclusive of royalty.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.11
Subject: Memberships	

1. Only institutional memberships (memberships that are made in the name of the University) are authorized. Such memberships shall pertain to the function of the department from which issued (Subsidiary EE, FRS Object Codes 1412).
2. Memberships to dining, travel, or credit granting organizations may not be paid with any University funds.
3. Requisitions for memberships shall designate the names of the individuals who will represent the University in the membership.

University Of Massachusetts Lowell	
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University Of Massachusetts Lowell	
Date: July 1, 2001	Section:2.12
Subject: Radioactive & Radiation Emitting Materials/Equipment, Purchase of	

1. Nuclear Regulatory Commission and Massachusetts Department of Public Health regulations require that all radioactive material and radiation producing equipment be purchased through the University Radiation Safety Committee. Therefore all **Purchase requisitions** must be signed and approved by the Radiation Safety Officer and/or the Radiation Safety Committee. In keeping with these regulations the following procedure should be followed:
 - a. Departments requiring radioactive material or radiation or x-ray emitting equipment should submit a purchase request directly to the Radiation Safety Officer on campus. Requests sent directly to the Purchasing Department will be forwarded to the Radiation Safety Officer for appropriate action and approval before the purchasing process is initiated.

Some examples of radiation or X-ray emitting equipment include microwave ovens, high voltage power supplies, infrared and ultraviolet equipment, color television sets, ultrasonic equipment, diathermy machines, high powered radio and microwave transmitters, lasers, and x-ray equipment. If you are in doubt about any item that must be reported, please contact the Radiation Safety Officer.
 - b. The Radiation Safety Officer will approve the requisition and forward it to the Purchasing Department.
 - c. The Purchasing Department will perform the purchasing process, prepare the Purchase Order and send it to the vendor.
 - d. All radioactive material and radiation emitting equipment must be shipped to the hazardous materials stockroom at 201 Riverside Street.
 - e. The use of the University Procard to purchase radioactive material or equipment is *strictly prohibited* and will result in the suspension of all Procard privileges.
2. Departments should anticipate their needs well in advance in order to allow for this lengthy purchasing process.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.13
Subject: Reimbursements-Employee and Non-Employee	

Following are the policies and procedures governing reimbursements to employees and non-employees:

Employee Reimbursements:

1. In accordance with University policy, reimbursements to faculty and staff against University funds, other than those for charges incurred for authorized business expenses as outlined in Trustee Doc. T92-031, may be made only under unusual circumstances. Request for reimbursement must contain a detailed explanation/justification for the reimbursement. A payment voucher and original receipts must be submitted before a faculty or staff can be reimbursed.
2. Reimbursements cannot be made, under any circumstances, for services against Subs. HH (Consultant Services), JJ (Operational Services), or NN(Construction), or for Massachusetts sales tax, nor can they be made for travel, or travel related expenses, except as may be noted. (See the Travel Policy as contained in Section 2.9.
3. University employees shall not be paid for services rendered to their own, or to any other department. Such payments must be authorized by, and processed through, the campus Human Resources office, as may be appropriate.
4. Employees may request reimbursement for a business related expense by submitting payment voucher with appropriate accounting information and signature with supporting receipts to the Accounts Payable office for processing.

Non-Employee Reimbursements:

1. Reimbursement for non-employee travel shall be processed with a payment voucher with original receipts made out to the non-employee.

Final approval of any reimbursement shall be left to the discretion of the Purchasing Department and the Comptroller's Office, Immediate Supervisor and Account Administrator.

2. The non-employee (individual), must have a Vendor Code in order to be reimbursed. (See Page 1.13, Vendor Code/Foreign Individual)

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.14
Subject: Business Expense Procedure	

Following is the procedure that shall be followed for processing of expenses related to business activities:

(See Business Expense Policy Trustee Doc. T92-031, as revised (Appendix C, page 1.2)

Business expenses are defined as lunches, conference meals, campus events and refreshments and entertainment. All requests for business expenses either for specific events, which require a purchase order encumbrance or for direct reimbursement to an individual, require the approval of the employee's immediate supervisor and Account Administrator

CATEGORIES OF EXPENDITURES:

If allowed by Trustee trust fund guidelines, the following type of expenditures may be made:

1. Expenditures to enhance employee and student morale or to recognize achievement, longevity, performance or retirement can be made. These circumstances include:

Institutional social functions – Maximum of \$24.00 per person, per event.

Employee and student recognition awards/dinners- Maximum of \$25.00 per person for dinner and maximum of \$100.00 maximum value for award.

2. Entertainment of institutional donors, alumni, guests and visitors should be in moderation and good taste and must be supported by a budgeted line item an/or specifically authorized by the Vice Chancellor. Sports, theater and other entertainment tickets can be purchased with Trust Funds monies (however, not for faculty and staff) if the event is being held on campus and the expenditure benefits the mission of the University or directly supports its instructional programs. Areas of expenditure can include:

Equipment and furniture rentals

Materials and supplies

Food and non-alcohol beverage

Entertainment

Travel and related expenses (in conformity with travel guidelines)

3. Miscellaneous:

Moving Expenses – such expenses are appropriate for the Chancellor and selected officers of the Institution. Attracting individuals of high quality can require moving them from other parts of the state or country. Moving expenses should not exceed the regional, average cost of moving between the two points, and must have the advance approval of the Chancellor. Competitive bids for moving costs should be sought in all cases.

Flower, Gifts and Cards – In moderation, expenditures from trust funds for flowers, gifts and cards may be made. The only appropriate occasions are:

Death of an employee, student, trustee or person of special importance to the institution, or immediate family of said persons – typically limited to a maximum of \$50.00

Visit of special guests – typically limited to a maximum of \$50.00.

Please note: the University, College or Department must be shown as the sender – not an individually named Dean, Chairman, etc. Also, a contribution to a charity in lieu of flowers is not permitted.

