

Section A8.265 Specialized Purchasing

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A8.265 Specialized Purchasing

1. Air Travel

a. Out-of-State Travel

- 1) Fiscal officers are authorized to process purchase orders for out-of-state travel within their purchasing authority from any authorized travel agency, travel bureau or carrier doing business in the State of Hawaii. Air travel exceeding fiscal officers' authority shall be submitted together with the approved travel request or a list of the travelers' names, destinations, and dates of travel to a designated departmental fiscal officer with greater purchasing authority or to the Office of Procurement, Real Property and Risk Management (OPRPRM), as applicable, for procurement action.
- 2) Air travel will be at the lowest available airfare unless an overriding condition exists that dictates otherwise. Various airlines capable of meeting travellers' requirements must be considered for determining the lowest available fare.
 - a) Fiscal officers shall obtain at least three (3) verbal quotations for air travel either from three (3) different vendors, e.g., travel agencies, or from one (1) vendor for three (3) different airlines. For purchases of \$2,500 to \$24,999.99, fiscal officers shall obtain a written quotation from the low bidder.
- 3) University travellers are required to make travel reservations sufficiently in advance to qualify for available discounts. Failure to

book early shall be justified in the Travel Completion Report.

- 4) All out-of-state travel requires prior approval as provided in APM A8.851.
- 5) Airfare travel refund statement should be indicated on all University purchase orders in the description section in bold print as follows:

"Refunds on tickets shall be made payable only to the University of Hawaii."

Refer to BAC 702.

b. Inter-Island Travel

- 1) The OPRPRM will initiate contracts for inter-island air travel coupons. University programs **are required** to purchase air travel coupons from the contracted vendor. See APM, Section A8.265.18b., University Price Lists.
- 2) While in the possession of the University program, the coupons must be controlled in a manner that will preclude theft or other unauthorized usage.
- 3) All inter-island travel requires prior approval as provided in APM A8.851.

See APM Section A8.851 for additional guidance.

2. Automobile Rentals

Rental of automobiles for use by University personnel shall be allowed only in instances where government owned vehicles or privately-owned vehicles on a mileage basis are unavailable or impractical. Rental will be confined to compact and subcompact vehicles unless reasons exist that justify the need for larger vehicles. Such reasons may include:

- a. Distance/type of terrain to be traveled; and
- b. Amount/type/size of persons, materials, and equipment to be transported

The State of Hawaii self insures its automobile no-fault coverage. All leased, hired, rented, and non-owned cars are covered when authorized by the University and operated under

the name of the University. The purchase of the collision damage waiver (CDW) is permitted only in the following situations:

- a. Rentals outside the State of Hawaii;
- b. Where it is a precondition to renting a car on advantageous financial terms;
- c. Where the cost is fully reimbursable to the University; and
- d. Where the payment is covered by other than University funds

3. Business Cards

The University recognizes that business cards are required by certain University employees in the performance of their duties.

Business cards may be purchased for members of the Board of Regents, Secretary of the Board of Regents, the President, Senior Vice Presidents, Vice Presidents, Chancellors, Deans and Directors. All other University employees who are required to have business cards in the performance of their duties may obtain them with the prior approval of their Vice President, Chancellor, Provost, Dean or Director.

The Office of University Relations will review the design and content of business cards for appropriateness and shall assist in their acquisition from the Honolulu Community College Printshop.

4. Construction

For purposes of this section, "construction" shall mean the alteration, repair, painting, or decorating of existing structures or the building of new structures. Decorating includes furnishing and installing items such as carpets, draperies, window blinds, light fixtures, audio visual equipment, window and split air conditioning systems, and other fixtures to an existing building.

Significant alterations or structural changes that increase the usefulness, efficiency or asset life of existing buildings, including all permanently attached fixtures, machinery and other appurtenances that cannot be removed

without cutting into walls, ceilings or floors, or otherwise damaging the building or the items so removed shall be capitalized to increase the cost of the building. Components which can be removed without the need for costly or extensive repairs or alterations to the building shall be capitalized as equipment.

Fiscal officers shall be responsible for making the determination to capitalize building improvements as part of the building or as equipment and shall utilize the proper object code to reflect this determination.

a. Construction Requirements

- 1) Requests for construction requirements must be made through one of the following: University of Hawaii at Manoa Facilities Planning and Management Office, Community Colleges Facilities Planning Office, or University of Hawaii at Hilo Facilities Planning Office, whichever is applicable. Each Facilities Planning Office will assist the requesting program in developing design specifications.
- 2) Upon receipt of approved plans, specifications and quotations from the appropriate Facilities Planning Office, fiscal officers are authorized to issue purchase orders for construction requirements within their purchasing authority. Purchases of construction exceeding a fiscal officer's purchasing authority should be directed to the appropriate Facilities Planning Office for processing. The following shall be used as guidelines for soliciting quotations:
 - a) For construction of less than \$25,000, quotations shall be solicited based on the program's specifications in accordance with the small purchase procedures set forth in APM Section A8.250.3.
 - b) Award shall be made to the vendor submitting the lowest quotation that meets or exceeds the minimum specifications and terms and conditions set forth in the Request for Quotation.
 - c) In the event that the vendor submitting the lowest quotation does not meet the

specifications and/or terms and conditions set forth in the Request for Quotation, the program may reject the low quote. Award shall be made to the next vendor submitting the lowest quotation that meets or exceeds all specifications, terms and conditions.

b. Construction projects exceeding \$2,000 shall:

- 1) State the scope of work to be performed in the Request for Quotation and the purchase order.
- 2) Incorporate the following clause in the Request for Quotation and the purchase order:

"All work shall be performed by skilled tradespersons using the best standard practices for each trade. Contractor shall protect the existing facilities and correct and/or repair any defects/damages caused by its operation at no cost to the University."

- 3) Incorporate the following clause pertaining to the minimum wage requirements in the Request for Quotation and the purchase order:

"All work shall be performed in accordance with the Minimum Wage Rate Schedule and Chapter 104, HRS."

