



**WRIGHT STATE  
UNIVERSITY**

**Office of General Counsel**  
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November 1, 2019

Joshua W. Beasley  
Investigative Attorney  
Office of the Inspector General  
30 East Broad Street, Suite 2940  
Columbus, Ohio 43215

RE: Wright State University's Response to the Ohio Inspector General's Report of  
July 2, 2019 – 2017-CA00001

Dear Mr. Beasley:

Attached please find Wright State University's Response to the Ohio Inspector General's Report  
that was issued on July 2, 2019.

Please let me know if any further information is required or if there are any questions.

Sincerely,

Larry Y. Chan  
Vice President for Legal Affairs/General Counsel  
and Secretary to the Board of Trustees

cc Cheryl B. Schrader, President  
Susan L. Edwards, Executive Vice President  
Sean T. Fitzpatrick, Chair Board of Trustees  
Gregory P. Sample, Chief Operating Officer & C.E.O. Double Bowler Properties Corp.



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**WRIGHT STATE UNIVERSITY'S RESPONSE TO  
THE OHIO INSPECTOR GENERAL'S RECOMMENDATIONS  
CONTAINED IN THE REPORT 2017-CA00001  
JULY 2, 2017 DOUBLE BOWLER**

On July 2, 2019 the Ohio Inspector General (OIG) issued a Report of Investigation alleging Wright State University's failure to comply with State or Department Rules, Procedures or Policies related to the acquisitions of property by Double Bowler Corp., a 501(c)(3) non-profit corporation and an affiliated entity of Wright State University. Following the OIG's finding of reasonable cause to believe a wrongful act or omission with respect to the acquisition of property by Double Bowler Corp. as an agent of the University without seeking prior approval of the State Controlling Board and the Chancellor of the Ohio Department of Higher Education in violation of state statutes, the OIG made certain recommendations to the University and requested a response by the University with a plan on how the OIG's recommendations would be implemented. The University's General Counsel, Larry Y. Chan who is responding to the OIG's request on behalf of the President and the University, submits the following plans of action.

**OIG RECOMMENDATIONS**

- 1. Implement policies and procedures to ensure compliance with the various purchasing and capital project rules and regulations as issued by the Ohio Controlling Board; and those contained in the Ohio Revised Code and Administrative Code.**

**University Response:**

The University has already implemented policies regarding purchasing and capital projects which incorporate requirements contained in the Ohio Revised Code and Administrative Code (See Attachments A and B, University Policies 9310 Purchasing From External Vendors, and 7310 Capital Projects). In addition, the Office of General Counsel has established a procedure that requires contracts for purchases of goods and services to be reviewed by the Purchasing Office and the Office of General Counsel to ensure compliance with the Revised Code and Administrative Code. Regarding any questions that may arise regarding any purchasing contracts, the Office of General Counsel consults with the Ohio Attorney General's Education Section and the Business Counsel Section to ensure that the University's practices are in compliance with the Revised Code and the Administrative Code. Moreover, the Office of General Counsel

works with the Ohio Attorney General's Court of Claims Defense Section's Construction Litigation Group to address and identify issues arising from capital projects, and, it attends the Construction Litigation Forums that the Construction Litigation Group hosts annually in Columbus, Ohio.

- 2. Develop and implement a training program to ensure all employees involved in the purchasing of real property, especially employees who also serve as officers of affiliated entities, are educated in the requirements of real estate purchasing as required by the Ohio Controlling Board; and contained in the Ohio Revised Code and Administrative Code.**

University Response:

The University's Office of General Counsel will work with the University's Compliance Director and the Attorney General's Business Counsel Section to compile educational and training materials to educate and train University employees in Purchasing and University officers who deal with real estate transactions for the University and its affiliated entities, on the laws and regulations administered by the Ohio Controlling Board and the Chancellor's office regarding real estate purchases. The University will also invite staff from the AG's Business Counsel Section to provide training and presentations to University officers dealing with real estate transactions on the pertinent laws and regulations that the Ohio Controlling Board and Chancellor's office administer.

If there are further questions regarding the University's responses to the OIG's recommendations please do not hesitate to contact me.

Respectfully submitted,



Larry Y. Chan  
Vice President for Legal Affairs/General Counsel  
and Secretary to the Board of Trustees

# Purchasing from External Vendors

**Policy Number:**

9320

ATTACHMENT A

**Date Created/Revised:**

05/01/2013

**Executive Responsibility:**

Vice President-Finance and Operations

**Functional Responsibility:**

Purchasing Dept.

**References:**

Ohio Revised Code; Board Resolution 11-31 (June 2011); Governor's Executive Order 2000-03T (January 27, 2000); Ohio House Bill 297; Wright State University Code of Regulations, Section 1.02; Board Resolution 98-39 (February 6, 1998); Office of the Controller (November 27, 1996); Board Resolution 97-9 (October 4, 1996); University President (March 23, 1989); Vice President for Information Resources Management (August 31, 1987); Board Resolution 84-39 (June 1, 1984); Board Resolution 79-33 (February 7, 1979); Board Resolution 78-20 (February 8, 1978)