Please note: upon approval by the Chancellor, expenditures from trust funds may be made for Christmas and other cards that will be sent to donors or potential donors of the University. The Holiday celebration sponsored by the Office of the Chancellor will be the primary campus celebration. Individually funded gatherings, unless funded by attendees themselves, are not encouraged.

Purchase of sports, theater and other entertainment tickets for student use should be through their student activity fees only, not with other Trust Funds.

INAPPROPRIATE EXPENDITURES:

Expenditures not payable from any University funds include, but are not limited to, the following: Sports, theater and other entertainment tickets for faculty and staff; fines for traffic or parking violations; spouse/guest expenses; Christmas (or any other holiday) cards expenditures except as noted above; any unexplained expenditures; private club membership; expenditures of a personal nature; unreasonable or excessive expenses; and those not specifically related to the conduct of University business. Contributions to individuals (or their associated committees) seeking elected, public office are prohibited. Contributions to political committees (PACs) or equivalent organizations are prohibited. Also prohibited are outright contributions to charitable organizations.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.15
Subject: Controlled Substance, Including Hypodermic Syringes & Needles, Purchase of	

1. Pursuant to Massachusetts General Laws, Chapter 94C, Section 27, and Commonwealth of Massachusetts Regulation 105 CMR 700, a researcher and/or instructor who purchases one or more controlled substances as referenced in the law, including, but not necessarily limited to, hypodermic syringes/needles, for any purpose, from any vendor, must be licensed by the Commonwealth of Massachusetts, Department of Public Health. The cost of such a license is currently \$100/year for each researcher/instructor.

(Note that, under the law, hypodermic syringes and needles are a Class VI Controlled Substance. Note, too, that only state hospitals are exempt from paying the licensing fee).

2. Furthermore, each researcher/instructor who so purchases a controlled substance shall maintain a perpetual inventory, in a **bound** ledger (not loose leaf), consisting of the purchase order number, the name of the licensed researcher/instructor, the purchase order date, the quantity received, the quantity and date issued, and the intended purpose. Said ledger shall be maintained in the department office and shall be provided to state inspectors upon request.
3. Reservations shall not be used to order controlled substances. Only specific purchase orders are appropriate. Each such purchase order shall reference the researcher/instructor's registration number, as issued by the Commonwealth of Massachusetts, Department of Public Health.
4. A sample copy of the Application for Registration appears on the following page.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:2.16
Subject: Emergency Procurement Confirming Order-Financial Commitment	

Following is the policy, and the procedures that shall be followed, for the emergency procurement of goods and services.

1. No financial commitment may be made to any vendor without a valid, hard copy purchase order, approved by the Purchasing Department.
2. An emergency is any situation that requires the immediate placement of a purchase order, as determined by the Department Head, to avoid substantial harm to the functioning of the University of to protect public health, welfare, or safety.
3. In the case of extreme emergency, the requesting department will be required to hand carry a request form and a memorandum of justification to the Purchasing Department, together with any other written documentation that may be necessary. The Purchasing Department will determine if the justification is sufficient to warrant an emergency order.
4. A request for an emergency order must meet the following criteria:
 - a.) The circumstance surrounding the need for the order must have been unforeseen and must require the immediate acquisition of the specified commodity to avoid substantial harm to the functioning of the University, or to protect the public health, welfare or safety.
 - b.) The purchase request must have the approval of the individual having signatory authority for the account charged.
 - c.) There must be sufficient funds in the respective account to cover the commitment as reflected in the University's system.
5. If the justification meets the above criteria, Purchasing will then take immediate steps to issue a purchase order. The purchase order will then be given to the requesting department.
6. Emergency purchases cause expensive interruptions in the normal routine of the Purchasing Department. Since emergency purchases are usually a result of insufficient foresight, using departments are urged to use proper planning and scheduling to keep "rush" orders to a minimum.

Note: Any type of purchase that requires the creation of a new vendor code, or an additional approval will take additional processing time.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.1
Subject: Vendor Contracts – General Policy	

The University recognizes 3 types of contracts which, generally speaking, enable departments to place purchase requisitions in excess of \$5000 without further bidding: (1) Massachusetts Higher Education Consortium Contracts (MHEC), (2) State Contracts: (3) Campus or University Contract. Use of the contracts is explained in the sections that follow bearing the respective heading.

Following are the general policies that apply to the use of these contracts:

1. Departments shall use contracts whenever practicable. Requests for materials that are covered by contract, that are issued to non-contract vendors, may be changed to a contractual vendor providing it is exactly what the department wants. The Purchasing Department will convert to the appropriate contract vendor, with the department's approval.
2. Sizeable orders may still merit the competitive bid process, which may produce better prices because of economies of scale. Departments are cautioned to exercise good judgment and common sense when making the decision whether or not to bid their requirements.
3. Purchase Orders/Requisitions that are issued against MHEC, State, Campus or University contracts should be so marked on the Purchase Order/Requisition.
4. Contracts are awarded based not only on price, but also on quality, service, shipping and warranty terms, and the reputation of the vendor. Departmental requesters may find the desired contract product/service from a non-contract vendor at a lower price; however, best price does not necessarily mean the best deal. For example, some mail order houses may offer a better price, but their policies for delivery, warranty, work, returns, exchanges, as well as product availability and customer service ultimately may prove to be more costly to the requester and the University. Vendors with whom the university has little or no working relationship do not have the same incentive to satisfy University customers, as do our contract vendors. So, buyers beware!
5. A listing of MHEC and State contract titles will be available on the Purchasing Web Site.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.2
Subject: Massachusetts Higher Education Consortium (MHEC) Contracts	

MHEC Contracts are a valuable tool designed to facilitate the timely purchase of a wide variety of goods/services at the best cost to institutions of higher education located throughout the Commonwealth. MHEC Contracts are bid, established, and controlled by the MHEC.

