

**Hamilton College
Procurement Policy**

Eff. 9/2022

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1. Purpose

The purpose of this policy is to provide clear guidelines for purchasing materials, supplies, services, and equipment in order to ensure quality and compliance and, at the same time, minimize cost and provide the best benefit to Hamilton's overall mission.

2. Introduction

The Procurement Office establishes the College's procurement policies and procedures and provides procurement services to the departments. It is the mission of Hamilton College's Procurement Office to serve as a strategic partner to the Hamilton Community for the acquisition of goods and services.

Procurement Office staff have the authority to sign on behalf of the College's contracts, purchase orders, agreements and other methods associated with the purchase of goods and services. A buying department is a department of Hamilton College that also has the responsibility for sourcing or purchasing products and services in support of the College's mission. The other department with formalized buying activity is Facilities Management. Other departments within the College rely on Procurement to assist them and utilize Procurement Cards (P-cards) or requisitions for their purchases.

Each buying department making the purchases is responsible for all aspects of this policy as it applies to products and services that they source on behalf of the College. This policy is designed to take into account the unique requirements of different buying requirements; however, not all aspects can be anticipated and the Procurement Office should be consulted when unique situations arise.

All purchases must reflect our best efforts regarding value sourcing, comply with all applicable law, regulation, and Hamilton specific policies, and must have a sufficient budget to cover the purchase. The Procurement Office is available, as needed, to support any aspect of our procurement process.

This purchasing policy is meant to guide employees in understanding how to procure goods and services for the College.

- a. Goods generally include office supplies, materials, classroom supplies, IT and non-IT equipment, laboratory supplies, and books. See the definition below of the difference between goods that are purchased through the Capital Budget versus goods purchased through the Operating Budget.
- b. Services include equipment maintenance and repair, software maintenance, consultant/subcontractor fees, designer fees, speaker fees, and visiting artist fees.

Please reference <https://www.hamilton.edu/offices/business/general-ledger/object-codes-1> for a link to view the full list of object codes used to categorize goods and services in the College's accounting system.

3. General Policies and Procedures

3.1 Conflict of Interest

Any employee of Hamilton college who may be involved in the procurement of goods or services and whose family members, or they themselves, have a financial or other interest, must notify the Procurement Office immediately. Involvement in the procurement process includes, but is not limited to, suggesting vendors, submitting requisitions, generating purchase orders, reviewing proposals, signing agreements/contracts, or otherwise having an impact on the

decision-making process. Should it be determined to move forward with a vendor who has a staff relationship, the staff in question will be removed from the respective procurement process to avoid a potential conflict of interest.

The college's Conflict of Interest policy can be found here:

<https://www.hamilton.edu/offices/human-resources/policies/conflicts-of-interest>

3.2 Sustainability

In keeping with the College's sustainability initiatives, we strive to purchase from environmentally responsible vendors and those items produced through environmentally responsible means. It is our preference to purchase post-consumer recycled or bio-based products, carbon neutral products, and those products that may otherwise minimize negative environmental impacts.

Specific commodity items meeting sustainability criteria will be flagged as the primary items to purchase, such as office copy paper and janitorial supplies. When reviewing these commodities, the following criteria are reviewed:

- Forest Stewardship Council (FSC) certified
- Blue Angel labeled (German Federal Environmental Agency)
- Cradle to Cradle certified
- ECOLOGO certified (UL environment)
- EU Ecolabel
- Good Environmental Choice Australia (GECA) certified
- Green Seal certified
- Nordic Swan labeled (Nordic Ecolabelling Board)
- US EPA Safer Choice labeled
- Other multi-criteria sustainability standards and ISO Type 1 ecolabels developed/administered by Global Ecolabelling Network and/or ISEAL Alliance member organizations

3.3. Insurance

Any contractor performing work at the college must have a current certificate of insurance on file before a Purchase Order is issued and work begins. Generally, a "contractor" is a vendor who comes on to our campus or provides a service, such as building renovations or student transportation. Some exceptions include guest speakers, certain performers, and instructors. The Procurement Office's review of a requisition includes verification that the certificate is on file and, if it is not, Procurement will notify the requestor. It is the requesting department's responsibility to obtain the certificate of insurance from the vendor. Typically, when notified, the vendor will request a certificate from their insurance carrier, who should send it directly to Procurement. Procurement will notify the department when the certificate has been received and will issue the Purchase Order.

For Facilities-related contractors, Facilities Management will manage, monitor, and maintain the Certificates of Insurance.

Our minimum insurance requirements are available at: <https://www.hamilton.edu/offices/auxiliaryservices/certificates-of-insurance>

3.4 Sales Tax

The College is exempt from all sales tax in the state of New York. This exemption applies to hotels, meals, rental cars, and business purchases. The College also has reciprocal tax exemption status in the following states: Connecticut, Florida, Illinois, Maine, Massachusetts, Missouri, New Jersey, and Rhode Island. See link to the College's entire policy on tax exemption and copy of the tax-exempt certificate at <https://www.hamilton.edu/offices/auxiliaryservices/purchasing/tax>.

Taking advantage of the College's tax-exempt status to avoid the increment cost is required. Merchants will generally require a copy of this certificate and proof that Hamilton is the direct purchaser of the goods or services in order to waive the sales tax; this is usually determined when the department is discussing the price with the vendor. As a result, it is the department's responsibility to provide the vendor with the applicable tax-exempt certificate. Procurement is available to assist if necessary.