A copy of the wage rate schedule may be obtained from the OPRPRM.

- 4) The minimum wage requirements (**Attachment 265.1**) shall be made a part of the Request for Quotation and the purchase order.

c. Construction projects of \$4,000 and more shall incorporate the liability insurance requirements (**Attachment 265.2**) and the following clause in the Request for Quotation and the purchase order:

"Contractor shall deposit with the University, on or before the issuance of a contract or purchase order for this project, certificates of insurance necessary to satisfy the University that the

insurance provisions of the University have been complied with (See Attachment A)."

- d. Construction projects of \$25,000 or more shall be publicly advertised by the OPRPRM. See APM, Section A8.235, Competitive Sealed Bidding.
- e. It shall be the responsibility of individuals awarding purchase orders and contracts for construction requirements to ensure that contractors possess the proper contractor's license(s) pursuant to Chapter 444, HRS, and the rules and regulations of the Contractor's License Board.

5. Copier Machines

Approval from the various campuses for the acquisition of copier machines is no longer required.

6. Duty Free Applications

- a. The Education, Scientific, and Cultural Materials Importation Act of 1966 and Tariff Schedules of the United States provide that any nonprofit institution (whether public or private) established for educational or scientific purposes may obtain duty free treatment of certain instruments and apparatus entered for its use, if the Secretary of Commerce determines that no instrument or apparatus of equivalent scientific value to such article, for the purposes for which the instrument or apparatus is intended to be used, is being manufactured in the United States.
- b. The application for duty free entry should be made concurrently with the acquisition process. This is to ensure that at the time of entry of the equipment or apparatus, the University has obtained the necessary approvals and entry can be made without any unnecessary financial assessment.
- c. Copies of regulations and application forms may be obtained from the local office of the U.S. Department of Commerce International Trade Administration.

7. Environmental Health and Safety Office

a. Biological Commodities

Biological Commodities that are regulated by several international, federal, and/or state requirements may require permits for movement, transfer, importation, and exportation. All requests for the procurement or movement of biological commodities must be authorized by the UH Institutional Biosafety Committee (IBC) by filing a BSP-2 form, "Activity Authorization for Restricted Commodities" with the Committee. Items that may require authorization include: 1) biotechnology kits (competent cells); 2) proficiency testing kits (positive controls); 3) quality control kits; 4) reference strains; 5) baker's yeast; 6) microbial products (products containing micro-organisms); 7) serum and like products (bovine, calf, sheep, etc.); 8) tissue cells (animal, insects, plants, etc.); 9) micro-particles (bacteriophages, plasmids and other DNA/RNA particles); 10) native plant propagation; 11) plants and plant parts (cutting, grafts, scion, bud, seed, leaf, root, etc.); 12) soil; 13) animals (invertebrates, amphibians, reptiles, fish, birds, and mammals); and 14) human products.

The BSP-2 form may be obtained from the Biological Safety Program.

b. Hazardous Materials

The University Hazardous Material Management Program manual requires Environmental Compliance Officer approval for the purchase of hazardous chemicals. Since the following chemicals are highly toxic, explosive, water reactive or very difficult and expensive to dispose, their use shall be minimized and monitored:

Arsine	Methyl Amine
Boron Trichloride	Methyl Bromide
Boron Trifluoride	Methyl Chloride
Bromine Chloride	Methyl Lithium
Butyl Lithium	Nitric Oxide
Carbon Monoxide	Nitrogen Dioxide
Carbonyl Sulfide	Nitrogen Trifluoride
Cesium	Phosgene
Calcium Hydride	Phosphine
Chlorine	Phosphorus
Chlorine Trifluoride	Picfume

Chloropicrin	Picric Acid
Cyanogen	Picryl Sulfonic Acid
Cyanogen Chloride	Picramide
Diborane	Potassium
3,5-Dinitrophenol	Rubidium
2,4-Dinitrophenylhydrazine	Silane
3,5-Dinitrosalicylic Acid	Silane Dichloride
Ethylene Oxide	Sodium
Fluorine	Sulfur Dioxide
Hydrogen Bromide	Trinitroaniline
Hydrogen Chloride	Trinitrobenzene
Hydrogen Cyanide	Trinitrocresol
Hydrogen Fluoride	Trinitronaphthalene
Hydrogen Sulfide	Trinitrophenol
Lithium	Trinitrotoluene
Lithium Aluminum Hydride	Urea Nitrate
Lithium Hydride	Vinyl Chloride

Purchase orders for these chemicals must be accompanied by a signed Procurement Authorization for Hazardous Materials form which may be obtained from the Environmental Health and Safety Office (EHSO). Contact the EHSO at 956-3198 for further information.

c. Radioactive Materials

Under federal regulations, only licensed institutions may possess and use radioactive materials. In the University system, the Radiation Safety Program (RSP) is responsible for ensuring compliance with these rules and regulations.

Approval for possession and use of radioactive materials is granted by the Radiation Safety Program (RSP) which conditionally allows named individuals to possess and utilize specific types and amounts of radioactive materials at a designated location(s) for specific operations. The procurement of all radioactive materials (purchase or transfer) must be approved by the RSP.

A completed Form RSP-4, Procurement Authorization for Radioactive Materials must be submitted in triplicate, with the requisition or purchase order to RSP. Approved purchase orders will be forwarded to the OPRPRM or to a designated fiscal office for further processing. A copy of Form RSP-4 shall be attached to encumbrance/payment documents.

All deliveries of radioisotopes must be directed to RSP

for registration and monitoring. RSP will then deliver the package(s) to the authorized user. All purchase orders for radioactive material must be accompanied by a signed form RSP-4. Unauthorized purchases will be forwarded to RSP for investigation and clearance.

Form RSP-4 can be obtained from the Radiation Safety Program.

8. Ethyl Alcohol

Use of ethyl alcohol is restricted to certain University programs.