1. There are approximately one hundred MHEC Contracts, totaling several thousand pages. Departments that need a listing of MHEC contracts should contact the Purchasing Department or see the MHEC web site, www.mhec.umassp.edu/.
2. In order to prepare a Purchase Requisition against an MHEC contract, refer to the appropriate MHEC Contract to ascertain all the variables that are needed i.e., the appropriate contract vendor, whether the item is covered by the contract, the contract terms, the contract structure, etc.
 - a. One of the things that needs to be established is the F.O.B. point. The F.O.B. point determines who will pay the freight and where title passes. If a vendor's terms are F.O.B. Destination, then that means the vendor will pay the freight and title to the goods will pass to the University upon acceptance at the University. If the F.O.B. point is other than destination, then that means the University will pay the freight and that title will pass to the University at the F.O.B. point. The University's standard delivery terms are F.O.B. Destination. If the F.O.B. point is other than Destination, make sure that you so indicate on your purchase requisition. If freight is involved, ask the vendor to estimate cost for freight and include it on the requisition as a separate line item.
 - b. Another variable that needs to be determined is how the contract is structured. If the Contract is based on a percentage of discount off the manufacturer's suggested list prices, (which is the way that many of the MHEC contracts are set up), then contact the vendor (contact people's names and telephone numbers are listed in each contract), ask for the current list prices, and verify the appropriate discount(s) for the item(s) you wish to order. Make sure that the discount matches the discount reflected in the contract. If they don't match, then the item may not be covered by the contract.

- c. When the Requisition is made out, the following should be reflected: the noun name, brand name and model number, a description of what is being ordered, the list price, the appropriate contract discount, and the net price for each item. This information is vital. It is the only way to determine that the University is getting contract pricing, and is an audit requirement.
3. Just because a vendor is on a contract does not mean that everything sold by that vendor is covered by that contract. If it is determined that what is needed is not part of the contract, and the request exceeds \$5000, then the item(s) should be bid in accordance with established purchasing policy.
4. Some MHEC contracts are based on firm net prices. Such contracts reflect the net prices for the items that are covered right in the contract itself, and the prices cannot be increased during the contract term, unless the increase is authorized through the MHEC by written addendum.
 - a. If a model/item within a manufacturer's line that is covered by the contract is not listed in the contract, contact the Purchasing Department to see if the item is new and is going to be added. Purchasing will contact the MHEC Office.
5. Purchase requisitions that are issued against MHEC contracts should be so marked in the description space of the request, together with the appropriate contract number, and the period it covers.

Example: MHEC
Computers #F5
Period of Contract: 1/1/97 through 12/31/97

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.3
Subject: State Contracts	

State Contracts are bid and controlled by the Commonwealth of Massachusetts, Department of Procurement and General Services (DPGS), in Boston, for use by state agencies located throughout the Commonwealth. State Contracts are computer-generated and are usually headed, "Commonwealth of Massachusetts – Bid Award Notice", followed by the respective State Contract title and number.

Following are the instructions that apply to the use of State Contracts:

1. Most State Contracts are line item specific; i.e., may cover only one or two items in a manufacturer's product line. Extra care needs to be taken to insure that the desired item is covered by the contract and that the contract is still current.
2. Because the State Contract portfolio is so large, it is not practical to mail copies to all departments. Copies of individual contracts that are of interest to a particular department may be obtained from the Purchasing Department, upon request.
3. Purchase request issued against a State Contract should be so marked as follows:

Example: State Contract
Plastic Tableware (Title of Contract)
No. A204601000, Item 610
Period of Contract: 1/1/97 – 12/31/97

Note: A listing of commonly used State Contracts will be listed on the Purchasing Website.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.4
Subject: Contracting for Labor & Materials (Construction/Renovations)	

The Office of Economic Development is the only department authorized to process contracts for Labor & Material.

Every contract for the construction, reconstruction, alteration, remodeling, repair, or demolition of any public building or public works by the Commonwealth or by any governmental unit thereof, estimated to cost **\$10,000** or more, shall be awarded to the lowest responsible and eligible general bidder on the basis of competitive bids obtained by the Purchasing Department in accordance with the procedures set forth in the provisions of Massachusetts General Laws, Chapter 30, Section 39M, as amended; or Chapter 149, Sections 44A-44J, inclusive: and Trustee Policy T92-031.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.5
Subject: Contracting for Services	

A. When Is It Appropriate to Use the State Standard Contract Form?

The State Standard Contract form shall be completed, regardless of dollar amount, for each service within object codes in Subsidiaries HH Consultant Services (1701-1719), JJ Operational Services (1901-1961), and NN Infrastructure Construction and Maintenance Projects (2301-2314).

B. When Is It Inappropriate to Use the State Standard Contract Form?

In accordance with IRS regulations, the State Standard Contract Form may not be used to contract with **individuals** when the working relationship would qualify them more as an employee instead of an independent contractor. This only applies to direct contracting with individuals. If the contract is with a company or corporation, for services rendered by one or more individual(s) within that organization, then the State Standard Contract Form may be used.

To determine whether a worker qualifies as an employee or independent contractor, you must apply the common law test of control. **(See Consultant Services Trustee Doc. T92-031, as revised (Appendix D), section 1.3)** Under this test, if you have the right to control and direct what a worker does and how he or she does it, a relationship between you and the worker exists, and the worker must be classified as an employee. This means that the individual must be processed through University Payroll and may have to pay into Social Security and have State and/or Federal taxes withheld. In the absence of such control, a worker may be classified as an independent contractor.

For example, if you wish to hire an individual to work in your office answering phones and typing, one would assume that you have the right to control and direct what the individual does and how (s)he does it. This person would therefore be classified as an employee and would have to be processed through University Payroll.