4. Vendor Policies and Procedures

4.1 Vendor Approval

A vendor is defined as a third-party organization that provides a product or service to the College:

- a. A firm or organization that has been incorporated or registered as a company (corporation, company/limited, partnership). A "not for profit" (e.g. university, hospital) is also considered a vendor.
- b. A sole proprietor or independent contractor is a self-employed individual.

All new vendors are required to complete a New Vendor Account Set Up Form and submit along with a W9 or W8, dependent upon international status. Vendors may be asked to update their information on occasion utilizing this process. In some cases, a Certificate of Insurance may be required as well. Vendors can submit these documents through the New Vendor Upload portal link below. The Procurement Office and Accounts Payable will then create the vendor in our ERP for procurement activities.

<https://www.hamilton.edu/OFFICES/BUSINESS/FORMS/W9-UPLOADER>

4.2 Independent Contractor vs. Employee Determination

Individuals providing services to the College must be properly identified as either employees or independent contractors. Generally, the College must withhold income taxes, withhold and pay Social Security and Medicare taxes on wages paid to an employee. No taxes on payments are withheld for independent contractor services. The IRS and other government agencies assess significant penalties for misclassification of employees as independent contractors.

Any contractor performing services, other than speaking, performing or instruction, on campus must have an active certificate of insurance on file and it is the buying department's responsibility to make sure an up-to-date copy is sent to Procurement via email to Adenny@hamilton.edu prior to work beginning. All exceptions must be approved by the Director of Procurement and Administrative Services.

Please refer to the link below for additional information on Independent Contractors vs. Employees, including steps to procure an individual's services:

<https://www.hamilton.edu/offices/business/accounts-payable/independent-contractor-vs-employee>

4.3 Vendor Selection

Procurement and buying departments are responsible for the college's vendor selection and qualification based on the vendors' ability to provide the required goods and services in a timely, cost-effective, and responsible manner. The vendors that can provide the best overall value for the college will be selected.

Many important factors will be taken into consideration when selecting a vendor including, but not limited to, the following:

- Quality of product or service
- Competitive pricing
- Terms and conditions
- Reputation
- Financial stability
- Ethical practices
- Convictions/violations of the company or any of its officers

Each vendor selected needs to be qualified through a series of standard inquiries as well as the specific requirements of each individual buying department. The standard inquiries are compliance oriented in focus, for example, addressing potential Conflicts of Interest and are part of the new vendor setup process.

Further, the nature of our buying activities often results in the creation of long-term business relationships. In such a situation, these vendors need to be requalified by submitting the Vendor Qualification Questions Form found in Appendix A at least once every five years. Each buying department is responsible for this process and Procurement will also keep records to support requalification activities. Requalification helps to ensure the contract is still favorable and there is no conflict of interest.

Hamilton College does not agree to endorse particular vendors and departments should not agree in contract or via other means to endorse a vendor.

4.4 Vendor Diversity

The College makes every effort to diversify our procurement activities to include MWBE (Minority and Women Owned Business Enterprise), VBE (Veteran Owned Small Business Enterprise), and SB (Small Business) vendors where applicable and appropriate. These vendors will be given the opportunity to bid on projects and be included on vendor listings, regardless of funding source. These vendors will be evaluated and selected using the same criteria as all other vendors and will not be favored solely on their status. Vendor awards will always be made based upon best value; however, if all parameters are favorable, the College prefers to support diversity vendors where possible. A link to the New York State certified MWBE vendor directory can be found below.

<https://ny.newnycontracts.com/FrontEnd/SearchCertifiedDirectory.asp?XID=5529&TN=ny>

4.5 Vendor Suspension and Termination

Hamilton College has the right to suspend or terminate vendor relationships, or revoke a vendor's approved status, at its discretion based upon, but not limited to, the following factors:

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- Status changes to debarred/excluded from Federal procurement and non-procurement programs throughout the U.S. Government and from receiving Federal contracts or certain subcontracts
- Unethical business practices and/or ethics violations
- Poor business practices (e.g., failure to supply, failure to meet agreed upon deadlines or other contract terms without appropriate reasoning, failure to respond to inquiries or other communications, unauthorized price changes, invoicing errors, etc.)
- General contract terms and conditions specific to an individual vendor

Suspension/termination notice will be sent to the vendor from Procurement and will specify the reason, length of time (if suspended), and requirements for reinstatement. Suspension period and reinstatement are at the discretion of Procurement and are based upon severity of violation and documentation provided to support reinstatement. Documentation submitted should provide a clear and detailed description of how the issue was resolved.

4.6 Vendor Classification

Hamilton classifies vendors into 5 categories:

- Contracted Vendors
- Discounted Vendors
- Retail Vendors
- Facilities Management Contractors
- Other Vendors

These classifications identify the vendor's relationship with the College. The Procurement Department maintains a master list of vendors within our Enterprise Resource Planning (ERP) software for the first four classifications.