**Former Wright Way Policy:**

5401

## 9320.1 General Purchasing Policy and Procedure

- Under Ohio Revised Code, Section 3352.04, the Board of Trustees of Wright State University has statutory power to make and enter into all contracts and agreements necessary or incidental to the operation of the university.
- The Board of Trustees has delegated to the president of the university, with the authority to delegate further as he/she wishes, the power to make and enter into contracts and agreements that are less than \$500,000 in amount, other than contracts for sponsored research or sponsored service. Procurements of \$250,000 to \$500,000 are reported to the Board of Trustees but do not require prior approval. **Note:** Authority to enter into sponsor/service agreements regardless of the amount has been delegated to the Office of Research and Sponsored Programs.
- It is the intent of the Wright State University Board of Trustees to establish the most effective policies for purchasing by the university in accordance with sound business practices and applicable laws of the state of Ohio. General policies concerning purchasing apply to all funds of the university, regardless of the source. All funds deposited with the university are university funds and must be handled consistently in accordance with university policies unless specifically exempted by the agency, grantee, or donor.
- All purchases of \$500,000 or more must be approved in advance by the Board of Trustees. Proposed actions falling under this policy must be brought forward in sufficient time to be placed on the agenda of the Finance and Audit Committee of the Board of Trustees and, subsequently, to the full Board. The following procedure should be followed to initiate such acquisitions:
  1. Obtain the approval of the provost or appropriate vice president or vice provost and identify the source of funds.
  2. Prepare a brief narrative statement for submission to the Board of Trustees. The statement need not identify specific models or exact costs, but rather explain the acquisition and the rationale for the purchase. Submit the statement to the vice president for finance and operations or appropriate vice president or vice provost.
  3. Prepare a requisition, with appropriate detailed specifications, and submit it to the Purchasing department. Please note that steps 2) and 3) should be undertaken at the same time, but the Purchasing department will hold the requisition until formal approval is given by the Board of Trustees.
  4. The statement provided to the Board should approximate one-half page of text and be single-spaced. The specific items to be addressed are left to the judgment of the requestor; however, the following points might be considered:
    - a. Description of the proposed purchase/contract

- b. Statement of need or justification
  - c. Alternatives, if any
  - d. Implication if not acquired
  - e. Impact on academic program or university
  - f. Costs and/or savings
  - g. Equipment replaced
  - h. Space, utility, staffing, and other requirements/savings
5. Assistance in developing the justification may be obtained from the director of Purchasing and the vice president for finance and operations.
  6. The Finance and Audit Committee of the Board of Trustees meets every other month during the academic year. Generally, meetings are in September, November, January, March, and May. Material to be included on the agenda should be available at least two weeks prior to the scheduled meeting in order to allow timely distribution.
- All information technology related equipment must have an approval form from the appropriate department attached to the requisition prior to submission to the Purchasing department. The following list illustrates affected units and includes examples of equipment.
    1. Computing and Telecommunications Services [CaTS] (computer hardware, software, networking, cable plant infrastructure, voice systems, cellular services, personal and mobile paging). Additional information is available on the [CaTS web server](#). **Note:** Approval forms can be obtained from the CaTS department.
    2. Printing Services (copiers and duplicating equipment). Additional information is available on the [Printing web page](#).
  - A department can purchase supplies or services from an external vendor by one of the following methods:
    1. A Departmental Purchase Order (DPO) or procurement card (ProCard) are generally used for purchases of \$1,000 or less.
    2. An Electronic Requisition in the Wright Buy e-procurement system is used for purchases of more than \$1,000.
    3. A Petty Cash Voucher is used for out-of-pocket purchases of \$200 or less.

## 9320.2 Purchasing Department

- Managing the procurement of equipment, supplies, materials, services, and construction for Wright State University from external vendors requires the concentrated efforts of a specialized staff centrally controlling the buying process. Therefore, the Purchasing department is charged with the responsibility of administering procurements for all divisions of the university in accordance with the authority delegated by the president and the Board of Trustees, with the exception of contracts for sponsored research or sponsored service.

A strategic sourcing procurement program was initiated in 2007. The program has three components:

1. Strategic Sourcing and Aggregation of Spend: The total amount spent by the university for a particular category of goods or service is reviewed and specific areas are selected for detailed analysis. A business case is prepared that estimates the potential savings that can be achieved through a competitive negotiation process.
2. Invitation to Negotiate (ITN). This is an enhancement of the Request for Proposal (RFP) process that includes negotiation of the final pricing.
3. E-procurement "WrightBuy" program: A licensed internet based e-procurement requisitioning system with a single buying portal. This system streamlines the ordering process and provides for an e-catalog shopping experience with contract pricing displayed.

The ITN process requires interested contractors to submit sealed proposals for requirements in excess of the university bid limit, followed by negotiation for the purpose of attaining the best pricing available in the marketplace. If vendors for sourced commodities have capability for on-line e-catalogs, the university may choose to have the catalogs linked to its WrightBuy system.

The Purchasing department has been given the following primary responsibilities:

1. Purchasing all equipment, supplies, materials, and services required by the campus community from external vendors.
2. Contracting for services such as maintenance, custodial services, consulting, interior and landscape design, medical services, accounting, and other professional services (such as legal, employment, advertising, and real estate related).
3. Contracting for all equipment furnished on a rental or lease basis, whether for a definite or indefinite period of time.
4. Managing the procurement function in compliance with applicable law, university policies and regulations, and related contracts.
5. Applying principles of value analysis to the purchase transaction to obtain the best quality for the price and delivery within the desired time frame.
6. Establishing standards for equipment and materials of common use throughout the university.
7. Developing university term contracts on behalf of all university departments, i.e., office supply contract.
8. Participating in the development of inter-university contracts and state of Ohio term contracts.
9. Overseeing vendor relations, maintaining a purchasing system (including a vendor database), and archiving all purchasing related documents.