If, on the other had, you wish to hire an individual to create a software package for your office computer, one would assume that the individual would control what (s)he does and how it is done (hours worked, where work is done, how work is accomplished, etc.). This person could therefore be classified as an independent contractor and the contractual commitment should be processed on a State Standard Contract Form. This type of service will return a product and a flat fee is established, upon receipt of product.

If you are unsure as to how the worker should be classified, contact the Purchasing Department for a ruling. Purchasing screens all State Standard Contracts prior to further processing. Questionable contracts are referred back to the requesting departments.

Contracts for Services may not be issued for services rendered by University employees.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section: 3.6
Subject: Honoraria	

An Honoraria is a payment for professional services for which no wage may be established. The payment itself is an honorary award in recognition of that effort. Examples of the types of services for which Honoraria are paid: guest speaker, visiting lecturer, and performing artist. Object Code for Honoraria is 1715. Honoraria are further defined by the following characteristics:

- ? Payment is to an individual (non-employee);
- ? Payment is one time, non-recurring transaction for performance by an individual for the University;
- ? Recipient is usually a distinguished individual whose service may not have a precise value;
- ? Service performed does not normally generate a physical product.

Policy

The expenditures for honoraria are made to individuals who are **not** employees of the University for one time, nonrecurring service. Such payments are honorary awards in appreciation of the services rendered by distinguished persons and groups - for example, presentation of a lecture or concert. Normally, honoraria payments do not result in a tangible end product or in a report. Expenditure for honoraria will be paid from subsidiary HH. The honoraria's rates are calculated to include a detailed estimate of the total cost of round trip travel costs to and from the university. In addition, a token payment may be in appreciation for the service. If both travel expenses and the token payment are to be paid, they will be combined into a single honoraria rate and payment will be processed on a Payment Voucher form together with Standard Contract form.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.7
Subject: Recruitment Reimbursement Honoraria	

Recruitment reimbursements are payments for the expenses of candidates coming to and returning from their meetings and interviews with University officials.

Objective and Purpose

To establish, maintain and administer a system to allow compensation to potential University employees for services associated with recruitment by the University.

Policy

It is the policy of the University to reimburse candidates for employment for expenses they incur in meeting the University's requirements for interviews. Reimbursement of these expenses will be made from subsidiary EE or HH.

Procedure

Method 1. The candidate may be reimbursed for precisely the costs incurred in traveling to and returning from the University. Such costs for fares, lodging and other necessary travel expenses will be reimbursed upon submission of appropriate receipts. These travel expenses will be summarized on a Travel Expense Form with the original receipts attached and forwarded to the Accounts Payable Office for processing.

Note: No Contract Required: Object Code to be charged EE (1413).

Method 2. The candidate may be reimbursed a flat fee that approximates the cost of the candidate's travel to and from the University. This method will be used where obtaining receipts from the candidate is not desirable or feasible.

Follow the procedure under Honoraria.

Note: Contract Required: Object Code to be charged will be made from Subsidiary HH (1715).

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.8
Subject: Honoraria Summary Requirements	

Limits	Documentation Required	Approval Level
\$1.00 up to \$50,000	? Purchase Requisition ? State Standard Contract Form	? Department Head ? Director of Purchasing
Over \$50,000 Up to \$200,000	? State Standard Contract Form ? Sole Source Justification Form	? Department Head ? Director of Purchasing ? Chancellor

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.9
Subject: Consultant Services	

A “consultant” shall mean any person who, as a non employee of the Commonwealth, gives advice or employee training and whose compensation is payable from subsidiaries HH or NN. No people employed by the University, as a consultant, shall directly or indirectly supervise another temporary or permanent employee of the University. A consultant is required to render a written report prior to final payment.

Selection of Consultant

The process for selection of a consultant to perform services for the University shall be as competitive as practicable under the circumstances.

Contracting for Services requires a complete executed copy of the State Standard Contract Form, with specific duties, along with a purchase requisition. All documents must be in the Purchasing Department before services begin. The department will be responsible for obtaining all the necessary signatures.

The requisition and State Standard Contract form should include the following information:

1. Consultant’s legal name, address, including zip code.
2. Period for which the services are to be engaged.
3. Specific duties and responsibilities of the consultant.
4. Rate of compensation for services.
5. Proper accounting information
6. Signature of the Department Head and/or the person exercising budgetary control.
7. Extensive Sole Source Justification form for services over \$50,000; or detailed specifications for competitive bidding.

The State Standard Contract Form can be obtained by downloading the form, from the Purchasing Office Web Site.

No consultant to perform services classified under subsidiary HH and NN costing over \$50,000 annually, may be awarded, except pursuant to competitive bidding, use of a contract vendor, or submission of a **extensive** Sole Source Justification Form.

Consultants are responsible for making their own estimated income-tax and self-employment-tax payments, and because they are not employees, are not entitled to fringe benefits such as employer-paid retirement and insurance.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.10
Subject: Consultant Summary Requirements	

Limits	Documentation Required	Approval Level
\$1.00 up to \$50,000	? Purchase Requisition ? State Standard Contract Form	? Department Head or ? Authorized Signatory ? Director of Purchasing or ? Comptroller ? Legal Review
Over \$50,000 Up to \$200,000	? Purchase Requisition ? State Standard Contract Form ? Specifications for Competitive Bidding or ? Sole Source Justification Form or ? Contract Vendor	? Department Head or ? Authorized Signatory ? Director of Purchasing or ? Comptroller ? Chancellor ? Legal Review
Over \$200,000	? Purchase Requisition ? State Standard Form ? Specifications for Competitive Bidding or ? Sole Source Justification Form or ? Contract Vendor	? Department Head or ? Authorized Signatory ? Director of Purchasing or ? Comptroller ? Chancellor ? Legal Review ? President

NOTE: IF SPECIFICATIONS ARE DRAWN UP FOR COMPETITIVE BIDDING, THE PURCHASING DEPARTMENT WILL BE RESPONSIBLE FOR DRAWING UP THE STATE STANDARD CONTRACT FORM ONCE THE AWARD IS MADE.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.11
Subject: Service Contracts/Operational	

A Service Contract is a non payroll payment for performance of a specialized service, generally over an extended period of time. These payments are usually made to a legal entity other than an individual. Normally service contracts require the delivery of a defined end product or service. Examples of such services are:

Messenger/Mail Service, Advertising Services, Cleaning Services, Pest Control, Computer Services, Medical Services, Transcription Services (Companies Only), Video Duplication and Production Services, etc.