Contracted Vendors

Vendors with competitively bid contracts that result in a sourcing relationship with the College receive "Contracted Vendor" status. These competitively bid contracts may or may not legally bind the College to do business with the vendor based on the terms and conditions of the contract. All contracts must be reviewed and signed in compliance with the Contract Approval Authority Process and must have a sufficient budget to cover the purchase. Before entering into a contract, the vendor must complete the Vendor Qualification Questions Form (Appendix A) and every 5 years thereafter and vendors with long standing contracts must be evaluated and competitively bid at least every 5 years,

Discounted Vendors

Discounted Vendors are designated by the Procurement Department based on a formal discount program that creates value for the College. The College is not obligated to purchase from a Discounted Vendor, however they should be used when they offer the best value. Discounted Vendors typically offer goods and services across divisions and a list of Discounted Vendors will be maintained on the Purchasing website. Discounted Vendors must complete the Vendor Qualification Questions Form.

Retail Vendors

Retail Vendors are those who operate a retail or online store and do not have a formal contracting relationship with the College. Department Purchasing Cards should be used for retail purchases under \$1,500 (per transaction) whenever possible. As with all transactions, the College's tax-exempt status should be used whenever possible. Retail Vendors are typically paid by a Department Purchasing Card and are not added to the master list of vendors.

Facilities Management Contractors

Facilities Management works with a variety of contractors for campus-related projects. These contractors have completed the Contractors Qualification Form and have been categorized according to their scope of service and ability to meet project needs. New contractors may be added and existing contracts dropped to/from the group as appropriate.

Other Vendors

Vendors who do not fit within the other categories must also provide the information requested on the Vendor Qualification Questions Form (Appendix A) before being added to the master list of vendors in our ERP. Payments under \$1,500 should be made using the Invoice Request Form and those over \$1,500 should be made using a Purchase Order or Blanket Purchase Order.

5. Purchasing Policies and Procedures

5.1 Small Dollar Purchases

Small dollar purchases up to \$1,500 may be made without the use of a purchase order as long as they could not otherwise be made as part of a blanket PO through a contracted vendor. Faculty and administrators may use their corporate credit cards or cash to make these purchases. Sales tax exemption must be requested if purchasing in the state of New York. Other small dollar purchases include office supplies through our vendor ordering platform. The corporate credit card policy can be found here:

<https://www.hamilton.edu/offices/business/corporate-card>

5.2 Large Dollar Purchases

Large dollar purchases must be made using an approved purchase order. Large dollar purchases include any purchase totaling greater than \$1,500. A purchase requisition form must be completed and signed by the appropriate signature authority as noted in section 5.9. The requisition and relevant supporting documentation should be submitted to the Procurement Office. Please ensure there are sufficient budgeted monies for the purchase prior to submitting a purchase requisition. If Facilities Management or LITS will need to be involved due to the nature of the item (electrical, mechanical, etc.) or software, please be sure to obtain their approval prior to submitting a requisition. Procurement will review all requisitions to ensure best value.

5.3 Capital Purchases vs. Operational Purchases

The College capitalizes major equipment and software costing more than \$5,000 per individual item and which is expected to be of use for more than 2-years. All costs incurred to purchase the asset and put it in place and in operation are capitalized,

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including interest on financed construction costs. Land and building improvements are capitalized if the project cost is more than \$5,000 and the asset is significantly improved and/or its function is changed. Routine maintenance such as roof repairs, painting and repaving are not capitalized. Land improvements include paved parking lots, roads, sprinkler systems, landscaping improvements and improvements to athletic fields and courts. Capital Projects are to be approved by Facilities Management and accounted for in Capital Accounts rather than Operating Accounts and should be charged using the expense object code 4826. Large equipment purchased outside of projects must be charged to 4825 whereas small equipment under \$5,000 would be charged operationally to 4820. Capital equipment may be purchased from Endowed Income accounts, but the expense code 4825 must be used. Capital expenditures should generally not be purchased from departmental operating budgets (accounts beginning with 10). Requests for capital purchases should be submitted separately during the College’s annual budgeting process. For emergency capital needs that occur outside of the annual budget cycle, the College has a small reserve of funds that may be accessed; please contact the Associate Director of Finance if such a need arises.

The summary below combines IRS guidance and Hamilton policy to support routine analysis for distinguishing between capital and operating expenses.

Capital	Operating
Fund source is the capital budget with appropriate GL#	Fund source is the operating budget with appropriate GL#
Actions generally >\$5K in cost that accomplish the outcomes below.	Actions that accomplish the outcomes below.
<ul style="list-style-type: none"> • Creation of a new asset through acquisition or construction. 	<ul style="list-style-type: none"> • Preserves or protects the asset through routine maintenance or recurring activities (inspection, cleaning, testing, replacing parts)
<ul style="list-style-type: none"> • Additions, or major upgrades/modifications to an asset. 	<ul style="list-style-type: none"> • Improvements that keep property in efficient operating condition.
<ul style="list-style-type: none"> • Addition of major new components to an asset. 	<ul style="list-style-type: none"> • Minor repairs to an asset (generally less than \$5K)
<ul style="list-style-type: none"> • Extends the useful life of an asset. 	<ul style="list-style-type: none"> • Training, maintenance, or warranty agreements beyond the initial scope of a construction project.
<ul style="list-style-type: none"> • Restores the asset to a "like new" condition. 	<ul style="list-style-type: none"> • Provision of a recurring or routine service.
<ul style="list-style-type: none"> • Increases the capacity of the asset. 	
<ul style="list-style-type: none"> • Adapts the asset to a new use. 	
<ul style="list-style-type: none"> • Planning action to support potential capital development or improvement 	

5.4 Capital and Operating Leases

All lease requests must be reviewed by the Procurement Office as well as the AVP for Finance & Controller. When the AVP is performing an analysis for equipment leases, it must be determined if the lease will be Capital or Operating. A capital lease involves the transfer of ownership rights of the asset to the lessee. They are treated like an asset on a company's balance sheet and are counted as debt; they depreciate over time and incur interest expense. An Operating lease is used for short-term leasing purposes and is similar to renting; the asset does not transfer ownership and does not appear on the balance sheet.

