



Introduction to Procurement at

**KUTZTOWN UNIVERSITY  
OF PENNSYLVANIA**

# How Can YOU make a purchase?

- Procurement Card
- Rental Vehicles
- Designated Purchases
- Storeroom/ Warehouse Reservation
- Purchase Requisition
  - Commodity Purchase
  - Service Contract
  - Bid Process
    - Request for Quote
    - Request for Proposal



# Procurement Card

- The Procurement Card is ideal for pick-up orders in town and internet purchases.
- The Procurement Card is for the purchase of commodities only. The purchase of services is strictly prohibited.
- The Procurement Card program is administered by the Procurement Services Office.
- For more detail contact...

✓ **Mary Vink - 610-683-4904**  
**Procurement Services Agent**  
**Stratton Admin. Bldg. 223A**  
**vink@kutztown.edu**



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# Rental Vehicles



- Options to book your vehicle reservations:
  - Use the eLink for Enterprise located on the KU website under the Staff & Faculty section.
  - Call your local Enterprise Rental Branch.
  - Sorry... we can't allow you to rent the Batmobile.



- For more detail contact...

✓ **Elizabeth Pflugler - 610-683-4399**  
**Assistant Director of Business Services**  
**One Card Office – Academic Forum 107A**  
**pflugler@kutztown.edu**

# Reservations & Requisitions

- Reservations (storeroom/ warehouse items) and requisitions utilize the SAP Materials Management System and ESS.
- To register for SAP Materials Management Systems training contact:



- Angela Jackson – 610-683-4831/[ajackson@kutztown.edu](mailto:ajackson@kutztown.edu)

**\*\*Note: SAP Material Management Training requires Budget Training. For Budget Training Contact**

- Kristin Ihling – 610-683-4145  
Budget Manager – Stratton 219  
[ihling@kutztown.edu](mailto:ihling@kutztown.edu)



# Storeroom/ Warehouse Reservation

- A storeroom/warehouse reservation is the purchase of an item from the inventory that is carried in our storeroom.
- These types of purchases are completed through the PASSHE Employee Self Service Portal (ESS).
- Training is conducted on an as needed basis.
- If you or your staff encounter a problem entering a reservation, or require training, please contact ...



Angela Jackson–610-683-4831  
Procurement Agent  
ajackson@kutztown.edu

Tim Good – 610-683-4139 Procurement  
Agent/Storeroom good@kutztown.edu



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# Purchase Requisition

- A requisition is the recognition of a need for a good or service within a department.
- The approved requisition is an authorization to the Procurement Services Office to purchase the specific materials or services. A requisition is not a legally binding document.
- Training in SAP and ESS is conducted on an as needed basis and a few times throughout the year.
- If you or your staff encounter a problem entering a requisition please contact ...

Angela Jackson-610-683-4831  
Procurement Agent  
ajackson@kutztown.edu



# Law & Policy

★ Corporate America, State Related & PASSHE

★ State Related & PASSHE

★ PASSHE

- Uniform Commercial Code – 1952 (UCC – 2 & 2A)
- United Nations Convention for the International Sale of Goods – 1980 (CISG)
- Common Law (Contracts)
- Gramm, Leach, Bliley (FTC) – 1999 (GLBA) – Protect non-public personally identifying information
- Federal Education Rights and Privacy Act (FERPA) – Privacy of educational records
- The Commonwealth of Pennsylvania Acts and the State System of Higher Education Board of Governors Policies that control purchasing decisions and time constraints:

- **Commonwealth Acts:**

- Act 188 of 1982
- Act 57 of 1998
- Act 146 of 1986
- Act 101 of 1988
- Act 170 of 1978
- Act 451 of 1957
- Act 34 of 1985
- Act 3 of 2008

State System of Higher Education.  
Commonwealth Procurement Code  
Reciprocal Limitations  
Municipal Waste Planning, Recycling and Waste Reduction  
Public Officials Ethics  
State Adverse Interest Law Commonwealth Attorney's Act  
Criminal Background Checks and Child Abuse Clearances  
Public Officers – Right-To-Know Law

- **SSHE Board of Governors Policies**

- Policy No. 1983-02 Procurement
- Policy No. 1983-02A Procurement (Amended)
- Policy No. 1998-04A Procurement of Goods, Services, Supplies and Construction



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# Integrity

Public employment is a public trust. It is the policy of the Commonwealth to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by this Commonwealth. Implementation of this policy requires that public employees discharge their duties impartially so as to assure fair competitive access to Commonwealth agency procurement by responsible contractors and that they conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth procurement process. It is also essential that those doing business with Commonwealth agencies observe high standards of honesty and



62 Pa.C.S.A. § 2301 (*emphasis added*)

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# Ethics

- The State employee may not use his/her office or the authority of that office for the benefit of the outside entity or for personal gain. State Ethics Act 65 P.S. § 401 et seq
- There are two interests that a public employee must avoid when dealing with vendors:
  - **Adverse Interest** – Against the interest of some other party, usually so as to benefit one’s own interest.
    - John Doe purchases, or appears to purchase, products or services from Vendor “A” because Vendor “A” provides John Doe with tickets to a game, vacation, donations to his department, etc.
    - ... a fine of (\$1,000.00) and/or imprisonment for a term not to exceed one year; and shall automatically forfeit any office or employment under a State agency which he / she may hold. 71 P.S. § 776.8
  - **Conflict of Interest** – A situation in which the University is prohibited from procuring commodities or services from immediate family members of University employees, or any business in which the University employee has a vested financial interest, in excess of \$500 without a public competitive process.