In addition, Federal Regulations restrict the use of tax-free (free of alcohol tax) alcohol to scientific purposes.

On the Manoa Campus, the Chemistry Department is responsible for administering the supply of tax-free alcohol. Tasks involved include:

- a. Maintenance of an adequate supply for campus users;
- b. Dispensing alcohol to campus users; and
- c. Compliance with federal regulations on the control of tax-free alcohol. (This includes keeping detailed records of alcohol used, preparation of the annual report on amount used, and applying for the annual permit to procure alcohol free of tax.)

On the Manoa Campus, alcohol may be obtained by submitting a completed copy of the standard requisition form directly to the Chemistry Department. Requisitioners will furnish their own containers and will call for the alcohol.

9. Information Technology Services

Information Technology Services (ITS) provides a wide range of information technology support to the University community. These services include: voice, data and video telecommunications; distance learning technology and support; general purpose information and computing infrastructure (email, web servers, Internet access); general purpose technology support services; and institutional administrative systems development and support. A specific set of requirements is associated with procurement of telecommunications services which impact the University and

State infrastructure or for which compatibility may be essential to operations. These procedures are outlined below.

Although not strictly required, for all other information technology hardware, software and services it is advisable to contact ITS in advance to determine whether the requirement can be fulfilled internally, whether there are internal guidelines for compatibility or support, or whether any advice or guidance is available in the particular area of interest. This is particularly important in procuring any information technology which is intended to connect with or interface to any University systems or services, or for which there is any expectation of institutional support in the future.

a. Commodity Hardware and Software for Computing, Telecommunications and Media Support

It has been determined that the advertised Competitive Sealed Bidding and Competitive Sealed Proposals procedures for purchases of commodity hardware and software, i.e., off-the-shelf hardware and software, of \$25,000 or more are not practicable or advantageous for the University. Such purchases of commodity hardware and software for computing, telecommunications and media support are more practicably and advantageously handled through the request for quotation (RFQ) process.

This exemption shall also apply to the leasing of commodity telecommunications circuits and connectivity services. "Commodity" items are defined as equipment which is sold on an off-the-shelf basis, software programs or packages which are typically provided under standard terms and conditions and installed by the end-user, items that are procured without additional consulting or integration services, and telecommunications circuits or services that connect one or more locations with an easily specified type and level of service. Examples of ineligible items would be complex applications software in which multiple software packages might apply and for which a full evaluation is appropriate, complex hardware bundled with installation or integration services, telecommunications services that include network management support, or any items in which there are considerations in addition to price which are applicable to the selection of the vendor or in which contractual commitments are appropriate to protect the interests of the University.

Purchases of such commodity hardware and/or software of less than \$25,000 shall be processed in accordance with the small purchase procedures in APM Section A8.250. For purchases of commodity hardware and/or software of \$25,000 but less than \$50,000, the procedure for small purchases of \$15,000 but less than \$25,000 outlined in APM Section A8.250 shall be applicable. Three or more written quotations shall be solicited and the original quotations received together with a completed requisition and any other supporting documents shall be forwarded to the OPRPRM for processing.

For any purchase of commodity hardware and/or software of \$50,000 or more, the OPRPRM shall place a legal advertisement in a newspaper and/or on the World Wide Web notifying interested vendors of the RFQ availability and providing them with the opportunity to obtain the RFQ and submit a quotation.

1) Procedures for Advertised Requests for Quotations:
An Overview

a) Requisitioner:

- (1) Prepares request for advertised RFQ and completes and attaches OPRPRM Form 131, Advertised Request for Quotation **(Attachment 265.3)**.
- (2) Prepares and attaches technical specifications or sole brand justification; and
- (3) Transmits above documents to the appropriate fiscal officer.

b) Fiscal Officer:

- (1) Prepares requisition for legal advertisement;
- (2) Certifies availability of funds and obtains authorizing signature; and
- (3) Transmits above documents to the Office of Procurement, Real Property and Risk Management (OPRPRM).

c) Office of Procurement, Real Property and Risk Management:

- (1) Reviews specifications and completed OPRPRM Form 131, Advertised Request for Quotation (**Attachment 265.3**);
- (2) Prepares terms and conditions for the Advertised Request for Quotation and advertises the requirement;
- (3) Receives and reviews quotations and makes award recommendation to requisitioner and/or fiscal officer; and
- (4) Fiscal officer submits a requisition (FMIS-41, Contract Encumbrance and Payment Form, if contract is to be awarded) for the purchase. OPRPRM prepares and signs the purchase order and transmits it to the successful vendor.

b. Telecommunications Equipment and Services

1) Introduction

The Hawaii Revised Statutes (HRS) assigns responsibility for reviewing and approving the purchase of telecommunication equipment and services to the State Department of Accounting and General Services (DAGS). For certain items, DAGS has delegated this authority to the Telecommunications group within UH Information Technology Services (ITS). ITS has delegated its approving authority for these items to each University Campus Telecommunications Coordinator (CTC). This section describes which types of equipment and services require approval and details the applicable procedures for obtaining such approval.

2) Applicability

a) Definitions

For approval purposes, telecommunication equipment and services fall into three classifications:

- (1) Exempt Items - Telecommunication equipment and services which do not require specific telecommunications approval.
- (2) Campus Items - Telecommunication equipment and services which require University approval by the designated CTC.
- (3) DAGS, Information and Communication Services Division (ICSD) Items - Telecommunication equipment and services which require approval by DAGS, via UH ITS - Telecommunications.

Note: This telecommunications approval is in addition to the procurement requirements specified in these administrative procedures, i.e., advertisement for formal bid, obtaining written quotations, or sole source justification, and/or determination of price reasonableness may also be required to obtain telecommunication equipment and services.

b) Classifications

(1) Exempt Items

Radios - AM/FM receivers, short-wave sets, scanners, and hi-fi equipment.

Public Address Systems - Microphones, audio amplifiers, loud speakers, intercom systems.