University Legal Services

All contracts for legal services must have the prior approval of University Counsel.

Temporary Services

Non payroll payments for performance of service by temporary secretarial or non professional personnel are on State Contract. Departments must take advantage of the Commonwealth of Massachusetts, "Temporary Clerical Help Master Service Agreement." Copies are available from the Purchasing Department.

Procedure

\$1.00 and up to \$25,000

In cases where the Contract does not exceed \$25,000, in any fiscal year, no formal bidding procedure is required. The department is responsible for drawing up and executing the appropriate State Standard Contract.

Over \$25,000

In cases where the Contract exceeds \$25,000 annually, the Purchasing Department will bid competitively whenever practicable. The procedure must involve either the solicitation of formal written proposals or an **extensive** sole source justification must be submitted. Funds must be encumbered in advance and a State Standard Contract Form must be completely executed before commencement of services.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.12
Subject: Service Contracts/Operational Summary Requirements	

Limits	Documentation Required	Approval Level
\$1.00 up to \$25,000	? Purchase Requisition ? Contract for Services	? Department Head or Authorized Signatory ? Director of Purchasing
Over \$25,000 Up to \$200,000	? Purchase Requisition ? Contract for Services ? Specifications for Competitive Bidding or ? Sole Source Justification Form ? State Contract Vendor	? Department Head ? Director of Purchasing; or ? Comptroller ? Chancellor ? Legal Review
Over \$200,000	? Purchase Requisition ? Contract For Services ? Specifications for Competitive Bidding or ? Sole Source Justification Form ? State Contract Vendor	? Department Head ? Director of Purchasing ? Comptroller ? Chancellor ? Legal Review ? President

NOTE: IF SPECIFICATIONS ARE DRAWN UP FOR COMPETITIVE BIDDING, THE PURCHASING DEPARTMENT WILL BE RESPONSIBLE FOR DRAWING UP THE STATE STANDARD CONTRACT FORM ONCE THE AWARD IS MADE.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.13
Subject: Sole Source Justification for Professional Services	

In accordance with University policy, which the State and Federal auditors have mandated, any Contract for Services in excess of \$5,000 but less than \$50,000, **that has not been competitively bid by an authorized agency (the MHEC, the Purchasing Department, or the Commonwealth)** must be accompanied by an explanation/justification detailing the following:

(1)The need; (2) how the vendor/individual was selected; (3) a list of the other vendors/individuals considered; (4) why the vendor was selected over other vendors; and (5) what the department has done by way of cost comparison to determine that the charge is not out of line with the current market pricing for the services. Or, if the vendor/individual is sole source, sole source justification shall be provided.

The original copies of any written quotes from other vendors should also accompany the State Standard Contract and with the Sole Source Justification for Professional Services form.

Per Trustee policy, any Contract for Services in excess of \$50,000 shall be competitively bid by an authorized agency, or extensive sole source justification shall be provided. At the Lowell Campus, the approval of the Comptroller is required for any sole source justification for a Contract for Services in excess of \$50,000.

If the vendor/individual qualifies as “sole source”, or “sole acceptable source”; i.e., the vendor/individual is unique, and, to the best of the user’s knowledge, no other vendor in the world performs the service, or has the level of skill required to perform the services, then the justification should detail the need and what there is about the services and/or like that makes it unique from any other like vendor/individual.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.14
Subject: Contract Amendment/Modification	

If additional services are required to be performed by the Contractor, a request to issue an amendment/modification must be sent to the Purchasing Department on a purchase requisition form. The requisition should include the name of the Contractor, the existing Purchase Order Number, and the necessary information required to prepare the amendment/modification, i.e., extending time, adding cost, amending existing budgets, etc.

When making a change to a State Standard Contract Form after the contract has been completed, signed, and processed through the system with the purchase order, a written addendum to the contract will be required. Please use the State Contract Amendment Form.

(1) HOW DO YOU MAKE A CHANGE TO A CONTRACT FOR SERVICE (INCLUDING, BUT NOT NECESSARILY LIMITED TO, MODIFICATIONS TO THE DATES OF SERVICE OR COMPENSATION):

- a) Complete a state contract amendment form, obtain the necessary signatures, and forward to Purchasing with a Purchase Requisition signed by the individual exercising budgetary control.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.15
Subject: Equipment, Rental/Lease/Lease-Purchase of, and the Rental and Lease of Space	

Following is the policy and the procedures for the short-term rental (up to 12 months), and for the longer-term, lease or lease-purchase (greater than 23 months), of equipment other than for the rental and lease of space.