Note: Construction-related bidding is handled by the Engineering department.

- The Purchasing department is headed by the director of Strategic Procurement and Contracting Services and includes empowered strategic procurement specialists and strategic sourcing staff. Each procurement agent is responsible for a particular group of commodities and is charged with remaining current in his/her areas regarding new products/innovations and pertinent university policy and state legislation. Each agent evaluates and maintains a number of potential suppliers consistent with the needs of the university.
- Purchasing staff are available to the university community for consultation and assistance in planning purchases.
- The staffing structure and buyer/commodity lists are available from the Purchasing department. Additional information can be found on the [Purchasing web page](#).

## 9320.3 Vendors and Related Ethical/Legal Issues

- **Vendor Relations.** Wright State University recognizes the importance of having strong, mutual relationships with the hundreds of vendors with whom it does business. The University seeks to maintain and improve these relationships by attempting to treat vendors in a fair and equitable manner. Individuals authorized to place purchase orders for their departments with vendors on behalf of the university shall not allow relationships with these vendors and/or their employees to influence the award of an order.

Unreasonable demands shall not be made of vendors. If a department experiences a problem regarding a formal purchase order, the Purchasing department shall be contacted when related to pricing, terms, conditions, specifications, or status of an existing order. The respective department shall correspond with the vendor or shipper directly when questions are related to small orders they placed using a Departmental Purchase Order or Procurement card. If the problem is related to shipping or damage claims, the Shipping and Receiving department located in 031 Allyn Hall should be contacted.

- **Ethics Policy.** See [University Policy 1210](#).
- **Federal Standards related to Federal Grants.** The Federal Government employs a different standard of "conflict of interest" which may affect WSU employees when placing small orders or suggesting vendors Requisitions which are

funded by federal grant or contract funds. Please refer to the [Research and Sponsored Programs web page](#) for more information.

- **Selection of Vendors.** The selection of a vendor is the responsibility of the Purchasing department. However, the vendor suggested by the requisitioner will be given consideration when in the best interest of the university and when the purchase does not require competitive bidding. The Purchasing department welcomes vendor suggestions.
- **Inter-University Price Agreement Vendors.** The university participates with the other state-assisted universities in the Inter-University Council Purchasing Group (IUCPG). The IUCPG competitively bids and negotiates firm price agreements with numerous vendors for many commodities such as computers and peripherals, furniture, laboratory supplies and equipment, and various services. The Purchasing department will utilize these price agreements or those of other consortia whenever determined to be in the best interest of the university. In the event items available in these price agreements are requisitioned but directed to a different vendor, the purchase order generally will be placed with a vendor who offers the best price, quality, and terms.
- **"Buy American"- "Buy Ohio"-Local Suppliers.** Existing state law gives preference to products that are produced, mined or available in Ohio. The university seeks to buy from local vendors as much as possible.
- **Buying Green.** The University will request alternative pricing for "green" products whenever possible.
- **Promotional Items.** Wright State University regulates and controls the use of the university's name or other marks, logos, and symbols. All requests for their use must be coordinated through the Office of General Counsel accompanied by artwork or graphics and details as to how the university mark will be used. The artwork or graphics must be approved by the Office of Marketing. All departments and student organizations must use a licensed manufacturer to produce the items. The Printing Services department has been delegated authority to procure all promotional and award related items on behalf of the entire university. The items include but are not limited to "printed" items; "marketing" items such as pens, pencils, bookmarks, flyers, balloons, t-shirts, etc.; and, award items such as plaques and trophies [refer to [University Policy 12110](#)].
- **Equal Employment Opportunity Requirement.** Wright State University requires that a supplier in bidding and/or filling a purchase order agrees not to discriminate against any employee or applicant for employment with respect to tenure, terms, conditions, or privileges of employment, or any matter directly related to employment, because of race, religion, color, sex, age, handicap, or national origin. The supplier also must agree that every subcontract shall contain a provision requiring nondiscrimination in employment.
- **Prevailing Wage Law.** State law mandates that Wright State University requires all contractors to pay the prevailing wage rate for any construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decorating of any public improvement when the total overall project cost is estimated to be in excess of the following Ohio thresholds: renovation at \$23,447 and new construction at \$78,258, or at the then current state of Ohio thresholds ([Ohio Revised Code](#), Chapter 153.).
- **Personal Gifts.** Some vendors, particularly in office and computer supplies, offer free gifts (such as video games, briefcases, and accessory items) with an order. Acceptance of such gifts by any university employee is inappropriate and, therefore, prohibited. The proper method of handling such offers is to request the vendor to deduct the value of the gift from the net cost of the invoice. Where such gifts are received as the result of a purchase, the gift is perceived to be university property, and, if the ordering department has no use for the item, it should be forwarded to Excess and Surplus Property Management (ESPM).

