



Business and Finance

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Date: May 26, 2011
To: Senior Fiscal Officers
From: Brendan Foley, Vice president of Financial Planning and Analysis
Subject: Changes to the Purchasing Policy

At the April 8, 2011 meeting, the Board of Trustees approved recommended changes to the University's Purchasing Policy. These changes were made in an effort to provide clarification and simplification to the process. An overview of the changes is provided below.

Technical and Specialized Consulting Services – resolution item #4:

One change to note is item #1 on the following page, the 'Technical and Specialized Consulting services' waiver. For these, the same process as requests for sole source, economic or emergency waivers applies. Waiver request forms can be found on the Purchasing website and should be accompanied by a justification memo. The justification memo should include the information that supports the following criteria:

- Term/duration must be of a temporary nature
- Detailed description of why the services are specialized and why a formal competitive bidding process would not add value
- Detailed description of scope of work to be completed
- Pricing must be relatively competitive. Include total cost, including any discounts provided, relative to other vendors
- Business and economic rationale for selecting desired vendor – including price and qualification surveys performed of alternative vendors

Requests should be submitted to the Purchasing department and will require the review and the approval from the appropriate levels. Requests for consulting services greater than \$50,000 still require the approval of the Integrated Financial Planning Team.

License & Maintenance Agreements – resolution item #17

Language has been broadened to allow for the ability to renew the University's software licenses and maintenance agreements for existing software applications without the need for a waiver.

Financial Services – resolution item #24

Only the President and the Senior Vice President of Business and Finance has been authorized to negotiate and enter into financial services agreements. No impact at the unit level. Authorization applies only to the President and Senior Vice President for Business and Finance.

Purchasing Policy Summary of Changes 4/8/11

TOPIC/ACTION	POLICY LANGUAGE	SECTION
<p>1. Technical and specialized consulting services waiver – New: ability to request waiver of competitive bidding for temporary, specialized consulting services if specific criteria for justification has been met.</p>	<p>‘The President and/or Senior Vice President for Business and Finance, or his or her designee, may grant a waiver from competitive bidding when he or she determines that the services to be purchased are technical and specialized consulting services that are temporary in nature and there are sufficient economic reasons to support such a waiver and where such terms and conditions are in the best interest of the University. The exercise of this authority shall be subject to the oversight authority of the Senior Vice President for Business and Finance’</p>	<p>Policy # 4 (pg 1)</p>
<p>2. Renewal of License and Maintenance Agreements – Amended: removed words ‘enterprise wide’ from language</p>	<p>‘The President and/or Senior Vice President for Business and Finance is authorized on behalf of the University, on a continuing basis, to purchase without competitive bidding, the renewal of licenses and maintenance agreements for existing software applications, upon such terms and conditions as are in the best interest of the University’</p>	<p>Policy # 17 (pg 3)</p>
<p>3. Financial Services –New: Authority limited to the CFO relating to financial agreements and transactions</p>	<p>‘Only the President and/or Senior Vice President for Business and Finance is authorized, on behalf of the University, on a continuing basis, to negotiate and enter into agreements, to engage in and sign agreements with various financial institutions and advisors relating to financial consulting services, banking, brokerage, leasing, asset financing and related financial services without competitive bidding, upon such terms and conditions are in the best interest of the University’</p>	<p>Policy # 24 (pg 4)</p>
<p>4. OSU internal/external entities & affiliates – New: policy specific to purchase outside the University. Language also addresses subcontracts</p>	<p>‘This policy applies to all funds administered by the Ohio State University and applies to all products and services that are not conditions of existing contracts that have been previously negotiated and competitively bid. Also, this policy applies only to purchases of products and services acquired from outside of The Ohio State University and its affiliates’</p>	<p>Policy final paragraph (pg 4)</p>

These changes have been authorized as part of a continued effort to improve operational soundness and allow for simplicity and transparency in process, while still proving the appropriate oversight. Please contact Cristal Penn at 688-4940 if you have any questions regarding these changes.