

**Industry and Defense Programs
Purchasing Policies and Procedures Manual**

Wichita State University

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Section 1 Purpose

Wichita State University's Industry and Defense Programs (IDP) Purchasing Policies and Procedures Manual ("IDP Purchasing Manual") is provided for use in furtherance of University's mission to develop and maintain a purchasing system that empowers our departments to make good business decisions and to pursue excellence while maintaining good internal controls to ensure accountability; compliance with all applicable laws, rules, and regulations; and the responsible stewardship of the University's resources. The University's Executive Vice President for Research and Industry & Defense Programs shall have authority for approval, and delegation of approval, for all purchases within IDP and shall have authority to make changes to the IDP Purchasing Manual at his or her discretion.

Section 2 Guiding Principles

In enforcing this IDP Purchasing Manual, IDP shall:

1. Focus on the stewardship of public funds.
2. Advance and support the mission of the University.
3. Promote a competitive and fair procurement environment.
4. Be open and transparent (adhering to the Kansas Open Records Act).

Section 3 Ethics, Conflicts of Interest, Gifts and Confidentiality

Employees or personnel with buying authority should be aware of University policies related to ethical business standards, conflicts of interest, gifts, and confidentiality. Adherence to the IDP Purchasing Manual and the [Wichita State University Procurement Code of Ethics](#) shall govern all procurement transactions. Potential business ethic violations must be reported through appropriate channels to be properly evaluated and addressed. Additional information regarding the Wichita State University's Code of Ethics and Business Conduct can be found on the [Business Ethics](#) website.

Section 4 Exclusions, Funding Sources and Sponsor Restrictions

Procurement for externally sponsored research programs or university capital projects are excluded from the policies and procedures included in this IDP Purchasing Manual and shall follow University policy. Such procurements shall comply with all relevant WSU and KBOR policies and state and federal laws, including, if applicable, [Policy 14.04 / Externally Sponsored Research Programs](#). All federal purchasing guidelines, purchasing constraints imposed by a sponsor,

and requirements for advance approval from the University, Kansas Board of Regents, or the State of Kansas shall be followed by the IDP department.

Section 5 Purchasing from Established Contracts

To achieve the most efficient use of university resources, IDP departments are required to make purchases using established procurement contracts. These may include state or local contracts, university sources, and the Kansas State Use Catalog. A complete list of established contracts can be viewed at the University's Purchasing website or contact the Office of Purchasing for additional information. A waiver of this requirement can be requested through the IDP Prior Authorization Form **PRIOR** to the purchase or issuance of a purchasing order in instances where a non-contracted source offers considerable savings (either \$50 or 10%, whichever is greater).

Section 6 Competitive Bidding Thresholds and Procedures

For those goods and services that are not available from an established contract, or a waiver of competitive bidding has not been approved, the subsequent competitive bidding thresholds shall be followed. "Total purchase price" is defined as the total of all installment payments or a lump sum payment and includes shipping and handling costs.

A. Micro Purchases - Less Than \$25,000

IDP departments are authorized to make small purchases direct from any vendor without soliciting competitive quotes when the total purchase price is less than \$25,000, the price is deemed reasonable by the IDP department, no additional orders for like products or services will be placed again within 30 days [which would make the overall accumulated purchase exceed \$25,000], or the purchase of the desired product or service is not otherwise restricted.

When evaluating price, IDP departments are encouraged to receive at least two informal bids through written quotes, advertisements, internet searches or telephone quotes when feasible. IDP departments are responsible for checking to see if their desired purchases are restricted items and are encouraged to contact the Office of Purchasing for help in doing so. Documentation supporting the price evaluation and selection shall be maintained by the department.

B. Informal Bid Solicitation Small Purchases – \$25,000 To \$100,000

Informal bids on purchases with a total purchase price of \$25,000 up to \$100,000 will be obtained by the IDP department by receiving at least three informal competitive bids through written quotes, advertisements, internet searches or documented telephone quotes. The **IDP Informal Bid Approval Form** shall be used to document the research completed for the purchase. The IDP department shall accept the low bid that meets specification or must provide a satisfactory, written explanation as to why the low bid/quote was not acceptable on the IDP Prior Authorization Form. Upon completion of the form, the IDP department will forward the form to the Associate Vice President of Finance and Operations for IDP for approval **PRIOR** to purchase or issuance of a purchase order. Upon approval, the informal bid form shall be included with the submission of the purchase request to the Office of Purchasing by the IDP department.

The informal bid approval form, as well as all backup materials related to the solicitation and evaluation of the informal bid, shall be retained by the IDP department for a period of no less than three years.

C. Formal Bid Solicitation Large Purchases – Greater Than \$100,000

All bids, estimated to have a total purchase price of \$100,000 or more, must be advertised and open for a minimum of two (2) weeks and processed with the receipt of formal written bids obtained by the Office of Purchasing of Wichita State University unless a waiver is obtained pursuant to Section VII.