- **Purchases by Individuals for University Use.** Purchases by individuals for university use whether by cash, credit card, or check are strictly prohibited, except when approval by the budget manager was obtained. Recurring exceptions for the benefit of the same individual/department also will require the approval of the Purchasing department.
- **Resale of Purchases.** Materials and supplies which are purchased for use in university activities are not to be resold to individuals. Resale of any commodity is permitted only through established channels such as Lab Stores, Printing Services, Bookstore, and ESPM.
- **Personal Purchases.** Purchases for personal use through the Purchasing department or in the name of the university are prohibited. Avoiding payment of taxes or using Wright State University's tax identification number is prohibited.
- **Off-Campus Purchases.** Purchases for Wright State University are exempt from Ohio sales tax. Generally, reimbursement to employees for off-campus purchases of goods or services for university purposes cannot include Ohio sales tax. Employees making off-campus purchases should present a blanket certificate of exemption to the vendor to preclude payment of Ohio sales taxes. Copies of the form may be downloaded from the [Purchasing department's web page](#). Presenting this form to a vendor is necessary in order to receive tax exemption. Local bed, occupancy, or excise taxes, etc. charged on meals and lodging may be reimbursed.
- **Imported and Exported Purchases.** Procedures for importing or exporting goods vary depending on purpose, value, point of manufacture, destination or origin of shipment, and duty status. Usually the services of a foreign freight-forwarding company are required to handle customs paperwork. Employees should contact the Purchasing department for details on a case-by-case basis.
- **Purchased Printing.** All university printing or duplicating work will be initiated and channeled through the Printing Services production office (refer to [University Policy 12110](#)). Requests and/or purchases of outside printing or duplicating presented to the Purchasing department will be referred to Printing Services to provide opportunity for in-house productions.
- **"Grey-Market" Purchases.** Occasionally imported products (such as cameras, tape recorders, semiconductor devices, answering devices) will be offered for sale at prices substantially below their true market value, and sometimes below the wholesale or distributor cost. Often these items have been imported through channels other than those authorized by the manufacturer. Purchasing these items from so-called "grey-market" distributors carries risks not normally associated with purchasing from established vendors who use legitimate sources. In light of these risks and the nature of this form of distribution, the Purchasing department will not authorize this type of purchase and instead will seek legitimate vendors to fulfill the requisitioner's needs. Individuals making such purchases will not be reimbursed through the Purchasing department or through submission of a petty cash request.
- **Catalogs.** Most supplier catalogs are available via the Internet. However, pricing shown generally does not reflect special contracted pricing to the university, unless specifically required as part of a contract agreement that the Purchasing department has entered into on behalf of the campus community. Each purchasing agent retains catalogs for his/her commodity groups. Since only one catalog generally is available from each vendor, a catalog cannot be removed from the Purchasing office without the permission of a purchasing agent. If a purchasing agent is absent, a catalog can be examined in the Purchasing office but may not be removed.

## 9320.4 The Bidding Process

With respect to contracts for sponsored research or sponsored services, if the contract is under a federal award, then a sole source federal form is required if the contract will exceed \$100,000 in total annual costs.

1. **Uses of Competitive Bidding.** Competitive bidding with negotiations as part of the strategic sourcing methodology is utilized not only to establish prices but also to seek out new vendors and alternative equipment and materials. The purchase and/or lease of all equipment, materials, supplies, and services shall be awarded to the lowest, most responsive and responsible bidder pursuant to Section 9.312 of the Ohio Revised Code subject to prescribed dollar amounts. However, the Purchasing department, or those areas empowered by Purchasing, reserves the right to obtain competitive quotations, regardless of dollar value, whenever in its judgment obtaining such quotations would serve the best interest of the university.

The Purchasing department may formally bid a commodity or service on behalf of the entire University by aggregating small dollar expenditures. When contracts such as for office supplies or temporary services are developed, the campus community is required to use these contracts. Exceptions for not using these contracts must be justified in writing and prior approved by the Purchasing department. Major contracts are posted on the [purchasing web site](#). Contracts having e-catalogs are posted on the WrightBuy ordering system.

2. **Quotations.** Quotations for all purchases, services, and/or leases will be obtained by the Purchasing department based on written descriptions or specifications. In certain instances, departmental correspondence or consultation with vendors is helpful in establishing requirement specifications and approximate costs of a proposed purchase, but only the Purchasing department, or those areas empowered by Purchasing, are authorized to obtain firm quotations.

3. **Dollar Guidelines.**

- a. Competitive quotations or bids are solicited by the Purchasing department in accordance with the following guidelines:

**Goods and Services**

|                         |  |
|-------------------------|--|
| <b>\$1,500-\$24,999</b> | Quotations may or may not be solicited. The Purchasing department reserves the right to bid at any estimated dollar limit if deemed to be in the best interest of the university.  |
| <b>\$25,000 and up</b>  | Purchases for goods and services which may include multiple line items or stages which are estimated at the time of purchase to exceed \$25,000, in the aggregate. Requires a formal competitive <i>Invitation to Negotiate</i> to be sent to at least three proposers whenever they are known to exist. |

**Construction**

|                          |  |
|--------------------------|--|
| <b>\$1,500-\$199,999</b> | Quotations may or may not be solicited. The Engineering department reserves the right to bid at any estimate dollar limit if deemed to be in the best interest of the university.  |
| <b>\$200,000 and up</b>  | Purchases for construction which are estimated at the time of purchase to exceed \$200,000 in the aggregate, requires a formal written competitive process per the State of Ohio Architect's office and in accordance with section 123 Ohio Revised Code. Such bids are processed by the Engineering department. |

- b. In the event the requisitioning department has obtained preliminary estimates or informal quotations, this information should accompany the requisition.
- c. The requisitioning department shall **not** use multiple requisitions to circumvent the bidding process (pyramiding of orders).