To be classified as a capital lease, any one of these four conditions must be met:

- A transfer of ownership of the asset at the end of the term
- An option to purchase the asset at a discounted price at the end of the term
- The term of the lease is greater than or equal to 75% of the useful life of the asset
- The present value of the lease payments is greater than or equal to 90% of the asset's fair market value

5.5 Purchasing Card (P-Card)

Hamilton College's purchasing cards are MasterCards issued by Key Bank to College employees or departments for the purpose of purchasing business related goods and services that are \$1,500 or less, per transaction. Purchasing cards are not to be used for individual employee travel expenses; any business-related travel expenses should be put on a travel card. If a card is issued to a department, a departmental employee is designated as the one responsible for monitoring the use of the card and approving transactions charged to it. Purchasing cards will be revoked if cardholders do not comply with the requirements of this policy. The Associate Director of Procurement will approve all new P-Card requests and limits.

Vendors should be informed that purchases are exempt from sales tax when the purchase is made. Some merchants will only require the College's exempt organization number which is printed on the card. Some merchants however, may require a copy of the tax exemption certificate appropriate for the state in which the purchase is being made.

An original receipt must be obtained from the merchant for each transaction posted to a purchasing card. Users should create a receipt folder on their department drive to save copies, photos or emails of receipts and maintain for at least three (3) years. Personnel in the Business Office will periodically conduct purchasing card audits to ensure cards are being used and administered appropriately.

More information regarding the P-Cards can be found here: <https://www.hamilton.edu/offices/business/corporate-card/purchasing-card-policy>

5.6 Competitive Bidding

In order to ensure best value, competitive bidding may be done on purchases over \$10,000. The competitive bidding process requires at least 2 different proposals be sourced for the same item or project. Purchases over \$50,000 require 3 quotes and may require a formal Request for Proposal (RFP) process. This process is to be facilitated by Procurement to ensure the same information is communicated and all processes are followed appropriately.

In order to initiate the RFP process, the requestor in need of the products or services shall reach out to the Procurement Office with the purchase specifications and a list of recommended vendors. Procurement will prepare the RFP document

and timeline in conjunction with the requestor; RFP timelines can take up to 12 weeks depending on the complexity of the product or service being bid. Once the proposals are received, Procurement will work with the requesting department to evaluate received information and select a vendor based upon the best value proposed. It is critical to inform Procurement of an intent to bid a product or service as early in the process as possible, preferably in the budget process, to ensure adequate time to plan and prepare.

In certain cases, competitive bidding may be waived based upon certain existing conditions such as software compatibility, sole-source goods, or emergency repairs. In these cases, a Competitive Bidding/RFP Waiver Form must be completed and submitted with the requisition if the purchase is over \$10,000 (\$25,000 for Facilities contractors).

5.7 Purchase Requisitions

The purchase of all goods and services should be processed via purchase requisition and submitted to the Procurement Office prior to ordering or work commencing unless alternative purchasing mechanisms are to be used (e.g. P-Card, office supplies). Supporting documentation, including quotes, agreements, RFP Waiver (if necessary), and justifications must accompany the requisition. Requisitions are required for the purchase of all goods and services for transactions greater than \$1,500 and must have the necessary department approval. Requisitions will be processed by the Procurement Office within 3 business days once all necessary price negotiations are completed and required information is obtained.

5.8 Purchase Requisitions and Transactions using Grant Funds

Hamilton College has established a system of controls to monitor sponsored projects on a regular basis and promote compliance with federal regulations. The Principal Investigator (PI) is responsible for compliant charging of expenses to his/her sponsored project award. The Director of Sponsored Program Grants will provide guidance and support on an ongoing basis, review and approve expenditures and perform other central monitoring functions. The College will adhere to the requirements of State, Federal, and other sponsors for all purchases using grant funds (including but not limited to the Federal Acquisition Regulations and the Uniform Guidance) in cases where grant requirements are more stringent than College policies.

More details on the grant expenditure process can be found here:

<https://www.hamilton.edu/documents/Grants--expenditure%20monitoring.pdf>

5.9 Purchase Orders and Blanket Purchase Orders

A Purchase Order is a standard college-generated contract that, based on the information in the requisition, is produced by the Procurement Office and submitted to the vendor in order to procure goods and services.

A Blanket Purchase Order is a special type of Purchase Order that can be used in situations where multiple purchases will be made to one vendor frequently over a specific period of time. Blanket Purchase Orders must have a term that remains within the current fiscal year. Individual purchases made using a Blanket PO must remain under \$1,500.