# Key Points

- A **purchase requisition** is not a legal binding document. A requisition is the recognition of a need for a good or service within a department. Approval of a purchase requisition by a budget holder is the agreement that the need should be satisfied and that the budgeted funds are available. The approved requisition is an authorization to Procurement Services to purchase the specified materials or services.
- The **purchase order** or the fully executed contract is the document that legally binds the university.
  - A purchase order or fully executed contract is the purchaser's offer to purchase and authorization used to formalize a purchase transaction with a supplier.
  - No contract can be implemented, or any supplies, services, or construction be accepted or work begun on any contract not processed, executed, and approved by legal counsel.
- **Emergency Contracts** are permissible in circumstances that are a threat to public health, safety and welfare.
  - Pre-approval by PASSHE University Legal Counsel is required
    - If PASSHE Legal Counsel is unavailable at the time of the emergency, approval to process must be given by the Vice President of Administration and Finance
    - Written documentation to support the procurement decision must be obtained
    - Legal contract approval process is still required
  - Two bids are required
  - Work can begin before the legal process is completed, however, the legal approval process is still required.
- **Dollar Limits**
  - \$ 0.00 Service Purchase Contracts (SPCs) require University approval
  - \$ 5,000.01 SPCs and Blueback contracts require University Legal approval
  - \$ 20,600.01 All procurements require bid process and advertising for no less than 30 days unless on state contract
  - \$ 20,000.01 All contracts require Office of Attorney General approval
  - \$500,000.01 All contracts require the Office of General Counsel approval

\*\*MOU's and LOA's require University Legal approval at **ANY** dollar amount\*\*



# Key Points (Continued)

- **Sole Source** implies that there is only one person or company that can provide the contractual services needed.
- The **maximum time period** for a contract is five(5) years; unless prior approval is received from the Chancellor's Office.
- **Prohibited Contracts**
  - PASSHE/ University employees
  - Contracts for the purchase of insurance
    - An exception to this rule is the collision insurance for rental vehicles
  - Attorney services
- **Prohibited Contract Clauses**
  - **Assignment** – No assignment without the prior written consent of the University.
  - **Legal Jurisdiction** – The laws of the Commonwealth of Pennsylvania must govern.
  - **Attorney Fees, Court Costs, Entry of Judgment** – The University may not voluntarily pay the contractor's court costs or legal fees, nor may it allow a contractor to confess judgment on its behalf.
  - **Indemnity and Hold Harmless** – Removed from every Commonwealth contract because it compromises the greatest protection afforded the Commonwealth entities; sovereign immunity.
  - **Arbitration** – Resolution of disputes by binding arbitration in contracts for goods and services are prohibited. The Board of Claims has exclusive jurisdiction.
  - **Payment in Advance** – Prohibited except as justified in writing.
  - **Purchase of Insurance** – State System of Higher Education universities may not purchase insurance. Vehicle rentals are an exception.
- **Labor and Industry** approval must be obtained for the addition or movement of utilities. Permits take an average of eight weeks to obtain.
- When purchasing **new equipment** Construction and Engineering should be notified.



# Key Points (Continued)

- **KU Logos** must be approved by the University Relations Office.



- **Miscellaneous**

- **Memorandum of Understanding (MOU)** – Agreement between KU and other state agencies. Must be approved by University Legal Counsel.
- **Letter of Agreement (LOA)** – An agreement between PASSHE schools. It is not a contract and cannot take the appearance of a contract. Must be approved by University Legal Counsel.



# Right-To-Know Law



- **Act 2008-03, Public Officers, Right-To-Know Law** was passed on February 14, 2008.
  - Provided for **greater accessibility** to public information.
  - **Electronic reporting** requirements.
  - Created an **appeals process**.
  - Imposes **penalties** (\$500 per day).
  - Created the **Office of Open Records** in the Department of Community and Economic Development.
  
- The **full impact** of the law did not take effect until **January 1, 2009** when the public was granted the right to public information under the requirements of the new law.
  
- The most significant change in the law was to **shift the burden of proof** from the requestor to the university.
  
- **Information not Covered by the Act:**
  - Information exempt under section 708 of the Act.
  - Information exempt from being disclosed under any other Federal or State law or regulation or judicial order or decree.
  - Information protected by a privilege, such as attorney client.



# Right-To-Know Law (Continued)

## How does the Law impact YOU?

### ➤ Records Retention

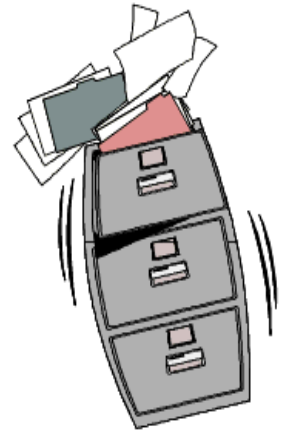
- Retention Policy
- Must abide by policy (destruction of files) physical and electronic

### ➤ Kutztown University **Open Records Officer** is

Mr. Gerald Silberman, VP for Administration & Finance

### ➤ Your correspondence is subject to the Right-to-Know Law

- Your e-mails are subject to the Right-to-Know Law.
  - **Record** – An e-mail record with current administrative, legal or fiscal value. Maintain according to Retention Policy.
  - **Non Record** – Communications that serve no administrative, legal or fiscal purpose to the University. Destroy Immediately.
  - **Transitory Record** – Short term administrative, legal or fiscal value once the administrative, legal or fiscal use has expired, has little or no documentary or evidential value, or is useful for a short period of time to ensure that a task is complete or prepare a final product. Destroy when no longer needed.



**Thank You!**  
**Procurement Services**  
**is here to serve YOU...**  
**our customer!**