4. **Professional Design Services.** When professional design services are employed (such as a consulting engineer, architect, designer), all contracts over \$25,000 (refer to Ohio House Bill 297) require a specific bid process based on ability and references, followed by negotiation of associated costs by the Purchasing Department.
5. **Informal Bids.** When quotations are sought for goods and services of a fairly standard nature, or when specifications are simple and complete (such as standard stock items), an informal price inquiry bid form will be sent to approved vendors by the purchasing agent. This form usually is returned within ten working days. After the deadline, the purchasing agent will tabulate the results, inform the requisitioner (if desired), and make the award.
6. **Formal Bids/Invitation to Negotiate.** Bids requiring major services and/or goods and services estimated in excess of \$25,000 in aggregate at the time of the purchase shall be designated as a "formal bid" by the University purchasing agent. Such bids are normally publicly opened and read. However, the procurement specialist may note in the bid that a public bid opening will not be held, if the proposals are expected to be complex and/or require committee review. Negotiation may take place prior to placement of a resulting order.
  - a. Advertising for "goods and services" may appear on the Purchasing Department's web page or in other forms of media if deemed to be in the best interest of the university.
  - b. Advertising for "construction" shall be per the State of Ohio Architect's office requirements and in accordance with section 123 Ohio Revised Code. Construction advertising shall be handled by the University Engineering department.
7. **Informational Price Inquiries/Requests for Information.** Upon request, the Purchasing department will handle price inquiries for informational purposes. The purpose of such an inquiry is to research the market or attempt to acquire budgetary pricing. A unit should initiate the request with a memorandum and include all relevant information and specifications. A purchasing specialist will handle the request as a regular bid, but no purchase order will be issued until the requestor submits a requisition. Vendors will be made aware that no intention exists to place a resulting order.
8. **Bidders List.** A new supplier or contractor will be asked to complete a Vendor Approval Form at the time the first order is placed.
9. **Certified Minority Enterprise (MBE) and "EDGE" (Encouraging Diversity, Growth, and Equity) certified Bidders.** See University Policy 9330.
10. **Specifications.** Extreme care must be used in preparing specifications for bidding purposes. It is not the intent of the university to eliminate alternate sources of goods or equipment that will perform the same function as a particular brand requested. While an ultimate user may be aware of only one source, competitive bidding often will disclose other sources which may be satisfactory and less costly.
11. **Bidding Alternates.** Most bids allow bidders to offer alternates for the items specified. This practice often is to the advantage of the university by offering unknown products at competitive prices that still will meet the requirements of the end user. All such offerings will typically be discussed with the requisitioner before an order is placed. If lower cost alternatives are not acceptable, the purchasing agent can require a memorandum from the requestor. If a higher cost alternative is selected, it must be cost justified and documented to be in the best interest of the university.
12. **Awarding the Contract.** The university's policy on awarding contracts is based on the concept of the lowest, most responsive and responsible bid. This concept is defined as acceptance of the lowest cost item with relative criteria considered. Cost can be determined by several factors such as life-cycle cost, delivery, references, past vendor performance, maintenance, upgrade ability, and cash discount terms which meet the specifications of the bid document

and can be supplied by a reputable supplier. Bidders are to quote items exactly as specified. Should alternates or items perceived by the bidder to be "equals" be proposed by the supplier, the items must be clearly marked as "alternates." In the event that a lower-cost item is bid other than specified, it is the responsibility of the bidder to prove that his/her alternate bid meets all the specifications set forth in the bid document pertaining to suitability and function. Final determination as to suitability shall be made by the university.

13. **Invitation to Negotiate (Replaces Request for Proposal).** The ITN is part of a competitive procurement process that helps to serve the best interests of the university. It also provides companies with a fair opportunity for their services or support to be considered. The process of competitive negotiation may be used and should not be confused with the different process of competitive sealed bidding. With competitive negotiation, however, the price is not required to be the determinative factor, although it may be. The university therefore has the flexibility it needs to negotiate with companies to arrive at a mutually agreeable relationship.
14. **Lead Time for Bidding Purposes.** Upon receipt of the requisition, if competitive bidding will be employed, certain time constraints must be recognized. On exceptionally large, complex bids, which require advertising, a time frame of thirty-five to forty working days can be appropriate. Individuals considering major purchases, generally \$25,000 or more, should consult with the Purchasing department as far in advance as possible in order that the purchasing agent can operate within the prescribed manner and still obtain delivery when required [refer to paragraphs 9320.1 b) through d)]. The Purchasing department should be consulted regardless of the source of funding (e.g., grant funds and House Bill funds.)
15. **Rejection of Bids.** The Purchasing department reserves the right to reject any or all bids whenever the best interest of the university will be served by so doing.
16. **Waiver of Competitive Bidding Including Advertising.** Competitive bidding requirements may be waived for the purchase and/or lease of equipment, materials, supplies, and services in the following instances:
  - a. Whenever the vice president for finance and operations has determined that an emergency situation exists requiring such action.
  - b. Whenever, in the judgment of the responsible purchasing officers of the university, it is deemed impossible or impractical to obtain more than one bid because the product is a used item or a single source item, or for any other sufficient economic reason.
  - c. The University will seek to utilize special contract pricing available from the following group purchasing organizations:
    - Inter-University Council Purchasing Group (IUCPG)
    - State of Ohio
    - Ohio Department of Transportation (ODOT)
    - Contracts by state of Ohio colleges and universities which have provisions for usage by other State schools
    - Midwestern Higher Education Conference (MHEC)
    - OhioLINK
    - Educational and Institutional Cooperative Service (E&I) if competitively bid
    - Provista (hospital and medical related equipment or supplies)
    - Other consortiums or organizations in which the University participates which have competitively bid contracts for use by the membership
  - d. Certain professional services do not lend themselves to the sealed competitive bid process. Quality of services, specific expertise, as well as price of services are factors to be considered. Consequently, the following services do not require competitive bidding as defined in Board of Trustees Resolution 98-39 (February 6, 1998).
    - i. Legal services
    - ii. Employment services
    - iii. Consulting services
    - iv. Advertising services

Professional services require collaboration with the Purchasing department in advance of entering into any agreement. The department requiring these services must be capable of demonstrating that it has researched the market and can justify how a particular professional service firm offers distinct advantages to the university. The Purchasing department shall review the terms and conditions for all proposed professional service contracts. Purchasing will then negotiate the most favorable terms available. This may include such factors as deposits, cost frequency of payment, travel expenses, ownership of deliverables, and insurance requirements.