Departments needing to issue a Purchase Order or a Blanket Purchase Order must initiate the process by creating a requisition and sending to Procurement along with the appropriate supporting documents for review for best value and appropriate vendor credentials. Upon successful review in Procurement, they will issue the Purchase Order or Blanket

Purchase Order. If an issue arises during the review, Procurement will advise the sourcing organization and help to resolve it. A requisition must be created and a Purchase Order or Blanket Purchase Order must be issued before an order is placed or a contractor begins work. The Purchase Order or Blanket Purchase Order represents not only the terms of the transaction, but our order for the product or service.

FURNITURE PURCHASES: Furniture purchases outside of dormitory furnishings must be made through Procurement using a purchase order; dormitory furnishings must be obtained through FM. For assistance with competitive pricing or to have a sales representative review an office space, please contact the Procurement Office. Procurement will first check the furniture inventory on campus prior to contacting vendors. Purchases for large furniture projects (over \$5,000) can only be made if an appropriate equipment account has been established by the Business Office; these purchases cannot be made through the general operating budget of a department.

5.10 Approval Levels – Requisitions

In order for Procurement to process a requisition and issue a Purchase Order or Blanket Purchase Order, the following approvals are required at the time the requisition is submitted.

- Requisitions for amounts between \$1,500 - \$10,000 must be approved by Department Heads
 - Department Head is defined as the Department Director, Chair, Program Manager, or Associate Vice President
- Requisitions for amounts greater than \$10,001 must be approved by the Division Vice President
- In addition to the above approval levels, requisitions for computer equipment, software, software as a service, and related items must be approved by the VP of Libraries and Information Technology or his/her designee. This is an off-line process that can be initiated by contacting LITS via their service request system.

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Approval Levels for the Procurement of Goods, Services, and Service Contracts

Dollar Threshold	Description	P-Card	Purchase Order	Quote Requirement	Approval Level Needed
\$0 - \$1,500	Small Dollar Purchase <i>Office supplies, catering One-time purchases not able to be put on a blanket PO Furniture is not permitted on a P-Card and must be put on a PO</i>	Yes	Not required unless it can be part of a blanket PO with a contracted vendor	Not required	None
\$1,501 - \$10,000	Large Dollar / Capital Equipment Purchase <i>Small equipment, volume purchase of lower cost items Major equipment or software over \$5,000 with a useful life of over 2 years</i>	No	Required; electronic requisition must be submitted to Procurement with appropriate level of approval	One quote is recommended	Department Head (Department Director, Department Chair, Program Manager, or AVP)
\$10,001 and over	Capital Equipment Purchase <i>Major equipment or software with a useful life of over 2 years Vehicles Renovations and construction projects</i>	No	Required; electronic requisition must be submitted to Procurement with quote and appropriate level of approval	One quote is required; two or more quotes are recommended. Three quotes required for purchases over \$50,000.	Vice President
Grants & Sponsored Programs					
Less than \$10,000	Micro-Purchase	Yes, but only for purchases under \$1,500 per transaction	Required	One quote required	Department Head & Director of Sponsored Programs
\$10,001 - \$249,999	Small Purchase	No	Required	Two quotes required	Vice President & Director of Sponsored Programs
Over \$250,000	RFP	No	Required	Three quotes required; competitive bidding required	Vice President & Director of Sponsored Programs

*Endowed income / restricted gifts require approval from the Assistant Dean for Academic Finance and Resources

5.11 Receivers

When using Purchase Orders, the buying department should indicate when an item ordered or service provided has been received or delivered. The buying department does this by completing the Invoice Payment Form at the time the product was received and verified as accurate or the service provided satisfactorily. At this time, if the invoice is associated with a Purchase Order, Procurement will receive the product into the ERP. The Business Office is unable to pay an invoice for a product or service under a Purchase Order until the receiver is completed. Receivers do not need to be entered for Blanket Purchase Orders.

The Invoice Payment Form can be found here:

<https://www.hamilton.edu/offices/business/forms/invoice-payment>

5.12 Invoices

Invoices for Purchase Orders and Blanket Purchase Orders should always be sent directly to the buying department. When the goods have been received or services provided, the buying department should submit the invoice to Accounts Payable via the Invoice Payment Web Form entering the Associate Director of Procurement as the approver. If the invoice is not associated with a PO, the respective department head can be entered depending upon dollar amount.

5.13 Check Requests and Invoice Payments

A Check Request is the method used to initiate direct payments to vendors when needed. Generally, this is for payments of \$1,500 or less when a Purchasing Card cannot be used.

Payments under \$1,500 will be submitted to the Business Office by using a Check Request on the Hamilton Website, generally, for the following buying transactions; subscriptions, registrations, membership fees, honoraria, speaking fees, etc. Some of these transactions may be formally contracted and the Contract Approval Authority Procedure applies.

After completing a Check Request the requestor will receive an email that the request is complete.

<https://www.hamilton.edu/offices/business/accounts-payable/payment-links>

5.14 Inventory Management

Departments that maintain and manage a physical inventory are required to maintain an accurate tracking system of inventory in and out as well as perform annual reconciliations or periodic cycle counts. Inventory refers to any products kept as a surplus to ensure adequate supply should an urgent need arise (e.g., laptops and maintenance supplies).

