

Quick Guide: University Contract Rules & Procedures

Overview:

This guide provides an overview of the rules and procedures governing contracts and purchases at Kean University, including thresholds, competitive bidding requirements, and specific processes for various contract types.

- **Oversight:** UPBS is supervised by the CFO, with daily operations managed by the Associate VP of Procurement.

Purchase Thresholds and Requirements

Contract/Purchase Value	Requirements/Recommendations
Up to \$25,000.00	No competitive bids/quotes required. Use good judgment to ensure best value. UPBS may request additional information.
\$25,000.01 to \$100,000.00	Obtain three written quotes and submit with a Competitive Quote Form (exceptions apply).
\$100,000.01 or above	Public advertised bid required unless exceptions apply.
\$500,000 and above	Requires Board of Trustees approval.

**Note: Threshold values are cumulative across departments per fiscal year and exclude public works/prevaling wage. **

Competitive Bidding Thresholds

Contract Value	Requirements
\$0 - \$15,000	No NJ Business Registration required.
\$0 - \$25,000	No competition required.
\$25,000.01 - \$100,000	Obtain three written quotes and submit with a Competitive Quote Form.
\$100,000.01 and above	Formal public bid or Bid Waiver with Board of Trustees approval.

**Note: UPBS may seek price competition regardless of thresholds. **

Public Bidding Requirements

Purchases Exceeding \$100,000:

- Public advertisement required unless using approved contracts.

Approved Contracts

Purchases may bypass bidding when using:

- **State Contracts:** Obtain quotes referencing the NJ State Contract Number.
- **Municipal or County Contracts:** Provide contract details with requisition.
- **Federal Supply Schedules (GSA):** Submit price comparison documentation.
- **Cooperative Pricing Systems:** Reference cooperative contract numbers.
- **National Cooperative Agreements:** Limited to goods/services; document cost savings.

Exceptions to Public Bidding

- **Bid Waivers:** Approved by the Board for specific circumstances.
- **Goods/Services Exemptions:** Professional services, unique supplies, IT, etc.
- **Public Entity Contracts:** Agreements with government bodies bypass public bidding.
- **Failed Public Bids:** Contracts may be awarded after two unsuccessful attempts.
- **Existing Contracts:** Use state/federal schedules or cooperative agreements.

Contract Terms and Amendments

- **Standard Contracts:** Vendors should use the University's standard service agreements.
- **Vendor Contracts:** Must be reviewed for compliance and cannot include clauses such as indemnification or arbitration.
- **Duration:** Maximum of five years, extendable with CFO approval.
- **Amendments:** Require written approval; changes >20% need Senior VP/CFO approval.

Vendor Compliance

- **Vendor Requirements:** W-9, NJ Business Registration Certificate (NJBRC), and adherence to University policies.
- **Technology Contracts:** Must be approved by IT to ensure compliance with University standards.

Professional Service Agreements (PSA)

Key Elements:

- Scope of work
- Deliverables
- Term
- Cost and not-to-exceed value

Signature Process:

1. Vendor signs first.
2. UPBS obtains authorized University signatures.
3. Legal review by UPBS and/or University Counsel (allow 14 days)

Definitions

Cooperative Pricing System: A purchasing system where a local unit advertises for bids and awards a master contract to a vendor for the quantities submitted by registered members.

Cooperative Purchasing Agreement: A written contract used by two or more government entities for purchasing goods or services.

Nationally Recognized and Accepted Cooperative: A Cooperative Purchasing Agreement available nationwide, approved by New Jersey for purchasing goods and services.

Bid Threshold: The dollar limit (\$100,000) at which public advertisement of bids is required by Kean University, in compliance with N.J.S.A 18A:64O-9.

Cooperative: A collaboration among public entities to combine demand for better pricing from suppliers.

Contracts: Agreements that obligate the University to perform or purchase, excluding employment contracts.

Goods & Services: Any work, labor, or materials provided under a contract, excluding real estate.

Public Works: Construction or improvement of public facilities for government functions or infrastructure.

Purchase Order: The formal document detailing specific purchases, terms, and vendor information, issued after the requisition process.

Quotation: A written price offer from a vendor, which may be used in place of a formal bid process.