Recorders - Audio (voice and music)

Communication Equipment and Accessories - Answering machines, single-line analog telephones, facsimile machines, line cords, headsets, headrests, pagers and

cellular phones and services, and modems.

(2) Campus Items

Purchase, lease, installation, relocation, removal, repair and maintenance of hybrid or PBX switching equipment, key system equipment, digital and multi-line telephones.

Purchase or lease of voice related services such as campus telephone lines, private/business lines, or any dial tone service through a local exchange carrier.

Purchase, lease, installation, relocation, removal, repair and maintenance of voice processing and audio systems such as interactive voice response systems, voice mail systems, and audio bridges.

Purchase, lease, installation, relocation, and removal of cable television and satellite equipment.

Purchase, lease, installation, relocation and removal of non-FCC licensed radio frequency wireless transmission networking equipment.

Purchase, lease, installation, relocation and removal of networking services such as T-1, frame relay, ISDN, point-to-point data circuits, asynchronous transfer mode or any data service connections from an outside provider (i.e. GTE, Oceanic, etc.).

Purchase, lease, installation, relocation, removal, repair and maintenance of any communications cabling equipment and related accessories that connect directly to any campus telecommunications system and/or infrastructure.

Use of any University of Hawaii campus telecommunications infrastructure, including, but not limited to its fiber optic, twisted

pair, and coaxial cable plants, and its conduit distribution system requires advance approval in addition to the above. Approval for such uses must be requested by memorandum to the Campus Telecommunications Coordinator.

i. DAGS, ICSD Items

Purchase or lease of State HATS (Hawaii's Advanced Telephone System) lines, services, and related equipment (HATS telephone lines, telephone instruments, voice mail system, etc.)

Telecommunications equipment and services required by UH agencies situated in State Office buildings managed or leased by DAGS, or other departments within the Executive Branch of the Hawaii State Government.

All pay phone and long distance services.

Radio systems, equipment, and related accessories.

Assignment of radio frequencies for radio systems and equipment.

Purchase, lease, installation, relocation, removal, repair and maintenance of customer premise equipment, voice related services, voice processing and audio equipment, cellular telephone equipment and services, communications accessory equipment, video equipment, data networking equipment, communications cabling systems and infrastructure systems that interface directly with the State's HAWAIIAN system and network.

3) Procedures

a) Campus Approving Authorities

Telecommunications Coordinators are appointed by the Chief Executive Officer (Provost or Chancellor) of each campus. Telecommunications

Coordinators have approving authority for Telecommunications Requests from their respective campus users. Note that the approval of the Telecommunications Coordinator of the physical host campus is required (e.g. UH system offices housed at Manoa must obtain approval from the Manoa Telecommunications Coordinator and Manoa programs housed on another campus must obtain approval from the host campus Telecommunications Coordinator). UH ITS - Telecommunications serves as the Telecommunications Coordinator for the Manoa campus and maintains the master list of current campus Telecommunications Coordinators for the University system. Individuals requiring approval for telecommunications equipment or services should obtain the appropriate Telecommunications Request forms from the coordinators for the campuses listed below:

Campus

Employment Training Center
University of Hawaii at Hilo
Hawaii Community College
Honolulu Community College
Kapiolani Community College
Kauai Community College
Leeward Community College
University of Hawaii at Manoa
Maui Community College
University of Hawaii - West Oahu
Windward Community College
University of Hawaii - West Hawaii

b) Telecommunications Request (TR) Forms

Approval for procurement of telecommunications equipment and services

shall be requested by submission of the following TR forms:

UHTR Form 1A (Rev. 9/96) (**Attachment 265.4**)..... All Campus Items

This form shall be used for all services and equipment listed under section, Campus Items, and shall require final approval by the designated CTC only.

DAGS TR Form 1 (Rev. 9/98) (**Attachment 265.5**)..... All DAGS - ICSD Items

This form shall be used for all DAGS - ICSD Items and must be routed to UH ITS - Telecommunications for final review, approval and forwarding to DAGS - ICSD.

Note that TR forms for new Manoa campus lines or data activations must also be accompanied by a UHT Form 2 (Rev 9/96) (**Attachment 265.6**), Telecommunications Management System Directory.

UHT Form 2A (**Attachment 265.7**)

This form shall be used to transfer the ownership of a line (billing, departmental responsibility) to another department.

UHT Form 3B (Rev. 9/96) (**Attachment 265.8**)

This form shall be used to request a long distance calling card to be used for official University of Hawaii at Manoa work related calls originating outside of Oahu.

UHT Form 4 (Rev. 9/96) (**Attachment 265.9**)

This form shall be used to change the account codes that are billed for monthly telephone charges.

UHT Form 4A (Rev. 9/96) (**Attachment 265.10**)

This form shall be used to change the account code assigned to a particular authorization code or DISA code that is issued by UH ITS - Telecommunications.

UHT Form 4B (Rev. 9/96) (**Attachment 265.11**)

This form shall be used to change the account code assigned to a calling card.

UHT Form 15 (Rev. 10/94) (**Attachment 265.12**)

This form shall be used to charge a long distance call to an account code that is different from the one that is presently assigned to the line being used to place the call.

d) Handling of TR Forms

(1) Preparation of Forms

All sections on a TR form except those designated "For Telecommunications Use" must be completed by the requesting unit. For assistance, individuals should refer to Instructions for Completing Telecommunications Forms (Rev. 6/99) (**Attachment 265.13**) or contact their CTC. TR forms must be submitted in original (one copy) only. Each TR will be reviewed for accuracy, authorized signatures, account codes and description of service. Improperly filled-out forms, including those without required signatures, will be returned to the requesting unit for review and correction.

(2) TR Processing

Each TR shall be issued a UH TR number suffixed with a campus designation as shown below. It is each CTC*s responsibility to issue and maintain a file/log of each TR number issued and processed.