5.15 Hazardous Materials

Some items that are procured may be dangerous or regulated and may require a special license and/or internal approvals. Generally, these conditions arise with sourcing associated with our academic laboratories. However, the college has a

number of non-laboratory departments that regularly rely upon chemical materials. These include administrative departments such as Facilities Management and the Print Shop, and academic departments such as art and theatre.

Hazardous and radioactive substances must be procured with the assistance of the Environmental Protection and Safety department. Certain drugs, syringes, and chemicals require special licenses for possession. Strong acids and bases, certain lasers, as well as many solvents must be handled and stored according to state and/or federal regulations. It is the responsibility of the buying department to ensure that all ordered items are compliant with current College policy and with state and federal regulations.

5.16 Emergency Purchases

In an emergency situation, vendors may be contacted by the requesting department to proceed with required goods or services. Department personnel shall make every effort to involve Procurement in the transaction and Procurement will make every effort to expeditiously accommodate the department's need.

In the event of an emergency, Procurement must be notified if practical. If Procurement is not available, the department should take appropriate steps to immediately handle the emergency to eliminate the threat to personal safety or damage to College property. The requesting department must then notify Procurement of the emergency purchase and provide a copy of the order confirmation if available.

An emergency is a sudden unexpected event that must be dealt with urgently in order to prevent or minimize injury to persons, loss to property, or financial resources. Examples of emergencies are:

- Repairs to property due to catastrophic situations such as fire, flooding, or adverse weather conditions
- A machine, apparatus, or electronic system vital to a project schedule has an untimely breakdown or damage and delay would lead to higher expense
- Lack of materials or services would seriously endanger the life, safety, or health of any person

An emergency is **not** a potential or probable delay caused by improper planning.

5.17 Facilities-Related Purchasing

Facilities Management is a formalized buying department within Hamilton College and has authority to generate Purchase Orders for their goods and services.

A. Service Contracts

Service Contracts are defined as planned contracts that are required for recurring maintenance needs. Service Contract requests go to the Contracts & Budgets Support Specialist and should include the following forms:

- Service Contract Request Form, if contract is over \$5,000
- Service Contract Checklist, completed to line 10
- Hazard Evaluation Form
- Single Source Request Form, if using a single source and contract is over \$5,000
- Quote from the service providers(s) listing labor and materials

- Any other applicable information

B. Construction Contracts

Construction Contracts are defined as planned contracts that are considered a Capital improvement, usually with a value over \$5,000. Contracts less than or equal to \$500,000 are charged to Capital Budget accounts, beginning with “10” and numbered sequentially. Projects that arise after the project list has been created and approved will come

out of the capital project contingency fund with the Director of Planning & Project Management’s approval. Construction Contract requests go to the Contracts & Budgets Support Specialist and should include the following forms:

- Capital Project Request Form
- Capital Contract Checklist
- Hazard Evaluation Form
- Single Source Request Form, if using single source and contract is over \$25,000
- Capital Contract Request Form
- Any other applicable information

C. Other Contracted Services

Other Contracted Services are defined as unplanned contracts that don’t necessarily fit into either the Service Contract or Construction Contract categories but will require a contractor to complete the work. In this case, the Trades Manager will fill out the Capital Project Request Form to initiate the contract.

D. Term Contracts

Term Contracts are defined as contracts used for various selected trades that will likely be required across campus but are not necessarily planned. These contracts have a pre-set rate for labor, materials or work to be completed per project, depending on the contractor.

6. Contract Review Policies and Procedures

6.1 Contracting Methods

The College purchase obligations are executed in the form of written agreements that establish legal relationships obligating the vendor or independent contractor to furnish goods or services and obligating the College to pay for them. Examples of contracting methods used by the College are as follows:

- a. Purchase Orders: a template form contract that is issued to vendors subject to the College’s specific General Terms and Conditions (see Appendix C).
- b. Contracts: written commitments between the College and companies or independent contractors based on a set of agreed upon terms and conditions.
- c. Service Procurement Agreements: College approved contract to be used for procuring professional services, independent contractors, etc. Procurement must be contacted in order to obtain a copy of this contract.

6.2 Contract Review Process

All Contracts need to be reviewed by the Procurement office prior to execution. When a vendor presents a contract to you for services, software, equipment, etc., it needs to be sent to Lucy Burke, Director of Procurement and Administrative Services (lburke@hamilton.edu, Ext. 4999) along with a purchase requisition. At the discretion of senior staff or the Office of Procurement and Administrative Services, some contracts will be referred to College Counsel for review before approval as well. The Director of Information Security and Privacy, Jerry Tylutki, will also be asked to review all contracts that allow a third-party access to any student data, employee data or confidential information. Often, a Non-Disclosure Agreement (NDA) and/or a Data Security and Privacy Addendum (DSPA) will be added to contracts to protect the confidentiality and security of College information.

Contracts will be reviewed by the Procurement office and the Security Officer to ensure the terms and conditions are in line with the College's contracting guidelines. The contract review process will add 2-4 weeks to the procurement process so please plan accordingly.

The senior staff members of the College are authorized to sign contracts on behalf of the College. Any contracts requiring non-budgeted funding or funding more significant than the budget amount initially approved for the project must be approved and signed by the Vice President for Administration and Finance. The senior staff and any other Hamilton personnel authorized to sign contracts are responsible for ensuring that all contracts are thoroughly reviewed for appropriate content and terms before signing.