1. **Equipment Rental/Lease/Lease-Purchase:** (Charge to Sub. LL, Object Codes 2121 through 2123.) Departments are reminded that a premium, in the form of interest, is paid to rent or lease equipment, and that, in most instances, it is more cost effective to purchase the equipment rather than to rent or lease it for an extended period of time.
 - (a) Any agreement for the rental/lease/lease-purchase of equipment must be covered by a purchase requisition. Such requests against those accounts that are set up on a fiscal year basis may be encumbered through June 30 of the fiscal year in which issued. If the term of the agreement extends beyond the end of the fiscal year in which issued, the department shall submit to Purchasing, a renewal Purchase Requisition at the beginning of each subsequent fiscal year throughout the term of the lease, together with a copy of the original agreement, bearing all applicable signatures.
 - (b) All rentals/leases/lease-purchases of equipment must be covered by an agreement, which shall be signed by the vendor and the Director of Purchasing. The contracts are subject to legal review by the University's Staff Attorney, and the Chancellor's approval.
 - (c) If the total value of the rental/lease/lease-purchase is not greater than \$5,000 for the entire term of the agreement, or if the agreement is covered by the State, MHEC, Campus or University contract, the department may prepare a purchase requisition and submit it to Purchasing, together with the vendor's contractual agreement, for review. No Purchase Order covering the rental/lease/lease-purchase of equipment will be processed unless and until it has the appropriate, properly executed contract attached to it.
 - (d) If the total value of the rental/lease/lease-purchase is greater than \$5,000 for the entire term of the agreement, and the agreement is not covered by State, MHEC Campus, or

University contract, the department shall submit their requirements to Purchasing in requisition form. The Purchasing Department will send out requests for bids for the requirements and will issue a Purchase Order to cover the resulting agreement. The department renting/leasing the equipment will be responsible for issuing Purchase Requisitions to cover any subsequent years of the agreement, if applicable.

Departments are cautioned that non-contract lease procurements that require public bids may take an extended period of time to process. Because of the complexity of the procedures, it is strongly recommended that equipment with a purchase price of less than \$5,000 (before interest) be purchased rather than leased.

2. **Space Rental/Lease:** (Charge to Sub. 1601). All rentals/leases for space must have the prior approval of the University Treasurer, University Legal Counsel, and the Board of Trustees, and may require the further approval of DCAM. Because of the complexity of the procedures, space rentals/leases may only be done under extraordinary circumstances and should be discussed with the Director of Purchasing prior to making any such decision.
3. Equipment leases that have a total payment (cost plus interest) in excess of \$100,000 for the entire term require the approval of the Chancellor before processing to the Purchasing Department. Vice Chancellors must verify that sufficient funds will be made available to cover the payments throughout the term of the lease.
4. The Comptroller's Office will maintain a lease log of all leases and lease-purchases (both new and renewal) that are for one or more years' duration and exceed \$1,000.
5. All rental/lease/lease-purchase agreements are subject to the review and approval of the Purchasing Department, and all the necessary procedures shall be followed, and approvals and signatures obtained, prior to making any commitment to the vendor.
6. All payments against such agreements shall be made in arrears, at the end of the respective billing period.

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.16
Subject: Equipment and Software Maintenance, Including Software Licenses	

Following is the policy and procedures that shall be followed to contract with an outside vendor for the maintenance/repair of University-owned equipment; e.g., office machines, computers, research equipment. Also covered is the policy and procedures for software maintenance and licensing.

1. **Maintenance/repair service/parts for equipment:** When there is labor involved, charge to Sub. LL, Object Codes 2141 – 2153. If the purchase covers **only replacement parts without labor**, charge to Sub. FF, Object Codes 1525.

a. Two types of equipment repair service are usually available from those vendors that offer it:

(1) **Per Call Service:** Equipment is serviced only when requested. Fees are usually based on an hourly rate plus replacement parts and the requesting department is billed for each call.

(2) If the total value of the maintenance service contract is greater than \$5,000 for the entire term of the agreement **and the service is available from more than one vendor**, and if the agreement is not covered by State, MHEC, University or Campus contract, the department shall submit their requirement to Purchasing in requisition form, or written justification for sole source, or sole acceptable source, shall be provided on the Documentation Form – Sole Source, Sole Acceptable Source/Brand See Section 2.3. The Purchasing Department will send out requests for bids for competitive requirements and will issue a Purchase Order to cover the resulting agreement. The requesting department will be responsible for issuing purchase requisitions to cover any subsequent years of the agreement, if applicable.

In all instances, the vendor shall provide the University with an itemized bill, including the rate per hour, the number of hours worked, and an itemized list of parts (if applicable). Lump sum bills are unacceptable.

(3) **Service Contract** (usually issued annually): Equipment may receive regularly scheduled preventive maintenance inspections and is repaired, as needed, between inspections for a flat annual rate. Some service contracts include replacement parts; other, only cover labor. The requesting department should check the terms of the vendor's service contract prior to contracting for maintenance to determine exactly what is covered.

(4) A purchase requisition must cover any agreement for the maintenance/repair of equipment. Such order/requests against those accounts that are set up on a fiscal year basis may be encumbered through June 30 of the fiscal year in which issued. If the term of the agreement extends beyond the end of the fiscal year in which issued, the department shall submit to Purchasing, a purchasing requisition at the beginning of each subsequent fiscal year throughout the term of the service agreement, together with a copy of the original service agreement.

(5) All maintenance service contracts must be covered by a written agreement, which shall be signed by the vendor and the Director of Purchasing. Any such agreement that spans more than twelve months also may be subject to legal review by the University's Staff Attorney.

(6) If the total value of the maintenance service contract is not greater than \$5,000 for the entire term of the agreement, or if the agreement is covered by State, MHEC, University, or Campus contract, the department may prepare a Purchase Requisition and submit it to Purchasing for review, together with the vendor's contractual agreement.

No Purchase Order covering a maintenance service contract will be processed unless and until it has the appropriate, properly executed contract attached to it.

(7) If the total value of the maintenance service contract is greater than \$5,000 for the entire term of the agreement **and the service is available from more than one vendor**, and if the agreement is not covered by State, MHEC, University or Campus contract, the department shall submit their requirement to Purchasing in requisition form, or written justification for sole source, or sole acceptable source, shall be provided on the Documentation Form – Sole Source, Sole Acceptable Source/Brand See Section 2.3. The

Purchasing Department will send out requests for bids for competitive requirements and will issue a Purchase Order to cover the resulting agreement. The requesting department will be responsible for issuing purchase requisitions to cover any subsequent years of the agreement, if applicable.