<u>Campus</u>	<u>TR# with Code Designation</u>
Employment Training Center	TR YR-####-ET
Hawaii Community College	TR YR-####-HW
UH Hilo	TR YR-####-HL
Honolulu CC	TR YR-####-HN
Kapiolani CC	TR YR-####-KP
Kauai CC	TR YR-####-KU
Leeward CC	TR YR-####-LW
Manoa	TR YR-####-MN
Maui CC	TR YR-####-MU
UH West Oahu	TR YR-####-WO
Windward CC	TR YR-####-WN
UH West Hawaii	TR YR-####-WH

UHTR Form 1A (Rev. 9/96) (**Attachment
265.4**):

Completed forms are forwarded to the CTC for review and approval. A copy of each approved TR shall be returned to the requesting unit for their reference and files.

Manoa campus Telephone Services requests to be performed by GTE-Hawaiian Telephone Company shall be forwarded by UH ITS - Telecommunications to UH ITS - Telecommunications user services for processing and completion of work.

All other campus Telephone Services requests to be performed by GTE-Hawaiian Telephone Company shall be mailed to P.O. Box 2200, Honolulu, HI 96841, Attn: BCC Office A-1 or faxed to (808)546-6033 with a Form 1A Attachment, For Vendor Use Only (**Attachment 265.14**) attached.

Manoa Data Services requests shall be forwarded to UH ITS - Telecommunications for review, approval, completion of work and billing.

A copy of all Other Services requests shall be returned to the requesting department to forward to the appropriate department and/or vendor for completion of work.

A copy of all Equipment Purchase requests shall be returned directly to the requesting unit for attachment to their purchasing documents.

DAGS TR Form 1 (Rev. 9/98):

All campus requests for DAGS - ICSD items shall be forwarded by UH ITS - Telecommunications to DAGS - ICSD for review, approval, forwarding and/or completion of work. DAGS - ICSD shall assign their own TR number as each request is received. Approved requests shall be returned to UH ITS - Telecommunications. A copy of the approved TR shall be sent to the requesting CTC. Improperly completed forms including those that are not typewritten or are missing necessary attachments, e.g., floor plans, will be returned to the requesting unit for review and correction. DAGS - ICSD will not review any TR without UH ITS - Telecommunications approval and will not issue any verbal approvals or TR numbers.

10. Insurance

Insurance purchases shall only be made by the OPRPRM. See RISK MANAGEMENT, APM, Section A8.370.8, Purchase of

Insurance. If purchase orders are to be issued, refer to APM Section A8.250.13 and A8.250.17.

11. Leis

Public funds may be expended for the purchase of leis for the following purposes:

- a. To recognize distinguished guests, visiting dignitaries, and guest speakers, at University events and functions; and
- b. To honor retirees attending recognition ceremonies sponsored and presented by the President, Senior Vice Presidents, Vice Presidents, or Chancellors.

Such expenditures shall not exceed the average price of a double carnation lei.

12. Maintenance and Rental Purchases of Less Than \$25,000

a. Maintenance

- 1) To ensure that the equipment purchased by the University performs effectively, it is advisable to purchase a maintenance contract especially in cases where equipment is subject to heavy use and/or precision is required. Fiscal officers are authorized to execute maintenance agreements within their purchasing authority providing:
 - a) The total expenditure for one year is not \$25,000 or more;
 - b) The total expenditure for a multi-year contract is not \$25,000 or more even though the total annual expenditure is less than \$25,000, e.g., if the first annual maintenance payment is \$10,000 but there are provisions for renewals and if exercised for two additional years, the total expenditure for three years will be \$30,000, this purchase requires competitive bidding.
- 2) Whenever feasible, the OPRPRM will enter into a University-wide maintenance contract. Details of these contracts are made available through the issuance of OPRPRM Circulars.

- 3) Maintenance contracts of less than \$25,000 may be purchased by the following methods:
 - a) Sole Source. To be considered as a sole source purchase, the purchase must meet the criteria set forth in APM, Section A8.255, Sole Source Procurement, and documentation to that effect should be placed in the file.
 - b) Competitive. If maintenance service is available from more than one source, the procedures in APM, Section A8.250, Small Purchases, shall apply.
- 4) Most terms and conditions in vendor maintenance contracts are acceptable to the University and their forms can be used to effect a contract. Fiscal officers shall review the terms and conditions of vendor maintenance contracts and refer those clauses pertaining to liability, indemnification, insurance, damages and other questionable areas to the OPRPRM for review. Fiscal officers are not legally able to agree to indemnify or defend contractors and/or third parties. Upon completion of review by the OPRPRM, the contracts will be returned to the fiscal officer for execution. Fiscal officers should consider the following points when reviewing vendor maintenance contracts:
 - a) Total price should include all taxes and discounts for prepayments;
 - b) Term of Service should be not more than one (1) year with option to renew by the University; and
 - c) Cancellation of the contract should be permitted for the University upon 30 days written notice or non-availability of funds. If prepayment is made and the contract is canceled prior to the end of the contract period, a pro rata amount shall be returned to the University.

- 5) Purchase orders may be used in lieu of a maintenance contract when:
 - a) Scope of work is simple and not complicated;
and
 - b) The contract provides for one time servicing and/or one time payment.
- 6) Whenever possible, the maintenance requirements for similar equipment should be consolidated into one service contract. Maintenance requirements for similar equipment may be added to existing contracts provided that:
 - a) Annual costs do not amount to \$25,000 or more;
and
 - b) The cost of the addition is pro-rated for the remaining term of the contract.