The [LITS checklist](#) must be used for any contracts that involve acquiring any new information systems/services.

Delegated Signature Authority:

Facilities Management

The Associate Vice President for Facilities and Planning is authorized to sign construction contracts and purchase commitments approved by the Board of Trustees up to \$5,000,000.

Procurement

The Director of Procurement and Administrative Services is authorized to sign leases for approved equipment and services up to \$50,000.

Student Activities

The Associate Director of Student Activities is authorized to sign the standard Hamilton College performance contract and agency/artist contracts for commitments up to \$5,000. The Assistant Dean of Students for Student Engagement and the Director of Student Activities are authorized to sign radio station licensing contracts up to \$5,000 and performance contracts for commitments up to \$75,000. Contracts meeting these criteria are filed in the student activities office.

For further details on the College's Contract review process and authorized signatories please visit:

<https://www.hamilton.edu/offices/auxiliaryservices/purchasing/contracts>

7. Ancillary Purchasing Policies

7.1 Capital Asset Recording

All capital assets that have an associated cost of at least \$5,000 must be added to the capital equipment list. The Procurement Office is responsible for maintaining an accurate inventory listing. It is the responsibility of the department that oversees or manages a particular asset on the listing to notify Procurement before disposing or transferring the equipment to another department; this can be done by utilizing the Asset Disposition Form.

7.2 Surplus Furniture and Equipment

Furniture and equipment that are no longer of use to the department must be reported to the Procurement and FM office; this includes high-value items such as books and art as well as anything considered a capital asset. The Procurement Office, in conjunction with FM, has responsibility for determining the appropriate disposition of all surplus furniture and equipment and for authorizing and accomplishing this disposition or reallocation. A department may not unilaterally dispose of any Hamilton property.

The process for disposing of or reallocating surplus furniture and equipment is as follows:

1. Complete the Asset Disposition Form and submit to Procurement/FM
2. Procurement will determine if the item is to be saved for reallocation, posted for sale, or discarded
3. If it is determined to discard the item, the department must make arrangements with Facilities to have the items disposed
4. If the Procurement Office has no knowledge of other departments requiring such furniture or equipment, the item will be put in storage. Periodically, Procurement will offer these surplus items for sale at auction to the highest bidder or discard them if there is no interest.

**Hamilton College
Procurement Policy**

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Appendix A: Vendor Qualification Questions Form

This form should be completed by all suppliers and contractors as part of the new vendor onboarding process. Vendors with long term relationships will need to complete this form at least every 5 years.

Questions about this form should be directed to the procurement Office at purchase@hamilton.edu.

Vendor _____ Date _____

1. Please identify all current and previous business relationships with Hamilton College:

2. Please identify and describe any affiliations between individuals in the governance and ownership structure (or any member of his or her immediate family) of your organization and Hamilton College. An affiliation includes being a member of our Board of Trustees or having an employment or consulting relationship with the college. It is not necessary to report affiliations with enrolled students.

3. If required by Hamilton College, can the organization provide proof of meeting standard insurance requirements? The requirements are available on the college's website at:

<https://my.hamilton.edu/offices/auxiliaryservices/certificates-of-insurance>

If required, a certificate of insurance must be on file before a Purchase Order is issued or work commences.

Vendor Representative:

Signature: _____

Name: _____

Title: _____

Date: _____

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Appendix B: Competitive Bidding / Request for Proposal (RFP) Waiver Form

Hamilton College procures goods and services competitively as a matter of general policy. However, certain scenarios may prevent competitive bidding and RFP process from occurring. In these scenarios, this form must be completed and submitted to Procurement along with the requisition for goods or services.

Goods or Service Description: _____

Vendor: _____

Total Cost: _____

Please check the appropriate category and justify your request to waive the competition below.

____ **SOLE SOURCE:** No other company provides the required goods or services, or the vendor is a strategic partner with Hamilton College.

____ **ECONOMIC:** Use of another supplier would result in incompatibility with existing conditions; require considerable training, time, and money to evaluate; the goods or services are part of an ongoing long-term project; the product/service offered is at a substantial discount below current market conditions and price structures.

____ **EMERGENCY:** The goods or services are needed to correct or prevent a health or environmental emergency, or a safety hazard; a repair or replacement of existing equipment essential for daily operations; or when a delay in making the purchase would lead to significantly higher expense.

JUSTIFICATION TO WAIVE COMPETITION:

Requestor Name (please print): _____ Date: _____

Requestor Signature: _____ Date: _____

Approver Signature: _____ Date: _____

APPENDIX C: Purchase Order Terms and Conditions

**HAMILTON COLLEGE
GENERAL TERMS AND CONDITIONS**

1. TERMS AND CONDITIONS

a) **PURCHASE ORDER NUMBER MUST APPEAR ON ALL CORRESPONDENCE.**

b) Any written agreement between the parties shall control over this form as to terms and conditions.

2. ALL SHIPMENTS MUST BE SHIPPED FOB DESTINATION

Risk of loss shall not pass to Hamilton College until goods called for in this order have been actually received and accepted by Hamilton College at the destination specified herein. Seller assumes full responsibility for packing, crafting, marking, transportation and liability for loss of damage in transit, notwithstanding any agreement by Hamilton College to pay, freight, express, or other transportation charges.