17. **Sole Source.** The requestor must document in writing by completing a *Sole Source Purchase Justification* form with approvals at all appropriate levels, the unique requirements or characteristics inherent in the item which makes it essential that competitive bidding be waived. The appropriate purchasing specialist will research the requirement and, if in his/her opinion the request is justified, will forward it to the director of the Purchasing department for review. If approved, a purchase order will be issued. Because this process is time-consuming, advance planning is important. *Sole Source Purchase Justification* forms are available in the Purchasing department.

With respect to contracts for sponsored research or sponsored services, if the contract is under a federal award, then a sole source federal form is required if the contract will exceed \$100,000 in total annual costs.

18. **Errors in Bids or Quotations.** Vendors are responsible for the accuracy of their quoted prices. In the event of a discrepancy between a unit price and its extension, the unit price will govern. Quotations can be amended or withdrawn by the bidder up to the bid opening date and time. After that time, in the event of an error, bids cannot be amended but can be withdrawn prior to acceptance of the bid. After an order has been issued, no bid can be withdrawn or amended unless the Purchasing department considers the change to be in the university's best interest.

## 9320.5 Departmental Purchase Orders (Hard Copy)

- The Departmental Purchase Order (DPO) form may be used by university departments for purchases **not to exceed \$1,000**, regardless of the source of funds. Various exceptions are permitted as described on the instruction sheet of the DPO form.
- No furniture or carpeting may be purchased on a DPO.
- Materials and services that require prior approval for internal University departments are not to be purchased using a DPO.
- The practice of grouping DPOs to the same vendor, the sum total of which exceeds the \$1,000 limit, is expressly prohibited.
- Prior approval must be obtained for information technology related purchases [refer to paragraph 5401.1 e)].
- Any questions related to the use of the Departmental Purchase Order should be directed to the Purchasing department.
  1. The DPO is effective in saving administrative and delivery time for small orders. However, use of the DPO is a privilege. Continued failure of a user to observe the restrictions of the DPO can result in the withdrawal of this privilege.
  2. Hard copy DPO's can be obtained from the Department of Printing Services. DPO's are pre-numbered and are for the exclusive use by the department to which they are issued. The forms should be used in consecutive numerical order.

## 9320.6 Equipment Repair

- Repairs to equipment of any kind, whether performed on campus or off campus, require using the Departmental Purchase Order or using the procurement card (ProCard) whenever a vendor will accept the charge card.
- A DPO or ProCard also must be used when returning equipment to a vendor for a repair estimate.

## 9320.7 Procurement Card

- The procurement card (ProCard) is the preferred means to purchase small dollar items from all vendors who will accept the charge card. The Office of the Controller with the advice of the Purchasing department regulates the dollar limits on purchases per transaction and per day or month. (See University Policy 9340, Procurement Card).
- The university makes available, at no cost to the employee, a procurement card. This card can only be used for official university business expenses. The procurement card is intended to be used in place of the Departmental Purchase Order. It generally has the same dollar limit as a DPO and can be used for travel expenses incurred while on official university business.
- Applications to participate in the Wright State University procurement card program can be obtained from the Office of the Controller.
- The cardholder is responsible for reconciling his/her procurement card statement each month. However, all charges are paid directly by the university. The procurement card has no effect on the personal credit history of the cardholder. Procurement cards are considered university property and should be handled accordingly.
- The procurement card will be canceled if the cardholder transfers to another department or terminates employment with the university. The cardholder is responsible for cutting the canceled card in half and returning it to the Office of the Controller.

## 9320.8 Requisition for Purchase Order through the WrightBuy E-Procurement System

- The purchase requisition is used to initiate, through the Purchasing department, procurements in excess of \$1,000 of equipment, materials, supplies, and certain services that are not available on campus. The purchase requisition also is used to procure services in connection with a contract for sponsored research or sponsored service.
- The Purchasing department electronically receives the required information necessary to develop and issue a formal purchase order to the vendor through WrightBuy system. The requisition is routed through an electronic approval process and upon arrival in the Purchasing department, authorizes the purchasing agent to place an order on behalf of the department with charges against the requisitioning department.
- Attachments to electronic requisitions should be scanned whenever possible or may be faxed or mailed to the Purchasing department indicating the requisition number they are to be attached to. Departments do not have authority to place verbal orders in excess of their Procurement card or DPO limits.

- The use of fictitious requisition numbers by departments to place verbal orders with vendors is strictly prohibited.
- Departments that have not followed Purchasing Policy No. 5901 and have placed verbal orders in excess of their DPO or Procurement card limits may have their requisitions held by the Purchasing department until they have completed an explanation form and had it signed by higher level authority.