b. Rental

- 1) Fiscal officers are authorized to execute equipment rental agreements within their purchasing authority.
- 2) Equipment rental agreements of less than \$25,000 may be purchased by the following methods:
 - a) Sole Source. To be considered as a sole source purchase, the purchase must meet the criteria set forth in APM, Section A8.255, Sole Source Procurement, and documentation to that effect should be placed in the file.
 - b) Competitive. If equipment rental is available from more than one source, the procedures in A8.250, Small Purchases, shall apply.
- 3) Most terms and conditions in vendor equipment rental agreements are acceptable to the University and their forms can be used to effect a contract. Fiscal officers shall review the terms and conditions of vendor rental agreements and refer those clauses pertaining to liability, indemnification, insurance, damages and other questionable areas to the OPRPRM for review. Fiscal

officers are not legally able to agree to indemnify or defend contractors and/or third parties. Upon completion of review by the OPRPRM, agreements will be returned to the fiscal officer for execution. Fiscal officers should consider the following points when reviewing vendor equipment rental agreements:

- a) Total price should include all taxes and discounts for prepayments;
 - b) Term of rental should be not more than one (1) year with option to renew by the University; and
 - c) Cancellation of the agreement should be permitted for the University upon 30 days written notice or non-availability of funds. If prepayment is made and the contract is canceled prior to the end of the contract period, a pro rata amount shall be returned to the University.
- 4) Purchase orders may be used in lieu of an equipment rental agreement when:
- a) Scope of work is simple and not complicated; and
 - b) The agreement provides for one-time payment.
- 5) Whenever possible, rental requirements for similar equipment should be consolidated into one rental agreement. Rental requirements for similar equipment may be added to existing agreements provided that:
- a) Annual costs do not amount to \$25,000 or more; and
 - b) The cost of the addition is pro-rated for the remaining term of the agreement.

13. Meals and Refreshments

a. General

Occasionally, departments will have programs, seminars, conferences, workshops or similar functions where refreshments or meals will be served. Public funds shall not be expended for purchase of meals or refreshments except as provided in paragraph b., Guidelines. Alcoholic beverages shall not be authorized as refreshments unless approval is granted pursuant to Executive Policies E11.102 and E11.202.

b. Guidelines

Meals and/or refreshments may be paid for with public funds in the following situations:

- 1) Where tuition or fees collected specifically include the cost of meals and/or refreshments;
- 2) Where legislative appropriations specifically allow expenditures for meals and/or refreshments or where it is evident that the cost thereof has been approved through legislative recognition when appropriations were made or through legislative resolution or expression, including committee report;
- 3) Where the terms and conditions of the grant or contract specifically provide for payment of meals and/or refreshments; or
- 4) Where the President, Senior Vice Presidents, Vice Presidents, or Chancellors sponsor and present an employee retirement recognition ceremony, for which such cost shall be no less than \$6.00 and no more than \$15.00 per person.

c. Procedure

Programs serving meals and/or refreshments in accordance with the above exceptions must complete OPRPRM Form 56 (**Attachment 265.15**) and attach the form to both the purchasing and payment documents.

d. Others

This section does not cover meals provided under:

- 1) Collective bargaining agreements; and
- 2) Out-service training programs

Any circumstances not covered in this section should be submitted to the OPRPRM via the Fiscal officer for evaluation. The department's requests should include sufficient documentation upon which a determination may be made regarding whether the expenditure is justified and the conditions upon which approval should be given. The

request should be submitted in ample time for evaluation and processing prior to the event.

14. Motor Vehicles

- a. For all vehicle purchases and vehicle leases, University programs shall complete and submit the Vehicle Acquisition/Leasing Request Form (**Attachment 265.16**) together with the requested vehicle specifications to the appropriate departmental approving authority and fiscal officer for approval, and shall forward the form to the Superintendent of Transportation for review and approval.
 - 1) For purchases of \$2,500 to less than \$25,000, the Vehicle Acquisition/Leasing Request Form shall be submitted to the Superintendent of Transportation and shall be accompanied by a completed and signed requisition together with competitive quotations in accordance with APM Section A8.250, Small Purchase.
 - 2) For purchases of \$25,000 or more, the Vehicle Acquisition/Leasing Request Form shall be submitted to the Superintendent of Transportation and shall be accompanied by a completed OPRPRM Form 68 Information Required for Formal Bid (**Attachment 235.1**) together with a completed and signed requisition for advertised bidding.
- b. The Superintendent will coordinate any exceptions to University fleet standards with the requesting program, review technical specifications, and

transmit motor vehicle requirements for procurement action to:

- 1) The department for purchase or lease of less than \$25,000; or
- 2) The OPRPRM for purchase or lease of \$25,000 or more.

15. Narcotics

Use of narcotics is restricted to certain University programs which must have a permit from the Federal and/or State government in order to purchase narcotics. Requisitions submitted to OPRPRM or processed by the fiscal officer shall be accompanied by completed forms required by the Federal and/or State government and by a memorandum containing the following information:

- a. How the item will be used;
- b. How and where the item will be stored to ensure its safekeeping; and
- c. Name of the person who will be responsible for the security and dispensing of the item. This person must be the one to whom the permit was issued.

16. Organizational Membership

The University will pay for an institutional membership, with a designated representative(s) named, in professional, academic, and business organizations and associations if it:

- a. Benefits the University;
- b. Is directly supportive of the departmental function; and
- c. Has a reasonable and acceptable cost/benefit ratio.

Institutional membership for the designated representative(s) must be approved by the appropriate Senior Vice-President/Chancellor or designee. Requests must be submitted on OPRPRM Form 73 Membership in Professional or Trade Organization (**Attachment 265.17**) and shall be attached to the Disbursing copy of the purchase order. Pursuant to APM Section A8.220.10.a.5), payment of institutional membership dues or fees of professional organizations for the University

or its officers and employees is exempt from the requirements of the six methods of source selection. Therefore, a request for sole source is not required.