3. TIME OF DELIVERY

Time of delivery is of the essence. If delivery dates cannot be met, seller must inform Hamilton College immediately. Such notification shall not, however, constitute a change in the delivery terms of this order, unless agreed to by Hamilton College, except that seller shall not be liable for damage rising out of either its failure to deliver or any delay in delivery occasioned by strikes, lockouts, fires, war, or acts of God.

4. IMPROPER DELIVERY

In addition to other remedies provided by law, Hamilton College reserves the right to refuse any goods and to cancel all or any part of this order if seller fails to deliver all or any part of the goods in accordance with the terms and conditions of this order.

Acceptance of part of this order shall not bind Hamilton College to accept any future shipments nor deprive Hamilton College the right to return goods already accepted.

5. WARRANTY

Seller expressly warrants all goods delivered under this order to be free from defects in material and workmanship and to be of the quality, size and dimension ordered, and certifies that all products supplied and work performed are in accordance with current Occupational Safety and Health Acts specification. This express warranty shall not be waived by reason of the acceptance of the good or payment therefore by Hamilton College.

6. ASSIGNMENT, SUBCONTRACTING

Neither party shall have any right to assign this order or any benefits arising from this order without prior written consent of the other, and unless otherwise agreed upon in writing, the right of any assignee shall be subject to all set-offs, counterclaims, and other comparable rights arising hereunder.

7. INDEMNIFICATION

Seller agrees to indemnify Hamilton College and to hold Hamilton College harmless from and against all claims, liability, loss, damage, and expenses including legal fees, arising from or due to any claim including but not limited to an actual or claimed trademark, patent, or copyright infringement and any litigation based thereon, with respect to any part of the goods and work covered by this purchase order. Seller shall defend any such litigation brought against Hamilton College provided that Hamilton College notifies seller promptly of any such suit. Seller's obligations hereunder shall survive acceptance of the goods and payment by Hamilton College.

8. CHANGES

Hamilton College may, at any time, by a written supplemental purchase order, and without notice to the sureties, make changes, within the general scope of this purchase order in any one or more of the following: (i) drawings, designs, or specifications (ii) method of shipment or packaging; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this purchase order, an equitable adjustment shall be made in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted within 30 days from the date of receipt by Seller of the notification of change. Where the cost of property made obsolete or excess as a result of a change is included in the Seller's claim for adjustment, Hamilton College shall have the right

to prescribe the manner of disposition of such property. However, nothing in the clause shall excuse Seller from proceeding with the purchase order as changed.

9. INSPECTION

Hamilton College shall have the right to inspect the work and activities of Seller under this purchase order in such manner and at all reasonable times deemed appropriate.

10. INSURANCE

Before any work can be performed on Hamilton College premises, evidence of insurance in force naming The Trustees of Hamilton College as an additional insured must be in the possession of the Director, Auxiliary Services, 198 College Hill Road, Clinton, NY 13323. Unless otherwise directed in writing, the following coverages are required:

General Liability Insurance Coverage

Limits of Liability:	
Bodily Injury:	\$1,000,000 each occurrence \$1,000,000 aggregate
Property Damage:	\$1,000,000 each occurrence \$1,000,000 aggregate

Note: If any of the rating classification embody property damage exclusions X, C, or U, coverage for eliminating such exclusions must be provided.

Automobile Insurance, for all owned as well as non-owned or hired vehicles:

Body Injury:	\$1,000,000 each occurrence \$1,000,000 aggregate
Property Damage:	\$1,000,000 each occurrence

Worker's Compensation and other employee benefits insurance (sickness and disease, including death), which shall protect the Contractor and the Owner from claims for damages to persons or property which may arise from the contract:

Limits of Liability:	\$500,000 each accident \$500,000 disease-policy limit \$500,000 disease-each employee
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11. CANCELLATION CLAUSES

Should this order be unfulfilled as of the agreed delivery date, Hamilton College reserves the right (upon notifying Seller) to cancel this order either in whole or in part without liability other than making payments for any usable portion of order already delivered. Back orders not delivered within 90 days are subject to cancellation by Hamilton College at its sole option.

12. TAXES

Except as may otherwise be provided in this purchase order, the price includes all applicable Federal, State and local taxes and duties. Hamilton College is a private, tax-exempt educational institution. Tax-exempt certificates are available upon request from the Purchasing Department.

13. DISPUTES

This agreement shall be construed and enforced in accordance with the laws of the State of New York and any legal proceeding concerning this contract shall be brought in New York State.

14. RIGHT TO WITHHOLD PAYMENT

Upon notification to Hamilton College by a Subcontractor or Seller that Subcontractor is owed payment by Seller for work performed in furtherance of this order, Hamilton College shall have the absolute right to withhold any payment due Seller until settlement of the dispute between Seller and Subcontractor.

15. DISCRIMINATION & TITLE IX REQUIREMENTS

Hamilton College does not discriminate on the basis of race, sex, color, religion, age, handicap, national or ethnic origin in admission, employment or in the administration of any program or policy. Inquiries concerning this policy, which complies with Title IX and other relevant state and federal laws, may be directed to the Assistant to the President or the Dean of Student Affairs.

16. PAYMENT TERMS - Net 30.