(8) All maintenance service agreements are subject to the review and approval of the Purchasing Department, and all the necessary procedures shall be followed, and approvals and signature obtained, prior to making any commitment to the vendor.

2. **Software Maintenance/Licensing:** Charge software maintenance to Sub. LL, Object Code 2141. Charge software licensing to Sub. EE, Object Code 1409. Often, the vendor will combine the license and maintenance into one agreement. Usually, such combined agreements are charged to the code for software licensing (1409).

(a) Any such maintenance/license agreement must be covered by a purchase requisition. Such requests against those accounts that are set up on a fiscal year basis may be encumbered through June 30 of the fiscal year in which issued. If the term of the agreement extends beyond the end of the fiscal year in which issued, the department shall submit to Purchasing, a renewal Purchase Requisition at the beginning of each subsequent fiscal year throughout the term of the service/license agreement, together with a copy of the original service/license agreement, bearing all applicable signatures.

(b) Requisitions issued against grant or contract accounts may be encumbered from the effective date to the expiration date of the grant or contract account charged.

(c) All such contracts must be covered by a written agreement, which shall be signed by the vendor and the Director of Purchasing. Any maintenance agreement that spans more than twelve months also must be signed by the respective vice chancellor and may be subject to legal review by the University's Staff Attorney.

All software licenses in excess of \$1,000 are subject to the review and signature of the University Treasurer, regardless of duration, and may also be subject to legal review. Licenses under \$1,000 shall be reviewed and signed by the Director of Purchasing.

(d) The department shall prepare a purchase requisition and submit it to Purchasing, together with the vendor's contractual agreement. No Purchase Order covering software maintenance/license will be processed, and no commitment shall be made to the vendor, until the appropriate, properly executed contract has been attached to it.

3. Payments against all such agreements shall be made in arrears, at the end of the respective billing period.
4. Departments are advised that personal computer maintenance/repairs, and software assistance, are also available in house by contracting the Help Desk.

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University Of Massachusetts Lowell	
Date: July 01, 2001	Section:4.2
Subject: Glossary of Terms	

Outside Sources: Purchasing Handbook, George W. Aljian, McGraw-Hill, 1966;
State and Local Government Purchasing, Council on State Governments
1991; Webster's New Collegiate Dictionary, 1973

- Act of God** A term used to denote a danger beyond control of avoidance by human power; any accident produced by a physical cause that is irresistible, such as hurricane, flood, lightning, etc., which is in no way connected with negligence.
- Account Administrator** The individual exercising budgetary control over a particular fund/account.
- Acknowledgment** A form used by a vendor to advise a purchaser that an order has been received, which usually implies that it has been accepted, and will be shipped.
- Activity Account Number** The eight-digit number assigned to the University by the Commonwealth's Budge Bureau under each state appropriation identifying the basic functions within the University.
- As Is** A term indicating that goods offered for sale are without warranty or guarantee, and that the purchaser takes the goods at his own risk without recourse against the seller for the condition or performance of the goods.
- Back Order** The portion of an order that the vendor cannot deliver on schedule and that has been re-entered for shipment when available.
- Bid Deposit** A sum of money or check deposited with and as instructed by the prospective purchaser to guarantee the bidder will, if selected, accept the contract in accordance with the terms of the bid. If the bidder does not accept the contract (s) he forfeits the amount of the deposit.
- Bid Opening** The formal process through which bids are opened and the contents revealed for the first time to the jurisdiction, other bidders, and, usually, to the public.
- Bidders List** A list maintained by the Purchasing Department with the names and addresses of suppliers of various goods and services from who bids, proposals, and quotations can be solicited.

Blanket Order	A purchase arrangement in which the purchaser contracts with a vendor to provide the purchaser's requirements for an item(s) or service, on an as required and often over-the-counter basis. Such arrangements set a limit on the period of time they are to be valid and the maximum amount of money that may be spent that one time or within a period of time. Blanket Orders are usually issued as the result of a public bid, or in accordance with a MHEC, or State Contract.
Boiler Plate	The standard terms and conditions of the University or vendor, usually preprinted, and incorporated in the purchasing forms of the University, or the offer/acceptance forms of the vendor.
Bonds, Payment and Performance	A contract of guaranty executed subsequent to award, but prior to commencement of the work, by the successful bidder to protect the institution from loss due to the vendor's inability to complete the contract as agreed.
Capital Outlay	Monies allocated by the Commonwealth for specific projects such as building and real property improvement.
Change Order	An addendum issued to amend an original Purchase Order.
Commodity Code	A number that identifies the specific type of procurement to be affected. Purchases made with state appropriated funds require that the appropriate 11-digit commodity code be assigned to each material purchase that is affected. Commodity Codes are used in automated systems to track volume.
Competitive Procurements	Those purchases for which the specified product/service, or an equivalent, alternate type of product/service, is available from more than one source of supply.
Confirming Order	A means of expediting a Purchase Order, by telephone or through some other medium, prior to the formal issuance of a Purchase Order against authorized encumbered funds.
Conflict of Interest	A situation where the personal interests of a contractor, public official, or employee are, or appear to be, at odds with the best interest of the University.
Cooperative Purchasing	Procurement conducted by, or on behalf of, more than one entity, such as purchase agreements created by the Commonwealth for the use of its agencies, or by the Massachusetts Higher Education Consortium (MHEC) for the use of its member schools.
Disadvantaged Business	A small business that is owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantage.
Emergency	A situation that requires a Purchase Order be expedited, to avoid substantial harm to the functioning of the University, or to protect the public health, welfare, or safety.