17. Preferences

This section provides for specific preferences to be applied to expenditures of public funds. These preferences shall not apply to small purchases (goods, services, and construction of less than \$25,000).

a. Hawaii Products

Consistent with Section 103D-1002, HRS, and Sections 3-124-1 through 3-124-8, HAR, the University will provide preferences for Hawaii products and require that bid specifications contain notices advising prospective bidders of such preferences. Preferences of up to 10% may be granted.

b. Printing, Binding, and Stationery Work

(Refer to APM Section A8.265.19e).

c. Reciprocity

Consistent with Section 103D-1004, HRS, and Sections 3-124-15 through 3-124-18, HAR, the University will provide for the imposition of a reciprocal preference against bidders from other states which apply preferences to ensure fair and open competition for Hawaii businesses engaged in contracting with other states.

d. Recycled Products

Consistent with Section 103D-1005, HRS, and Sections 3-124-20 through 3-124-26, HAR, the University will provide for preferences for products containing recycled material to promote the use of recycled products by state and county public purchasing agencies.

e. Software Development Businesses

Consistent with Section 103D-1006, HRS, and Sections 3-124-30 through 3-124-35, HAR, the University will provide for a preference to Hawaii software development businesses to promote the use of Hawaii software development business by state purchasing agencies.

f. Preference to Bidders on State Agency Contracts

Consistent with Section 103-45.5, HRS, and Sections 3-124-40 through 3-124-45, HAR, the University will provide for a preference to in-state contractors when awarding a contract for public works projects to promote the use of in-state contractors.

18. Price Lists - State and University

a. State Price Lists

The State Procurement Office (SPO) establishes requirements contracts with commercial firms to provide certain commonly used supplies and equipment at stated prices for given periods of time. SPO issues "Price Lists" containing the information necessary for placing purchase orders with the contractors. The prices listed represent the best prices obtainable by SPO for the items listed. The University will participate in certain SPO Price Lists. The OPRPRM will notify fiscal officers of the Price Lists in which the University will participate. Fiscal officers with purchasing authority are permitted to and shall issue purchase orders against these contracts in any dollar amount provided they are issued in accordance with the contract provisions. The University is required to purchase items from those SPO Price Lists in which the University is listed as a participant. If items available from the Price Lists will not meet the University program's specific needs, but similar items from another source will, the fiscal officer shall submit a request for waiver as follows:

- 1) Request for Waiver - Purchase may be made from other supply sources if there is good and sufficient reason. However, availability from another source at a lower price is not an acceptable reason. The waiver must be obtained from the Director, OPRPRM.

a) Action by Department

- (1) Complete "Request for Authorization to Purchase Outside of State Procurement Office Price List" (**Attachment 265.18**) and forward to the OPRPRM.

b) Action by Office of Procurement, Real Property and Risk Management

(1) Review request and approve or disapprove.

- 2) Waiver from State Price List (Furniture) - The State of Hawaii provides an annual requirements contract for many of the furniture items needed by the University and purchase of furniture via this contract is generally mandatory. Upgrades of furniture may be allowed for executive level and high ranking managerial personnel and shall be approved by the Director, Office of Procurement, Real Property and Risk Management. Such requests shall be submitted on OPRPRM Form 72 "Waiver to Purchase Furniture Outside of SPO Price List" **(Attachment 265.19)**.

Requests for exemption from furniture price lists for health and other reasons should be requested on SPO Form "Request For Authorization To Purchase Outside Of State Procurement Office Price List" **(Attachment 265.18)**.

b. University Price Lists

The OPRPRM establishes requirements contracts with commercial firms to provide commonly used goods and services at stated prices for given periods of time. The Director, Office of Procurement, Real Property and Risk Management, issues price lists to fiscal officers containing the information necessary for placing purchase orders with the contractors.

Fiscal officers with purchasing authority must purchase any item, for which a University requirements contract is in effect, from the vendor with whom the University has that contract. Any exceptions from this policy require approval in advance from the Director, OPRPRM. Such requests shall be submitted on OPRPRM Form 96, "Request for Authorization to Purchase Outside of University Contract (Waiver Form)" **(Attachment 265.20)**.

These contracts will require a purchase order to place an order. There is no dollar limit on order placement as long as contract provisions are followed, except that sole brand purchases exceeding the fiscal officers' delegated authority shall be submitted to the OPRPRM for processing.

Occasionally, one University program will initiate a system-wide contract for a product or service. When such occurs, the initiating program shall assume responsibility for the administration of the contract.

Selected University price lists are awarded on a voluntary-use basis. This means that University programs which identify a need for the goods or services included in these price lists have a choice of either purchasing or not purchasing from the price list. The OPRPRM will advise fiscal officers of these voluntary-use price lists.

19. Printing, Binding, and Stationery

a. Definition

Printing, binding, and stationery work includes all preparatory work, presswork, bindery work, and any other production-related work.

b. University Printing Facilities

Programs requiring printing, binding, and stationery work shall utilize campus facilities whenever possible. Contracting for such service is only permitted when campus duplicating services, University of Hawaii Press, Board of Publications Press (Manoa Campus), or Honolulu Community College Print Shop are unable to perform such services. Each campus shall check its own duplicating services capability prior to contracting for such services.

1) The University Duplicating Services shop provides the following services:

a) Photocopying, offset printing, binding, collating, stapling, and delivery.

b) Digital and offset color printing.

All originals must be in camera- or print-ready format.

- 2) University of Hawaii Press offers the University community access to its design, typesetting, and/or manufacturing printing services for books, journals, manuals, catalogs and other book-length materials. Work can be submitted on PC or Macintosh diskettes for design and typesetting or as camera-ready copy. Projects are billed at cost plus a 22% fee for services provided. Contact University of Hawaii Press for additional information.
- 3) Board of Publications-Beau Press can provide custom sheetfed and web offset printing, and computer typesetting and graphics services. These services are available to student organizations, University programs, and members of the University community for institutionally related activities and to other state agencies.
- 4) Honolulu Community College Print Shop (HCCPS) can provide basic duplicating services as well as printing services for multi-color processes with the largest finish size at 18" x 24". HCCPS can also print business forms which are not carbon-interleaved or multi-part. HCCPS currently prints all of the University's requirements for letterheads, envelopes and business cards.

c. Correctional Industries

- 1) Requirements that cannot be met by University printing facilities may be purchased from the Correctional Industries Print Shop (CIPS) at the Oahu Community Correctional Center, 99-902 Moanalua Road, Aiea, Hawaii 96701.
- 2) University programs were previously required to purchase from CIPS for requirements that could not be met by University printing facilities. The University was further required to obtain printing waivers for requirements which CIPS was not equipped

to produce. These requirements were rescinded on October 28, 1997.(Refer to OPRPM Circular No. 98-032.)