Section 7 Waiver of Competitive Bidding

In recognition that the use of competitive bidding is not always practical or effective, IDP departments can request a waiver from competitive bidding [formal or informal depending on the applicable thresholds] for purchases of \$25,000 or more **PRIOR** to completing the purchase. Waiver requests shall be submitted on the **IDP Prior Authorization Form** to the Associate Vice President of Finance and Operations for IDP for approval **PRIOR** to purchase or issuance of a purchase order. Upon approval, the form shall be included with the submission of the purchase request to the Office of Purchasing by the IDP department. A waiver of competitive bidding may be considered under the following circumstances.

1. Sole Source: The product or service required is unavailable from any other source due to various reasons, including unique features, need of the end-user, specialized nature of service or product, etc.. A common example is used or proprietary equipment, which is often available only from a single source.

2. Non-Competition: After solicitation of a number of sources, competition is determined inadequate.
3. Emergency: The public exigency or emergency will not permit a delay resulting from a competitive solicitation and will further worsen the situation. Purchases of goods or services for emergencies warrant an immediate need for vital preservation of work performed for a client. Emergency situations do not include a rush due to failure to plan ahead, end of the fiscal year procurement cycles, or end of a grant/contract period.
4. Customer-Directed: The University has contractually agreed to procure the product or service from a specific vendor, or the customer requires a specific vendor to be used to procure goods and services. Competitive bidding may also be waived when purchased goods or services are fully reimbursed by the customer as a component of the related agreement. If approval is granted, it will apply to all purchases made from this particular vendor in support of the identified contract.
5. External Funding: The purchase is being made by using non-WSU funds, such as funds from WSU Foundation, WSIA, or the WSU Board of Trustees.
6. Renewals, Amendments or Change Orders: If the current supplier is better positioned due to knowledge and familiarity of commodity, equipment, or service to continue work or if engaging a new supplier would cause project delays and introduce additional costs.

The IDP department requesting the waiver has the burden to justify the request to waive the competitive bidding requirement. When inadequate justification and supporting documentation of the request is provided, departments shall be required to complete the appropriate competitive bidding process. The IDP Prior Authorization Form, as well as all backup materials related to the request, shall be retained by the IDP department for a period of no less than three years.

Section 8 Purchase Orders

General Rule Regarding Purchase Order Issuance. All Purchase Orders shall be issued by the Office of Purchasing of Wichita State University.

Limited Exception for Approved Employees. IDP departments may request delegated authority for specific employees to issue and sign Purchase Orders. Such limited authority will only be approved under the following conditions:

- The purchase is not for any procurement excluded from this IDP Purchasing Manual, and

- The purchase is either:
 - For goods and services costing less than \$10,000, or
 - A customer-directed purchase (as outlined in Section 7) with a total cost less than \$25,000.

Procedure to Obtain Limited Delegated Authority. To request delegated authority, the IDP department must:

1. Submit the employee's name to the Associate Vice President of Finance and Operations for IDP for an initial eligibility review.
2. Ensure the employee completes a specialized training regarding the issuance of Purchase Orders. To maintain the delegated authority, the employee will be required to complete this training every two years.
3. Upon completion of the training, the employee must sign the Purchase Order Acknowledgment Certification Form.

After these steps are completed, the Associate Vice President of Finance and Operations for IDP will confirm with the IDP department that the specified employee has been granted the limited delegated authority and is authorized to issue Purchase Orders consistent with this IDP Purchasing Manual.

Violations of the policies and procedures outlined in this IDP Purchasing Manual may result in the permanent removal of an employee's delegated authority and/or employment action, up to and including separation.

Section 9 Contractual Agreements

Purchases of goods or services in the amount of \$10,000 or more must be documented by a formal written contract.

All written contracts must include the current Contractual Provisions Attachment: DA-146a (as modified by Wichita State University), unless the written contract contains terms and conditions substantially similar to those contained in the Contractual Provisions Attachment: DA-146a, as determined and approved by the Office of General Counsel.

The IDP requesting department will work with the IDP Research Contracting Office regarding preparation of any contract.

All contractual documents shall be signed in accordance with the contracting policy referenced in Policy 1.04 / Execution of Contracts.

Section 10 Incorporation of University's Administrative Purchasing Practices

Certain University administrative procedures, as listed below, are hereby incorporated into the IDP Purchasing Manual. This includes the following administrative procedures found in the “Administration of WSU Procurement Policies in Accordance with the Kansas Board of Regents Policy on Fiscal Management”, dated April 6, 2016 (“WSU Procurement Policies”). In the event the WSU Procurement Policies are revised, the original version of the policies shall be the version incorporated into this IDP Purchasing Manual.

1. Section I – Authority and Delegation (excluding section I.a.)
2. Section IV – Ethics and Conflict of Interest
3. Section V, D. – Competitive Bid Notification
4. Section V, E. – Competitive Bid Openings
5. Section VI – Vendor Suspension
6. Section VII – Vendor Debarment
7. Section IX – Procurement Records

IDP Departments shall also adhere to the administrative procedures found in the “Business Procurement Card (BPC) Program Procedures Manual” dated September 10, 2020.