## 9320.9 Lead Time and Status Inquiries Regarding Requisitions

- Advance planning is critical to the proper and accurate preparation of a purchase order. Individual purchasing agents process electronic requisitions in the WrightBuy e-procurement system in the sequence in which they are received. Most routine orders can be placed within three working days after receipt, but many factors can cause the execution of the order to take longer. Therefore, requisitions for standard "off-the-shelf" items should be submitted a minimum of ten working days before delivery is required, and a longer lead time should be allowed for specialized or custom-built items and for purchases requiring a formal bid process.
- Departments may perform an inquiry in WrightBuy system to determine the status of their requisitions
- At times, vendors will attempt to pressure the user to initiate a request within a very short time frame, usually to avoid a supposed price increase or to make the salesperson's quota. Such actions may be unethical on the part of the vendor, and any such requests should be referred immediately to the Purchasing department.

## 9320.10 Formal Purchase Order

- The Purchasing department through the WrightBuy e-procurement system will normally issue an official University purchase order for expenses over \$1,000 as a result of a WrightBuy requisition being completed, submitted electronically, and approved. Attachments or formal contracts may be attached to the requisition, sent via FAX or through the campus to the Purchasing department.

"Check Only" processing may be necessary to pay a vendor if a department has not followed University policy and placed a verbal order in excess of their buying authority. Departments only have authority to place verbal orders up to the Departmental Purchase Order limit of \$1,000 or up to their approved procurement card limit.

A requisition processed on the Check Request form through the WrightBuy system will go through the approval process and be assigned a purchase order number. The Check Request PO is sent to the Purchasing department's fax number. The PO and invoice are forwarded to the Accounts Payable department for payment processing.

The purchase order describes the item(s) to be purchased and the circumstances under which the item(s) is to be produced and delivered; specifies legal considerations under which the contract is to be performed and paid; and, includes information about installation, delivery point and date, extra manuals, electrical requirements, and insurance provisions.

- Purchase order numbers will not be given to individuals so that an order may be placed with a vendor. Only a purchasing agent can issue a formal purchase order. Any verbal orders from an individual are the responsibility of that individual and may not be reimbursed from university funds.

- No hard copies of purchase orders will be sent to departments. Status of orders may be queried in the WrightBuy system.
- Standing Orders and Blanket Orders.
  1. A Standing order is a purchase order that is set up for multiple payments to a vendor throughout a given period of time. Departments are to process a regular requisition in WrightBuy on the Standing Order form. These requisitions will go through the same electronic approval process and be issued an auto-generated purchase order number. If a department receives an invoice that is for payment against a Standing purchase order, they need to send the invoice to the Accounts Payable department with the purchase order number written on it. Note: the Standing order must follow the same guidelines as a regular purchase order and be over \$1,000.
- **Lease Purchase Agreements.** In certain instances, the purchase of major equipment items may be arranged through a leasing agreement. However, it is rarely advantageous to the university to lease in lieu of buying. A department interested in such a plan should contact the *associate bursar and treasury manager* prior to beginning the acquisition procedure.
- **Real Estate Leases.** Please see the Real Property Leasing policy 2602. All requisitions for real estate leases must include an approved Lease Justification form. Exception: The Lease Justification form is not required for the rental of storage facility space or the rental of space for a short duration such as renting an auditorium for one evening, or a banquet facility for a social event.

## 9320.11 Modification or Cancellation, Follow-Up, or Acknowledgements of Formal Purchase Orders

- A WrightBuy requisition must be created for the purpose of increasing or decreasing an encumbrance, or modifying quantity or description on a purchase order, standing order, or check request. Only an e-mail is required to the Purchasing department when the FOAPAL account code requires a change.
- A request for modification or cancellation of a purchase order should be directed to the Purchasing agent that processed the order. The reasons for change should be stated along with reference to the purchase order number and vendor. A contract (purchase order) can be canceled only with the mutual consent of both parties, and only a purchasing agent can cancel a contract on behalf of the university.
- To determine the status of an order, the requestor should perform an inquiry in the WrightBuy system. **The requestor is not to contact the vendor directly.** If additional information is required, the purchasing agent may contact the buyer for assistance.
- A vendor may acknowledge receipt of an order. If the vendor advises the Purchasing department of changes in price, terms, or other conditions which may impact the cost of the order, the purchasing agent will normally notify the requisitioner to obtain approval before permitting the vendor to continue. The requisitioner may be asked to submit a change order for any additional associated costs if the order still is desired. Should it become necessary for the order to be canceled, the requisitioner will be asked to submit such request in writing via e-mail to the Purchasing department.

## 9320.12 Authority

1. Only the president or vice president for finance and operations, director of Business Services, and the director of Purchasing, or their designees, shall have authority to sign contracts binding the university for the purchase of goods, services, and construction. Site license agreements for computer software, however, may be signed by the department receiving the software to allow for on-site auditing of use as typically required throughout industry.
2. The president, provost, associate provost for research, and the director of research and sponsored programs have authority to sign contracts for sponsored research or sponsored service. Requests to purchase equipment to be charged to grant accounts beginning with "6" must be approved in advance by the Office of Research and Sponsored Programs.

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# Capital Projects

## ATTACHMENT B

### Policy Number:

7310

### Date Created/Revised:

04/01/2014

### Executive Responsibility:

Vice President-Finance and Operations

### Former Wright Way Policy:

5410

## 7310.1 General Policy

Wright State University defines a capital project as the constructing, renovating, updating, or changing of physical features of the interior and/or exterior on university property. It is the policy of Wright State University that capital projects be approved by the university Provost and completed in accordance with all applicable state laws and building codes and will align with the university's mission.