Equipment	Any item that is an entity unto itself has a unit list price of \$100 or more, has a life expectancy of two years or more, and is repairable.
Expedite	To hasten or to assure delivery of goods purchased in accordance with a time schedule, usually by contact between the purchaser and the vendor.
F.O.B. (Free on Board)	The term means the seller is required to place the goods aboard the equipment of the transporting carrier without cost to the buyer. The term "F.O.B." must be qualified by a location, such as shipping point, destination, name of a city, etc. The state F.O.B. point is usually the location where title to the goods passes from the seller to the buyer. The seller is liable for transportation charges up to the point where title passes to the buyer. The buyer is liable for such charges and risks after passing of title.
Independent Contractor/Consultant	One who is self-employed or who employs others. Such individuals work for themselves and control the performance of the work based on experience, special license, or special training required for the job. The independent contractor/consultant provides the knowledge, experience, and labor to perform the job, or provides other individuals to perform the job. All payroll taxes and any benefits are provided by the contractor/consultant. Compare this to a University employee, who operates under the direct supervision and control of another University employee, occupies University space, and may participate in Commonwealth/University benefit plans, and who is paid in increments and not in lump sums for services rendered. Furthermore, independent contractors are issued 1099 forms; employees, W-2.
Lead Time	The period of time from date of ordering to date of delivery during which the buyer must reasonably allow the vendor to prepare goods for shipment. Also, the period of time needed by Purchasing to process departmental Purchase Requisitions for bidding and award of contract.
Lease, Equipment	A written contract between the University and a vendor for the use of equipment for a term greater than 12 months, at the end of which period the equipment may be returned to the vendor. Title remains with the vendor at all times. Also, see Rental, Equipment.
Lease-Purchase, Equipment	A lease-purchase contract for a greater than 12 month period containing a purchase option in which the University's periodic payments or parts thereof may be applied to serve both as the rental obligation and as installments for acquiring ownership of the property upon the University's exercising the purchase option; a conditional sales contract. Title remains with the vendor until such a time as the purchase option may be exercised.
Lease/Rental, Space	A written contract between the University and a vendor for the

(Real Estate)	use of real estate (space) for a specified period of time. The University requires that any such lease/rental receive the prior approval of the University Treasurer, University Legal Council, the Board of Trustees, and, possible, DCAM.
Material	The equipment, apparatus, and supplies used by an organization or institution.
Or Equal	A phrase used to indicate the acceptability of products of similar or superior function, purpose, design, and/or performance, generally used in conjunction with brand name specifications and as further defined in Chapter 30, Section 39M, or the Massachusetts General Laws.
Practicable	Possible to practice or perform.
Prebid Conference	A public meeting held prior to the bid opening that is used to explain complicated specifications, receive and answer questions, and conduct site visits and tours. The prebid conference may be an attendance option, to be eligible to bid, as defined in the bid specifications.
Prepaid (Transportation)	A term used to signify that transportation charges will be paid at the point of shipment. Such charges are usually added to the invoice.
Protest	A complaint about a governmental action or decision brought by a prospective bidder, a bidder, a contractor, or other interested parties to the appropriate administrative section with the intention of achieving a remedial result.
Public Bid	The executed document submitted by a bidder in response to a sealed, public request from Purchasing. Bid forms are usually titled, "Request for Proposal," "Request for Bid," or "Bid Proposal".
Purchase Order	A purchaser's document to formalize a purchase transaction with a vendor. The Purchase Order should contain statements as to the quantity, description, and price of the goods or services ordered; applicable terms as to payment, discounts, date of performance, and transportation; and other factors or suitable references pertinent to the purchase and its execution by the vendor. Acceptance of the Purchase Order by the vendor constitutes a contract.
Purchase Requisition	A form prepared by a department for Purchasing to encumber funds for a particular purchase or to request that Purchasing obtain formal, written bid(s) for the product(s) or service

Quotation	As used by the University, a quotation is an informal means of determining a vendor' price and terms for the purchase of goods, or services, either verbal or written, which is frequently obtained by departments and submitted to Purchasing as backup to a purchase order.
Refund	A University <i>refund</i> is defined as a payback of monies owed by the University to an individual/company/corporation that were previously paid to the University by that individual/company/corporation.
Reimbursement	A University <i>reimbursement</i> is defined as a payback of monies to an individual that were paid out of pocket to a vendor, by that individual.
Rental, Equipment	A written contract between the University and a vendor for the use of equipment for a term up to 12 months. (Also, see, Lease, Equipment; and Lease-Purchase, Equipment.)
Responsible Bidder	A bidder whose reputation, past performance, and business and financial capabilities are such that (s) he would be judged by the appropriate University authority to be capable of satisfying the University's needs for a specific contract.
Responsive Bidder	A Bidder whose bid does not vary from the specifications and terms set out by the University in the Invitation to Bid.
Sole Acceptable Source/Brand	Similar types of products/services may exist, but the vendor/ brand, for reasons of expertise, and/or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source/brand that is acceptable to the requester or the University.
Sole Source Item	An item that can only be purchased from one supplier, usually because of its technological, specialized, or unique character.
Specifications	A detailed description of what the purchaser requires and, consequently, what a bidder must offer to be considered for an award.
Tax-Free Alcohol	Neutral Grain Spirits having a proof of 190 or more, which can only be ordered and used under an Industrial Use Permit, issued and regulated by the United States Treasury Department, Bureau of Alcohol, Tobacco and Firearms. All such purchases shall be processed through the Department of Chemistry.
Vendor	Any person or company that sells something or charges for a service.

Vendor Code

An 11-digit number (FRS), or a 13-digit number (MMARS) created, in part, from the vendor's 9-digit Taxpayer's Identification Number (F.E.I. or Social Security Number). The number is used electronically to identify the vendor's remittance and order from address.