Section 11 Formal Bid Specifications, Evaluation and Award

A. Formal Bid Specifications

Bid specifications shall be developed in cooperation with the Office of Purchasing of Wichita State University in a manner that are not unduly restrictive while recognizing the purpose of the IDP Purchasing Manual.

B. Formal Bid Evaluation and Award

All formal bid responses shall be evaluated as outlined in the bid solicitation. The Wichita State University Director of Purchasing shall ensure the award decision treats all vendors equitably and is made in accordance with the specifications, terms and conditions utilized for the competitive transaction as well as the terms of this document and approved purchasing policies and procedures. Unless otherwise specified in approved purchasing procedures and in the specific bid documents governing a transaction, the criteria for awards shall be on the basis of lowest responsible bidder meeting the specifications, terms and conditions established in the bid documents.

Section 12 Dispute Resolution

The Associate Vice President of Finance and Operations for IDP is authorized to resolve any protests regarding any and all purchasing matters including but not limited to:

1. Any protest concerning the solicitation or award of a contract or purchase order; and
2. Any controversy arising between the University and a contractor by virtue of a contract or purchase order between them, including, without limitation, controversies based upon breach of contract, mistake, misrepresentation, or any other cause for contract modification or rescission.

The Associate Vice President of Finance and Operations for IDP shall render a written decision regarding the protest and furnish a copy of the decision to the protester within seven (7) working days after the protest and/or any subsequently submitted information is received.

The protesting party may appeal the written determination of the Associate Vice President Finance and Operations for IDP. If the protesting party desires to appeal, he/she must submit his/her written request for appeal to the Associate Vice President of Finance and Operations for IDP within seven (7) calendar days after receipt of the written determination. The decision of the Associate Vice President of Finance and Operations for IDP shall constitute the Final Agency Order regarding the matter.

Section 13 Prohibited Expenditures

A. University funds may not be used for the following expenditures:

1. Donations/contributions;
2. Holiday decorations;
3. Entertainment of WSU employees, including retirement and Holiday parties or celebrations, introduction, or onboarding of new staff;
4. Gifts to employees, including but not limited to get well soon, sympathy, or congratulatory items (e.g., flowers, etc.);

5. Trophies and plaques – recognition awards are only allowed if provided by Human Resources as part of the University sponsored recognition ceremony;
6. Payments to WSU employees for services or awards – Policy 13.03 Section B (3) requires all payments to University employees (including student employees) be processed through the University’s payroll process.

Some of the listed prohibited expenditures may be made from WSU Foundation funds, if available. If considering such expenditures, please consult with the Associate Vice President of Finance and Operations for IDP.

B. Gift Cards or Certificates to Employees

Gift cards should not be given to IDP employees as a gift or award. Payments for services or awards earned through, in connection with, or as a result of, an employment relationship with the University are subject to income tax withholding and must be paid through the University’s payroll process. There is no minimum dollar amount for this rule.

Gift cards won by WSU employees through “games of chance” (such as drawings) are taxable. The total amount of the prize will be reported to payroll and taxed accordingly.

C. Alcoholic Beverages

University funds generally may not be used for expenses associated with alcoholic beverages unless the purchase is (1) being made in accordance with University policy, or (2) approved by the appropriate budget officer.

Section 14 Use of Personal Funds

All individuals who have a procurement need must utilize the University's procurement tools and processes to verify compliance with state, federal and WSU purchasing policies, and minimize institutional risk.

Convenience and/or a lack of proper planning are not legitimate reasons to circumvent standard University procurement process. The use of personal funds for University expenses is allowed only when logistical or extenuating circumstances occur that preclude the use of the Wu-Buy eProcurement System, procurement process, or P-Card.

In limited instances, the University will reimburse employees for out-of-pocket expenses incurred during the execution of official WSU business. Reimbursement will only be for the amount paid using cash, check, or credit card. Purchases made with coupons, vouchers, gift card/certificates, reward points, and similar purchases will not be reimbursed. Substantiation of reimbursable expenses must detail who incurred the expense, what was purchased, where the transaction occurred, the date the transactions occurred, and the business purpose of the expense.

Section 15 Periodic Audit

The Office of Internal Audit and the IDP Business Managers Office will conduct periodic audits to determine whether or not items are being purchased that are available from University sources or from state-contracted vendors, unauthorized items are being purchased, and/or purchases are being split up into increments in order to bypass procedures for larger purchases. They will also audit how effectively IDP departments are making follow-up inquiries to obtain credit on tax charged by vendors, accurate and prompt notification of items to the University's Accounts Payable Department, and whether adequate departmental control records are being kept. Departmental delegated purchasing authority may be revoked by the University's Executive Vice President for Research and Industry & Defense Programs if found to be abused or used irresponsibly.

Section 16 Revision Dates

- A. May 28th, 2024
- B. June 20th, 2025