## 7310.2 Fiscal Responsibility

Wright State University recognizes and strives to optimize life-cycle costs for maintaining infrastructure and campus facilities while improving the overall university campus, and will therefore utilize appropriated funds responsibly and in accordance with the best interests of the stakeholders.

## 7310.3 Roles and Responsibility

Each capital project is unique and will be individualized in many ways. The following generalized roles and responsibilities are applicable to most capital projects. For a more detailed scope of responsibilities, please refer to the Capital Projects Roles and Responsibilities descriptions available through the Facilities Planning and Development website.

1. **Project Sponsor (PS)** - The Project Sponsor is the individual who initiates the capital project or is appointed by the Provost to provide project oversight and presides over the budget/funding for the project. The PS, or authorized designee, is responsible for communicating the scope and requirements of the project to Facilities Planning and Development and Engineering and Construction as well as making final design, construction and budgetary decisions.
2. **Project Liaison (PL)** - The Project Liaison is the individual appointed to serve as the interface between the Project Sponsor, end user(s), stakeholders, Facilities Planning and Development (FPD), and Engineering and Construction (EC). The PL's primary responsibilities are to inform and instruct FPD and EC on behalf of the PS and stakeholders on tactical and strategic project decisions. The PL also has the responsibility to communicate decision points and progress of FPD and EC to the PS and stakeholders. The PL is appointed by the PS and these roles may be combined based upon the scope and scale of the project.
3. **Facilities Planning and Development (FPD)** - Facilities Planning and Development is the initial receiver of capital project requests. This department is responsible for advising on feasibility, providing cost estimates, establishing timelines, initial planning, and completing final phases of each capital project. FPD, as a service unit, facilitates interaction with and between the PS, PL, EC, and external agencies and contractors to ensure the PS and stakeholders' building requirements are met and to successfully complete each capital project.
4. **Engineering and Construction (EC)** - Engineering and Construction manages and coordinates physical construction and related processes for each capital project. This department communicates with and regularly supplies project updates to FPD, the PS, the PL, and external agencies and contractors to successfully complete each capital project.

## 7310.4 Process

Capital projects have the potential to impact part or all of the campus and its stakeholders. With this understanding, the campus community will be notified of and engaged in the project planning process beginning in its earliest stages.

- All capital projects will be initiated through the [Capital Project Initiation Form](#) and will require proper approval (i.e., Provost, Vice President for Finance and Operations, and Chief Operating Officer) and funding verification prior to the commencement of any further activity.

- The PS may appoint a PL to assist in the discovery, translation, and implementation phases of each project as described in the [Roles and Responsibilities](#) and [Capital Projects Process Maps](#).
- FPD will provide an estimated project time line and cost to the PS. In the event that timely information on a project cannot be provided, FPD will provide the PS/PL with alternatives for obtaining this information.
- Projects will follow a general process flow as [mapped](#), with allowances for some variation dependent upon specific project requirements.
- For all projects greater than \$500,000 or any project that directly impacts natural areas, a copy of the Project Initiation Form will be presented to the Faculty President's office upon execution to ensure that faculty are engaged early and proactively in major capital projects.
- The University Building and Grounds Committee will be updated at regularly scheduled meetings regarding each capital project's status by a representative of FPD.

## 7310.5 Standards

Wright State University has adopted uniform design standards to maintain consistency and aid stakeholders with respect to capital improvements. The design standards document can be accessed at the [FPD website](#). There shall be a standing committee that will meet at least biannually to review and modify the Standards. Exceptions to established standards must be requested by the PS from the Provost.

## 7310.6 Communication

The success of capital projects is dependent on clear, two-way communication among all constituents from the inception to completion of the project, with consideration of academic and non-academic calendars and scheduled events. Initiation of capital projects will be communicated through submission of the [Capital Project Initiation Form](#). Following approval, basic project information will be posted to the FPD website, including scope and purpose, Architect/Engineering firm, contracts, and estimated completion date. Project meeting minutes will be disseminated to the PS/PL for review and feedback. Information and materials for the project website link and other project communication tools will be collaboratively generated and provided to the PS/PL who will serve as the communication hub throughout the process, providing input to FPD and EC, and share updated project information to stakeholders on progress.

## 7310.7 Natural Areas

University Policy 7310 for Capital Projects applies in its entirety to any construction or renovation on natural areas (excludes landscaped areas) or the university property. Natural areas are defined as wooded, underdeveloped areas. Maintenance of the existing trail system is anticipated and is not subject to this policy.

In addition, an environmental impact assessment must be conducted for all projects that occur within or impact any campus natural area. This assessment will result in an Environmental Impact Statement by the university detailing changes in the native ecosystem and impacts on other users of the natural area to be affected. Public notification of the Environmental Impact Statement will be made at least 90 days prior to commitment of construction, and communicated directly to the university Faculty Senate and Student Government. At a minimum, two public information sessions will be held during the academic year where the project and impact assessment will be presented by the project liaison (PL), at which public comment and input will be solicited.

## 7310.8 Conflict Resolution

In the event of conflicts arising during the capital project process, the PS, as the budgetary authority for the project, will hear supporting arguments and view documentation from the PL and a representative from FPD or EC to determine the course of action. Should disagreement continue where the potential exists for significant negative impacts on the campus community, the Provost will hear arguments, view documentation, and serve as final authority over all university capital project, natural area project and space management decisions.