- 3) Although the University is no longer required to purchase printing requirements from CIPS, University programs are encouraged to continue to utilize CIPS for their printing requirements whenever possible. If a quotation is obtained from CIPS, other quotations are not required since a purchase from CIPS is an exempt purchase in accordance with APM Section A8.220.10.a.7). However, if the purchase is \$2,500 or more, an OPRPM Form 95, Determination of Cost or Price Reasonableness must be included in the procurement file or must accompany the requisition if it is forwarded to OPRPM for processing.

d. Soliciting Quotations for Printing Requirements

If it has been determined that University printing facilities are not equipped to handle a particular printing requirement, or if the CIPS will not be utilized, programs may solicit quotations or bids via Small Purchase procedures (refer to APM Section A8.250, Small Purchases), or Competitive Sealed Bidding procedures (refer to APM Section A8.235, Competitive Sealed Bidding.)

Note: Programs shall not compete University printing facilities against commercial vendors when soliciting quotations.

e. Preference for Printing, Binding, and Stationery Work Performed within the State

Consistent with Section 103D-1003, HRS, the University seeks to have all printing, binding, and stationery work, including preparatory work, presswork, bindery work, and any other production-related work, performed within the State, and all requests for bids or contracts for such work shall so stipulate. However, when it is established that any such work cannot be performed within the State or that the lowest price for which such work can be procured within the State exceeds the bid or charge of a mainland/foreign manufacturer by fifteen per cent (15%), the work or any part thereof may be performed outside the State. To determine award, the following procedure will

be used:

- 1) On all Invitations for Bids, the following will be included:

Location of Printshop _____;
- 2) If the Hawaii price is low, there is no need for further calculations; award will be made to the company proposing to perform the work in Hawaii;
- 3) If a mainland/foreign price is low, the University will increase the amount of the mainland/foreign price by fifteen percent (15%);
- 4) The lowest total offer, after applying the fifteen percent (15%) preference to the mainland/foreign price, shall be awarded the contract unless the solicitation provides for additional award criteria; and
- 5) The contract award shall be in the amount of the price offered, exclusive of any preferences.

NOTE: This preference does not apply to small purchases.

f. Purchase of Printed Material with Recycled Content

Consistent with Section 103D-1005(e), HRS, the University seeks to purchase printed material with recycled content including office paper. Exceptions to this section require the written approval of the Director, OPRPRM, and are permitted when statutory, regulatory, contractual, or agency requirements preclude the use or purchase of paper with recycled content.

NOTE: This preference does not apply to small purchases.

20. Purchasing from Governmental Agencies

Administrative Procedures A8.220.10.a.7) and 9) permit the disbursement of funds to governmental bodies of the State of Hawaii and the purchase of goods, services, and construction from a governmental body, including the federal government, or from another state or its political subdivision, and University of Hawaii departments and programs may procure goods and services from the University of Hawaii Bookstores

that are routinely stocked and marketed and not specially ordered, without advertising for bids. Instances where governmental agency status is unclear should be referred to the OPRPRM for resolution.

21. Research Corporation of the University of Hawaii (RCUH)

The Research Corporation of the University of Hawaii may furnish goods and services to the University as specified in Administrative Procedure A8.930, Services with the Research Corporation of the University of Hawaii.

Purchase orders or contracts shall be used when acquiring goods or services via individual transaction from the Research Corporation. All individual transactions must meet the requirements of the Guidelines in Section 5 and Criteria in Section 6 of Administrative Procedure A8.930. For individual transactions for goods and services which exceed the fiscal officer's purchasing authority, a memorandum should be submitted requesting the approval of a designated departmental fiscal officer with greater purchasing authority or the Director, OPRPRM, as applicable, and including justification in accordance with the criteria established in Administrative Procedure A8.930.6.

22. Software License Agreements

Fiscal officers are authorized to execute software license agreements within their purchasing authority.

Most terms and conditions in vendor software license agreements are acceptable to the University and their forms can be used to effect a contract. Fiscal officers shall review the terms and conditions of these agreements and refer those clauses pertaining to liability, indemnification, insurance, damages and other questionable areas to the OPRPRM for review. Fiscal officers are not legally able to agree to indemnify or defend contractors and/or third parties. Upon completion of such review, agreements will be returned to the fiscal officer for execution.

23. University of Hawaii Foundation

The University of Hawaii Foundation is a private, non-profit corporation which solicits, accepts, and receives donations to support the University. University programs shall not transfer funds to the Foundation to utilize the Foundation to acquire goods, services and construction. The expenditure of

public funds shall be made in accordance with University procedures and applicable laws.

24. University Services

a. Bookstores

University departments and programs may procure from the University of Hawaii Bookstores goods and services that are routinely stocked and marketed and not specially ordered. Routinely stocked merchandise include goods that are intended for the Bookstores' primary market, i.e., students, faculty and staff. However, goods and services that are included in current University requirements contracts and State Procurement Office (SPO) price lists in which the University is participating may not be purchased from the Bookstores unless an OPRPRM Form 96, "Request for Authorization to Purchase Outside of University Contract (Waiver Form)", or an SPO Form-5 "Request for Authorization to Purchase Outside of State Procurement Office Price List" has been approved by the OPRPRM prior to purchase.

There is no dollar limit on and competitive quotations need not be solicited for purchases from the Bookstores. However, an OPRPRM Form 95, Determination of Cost or Price Reasonableness, must be completed for purchases over \$2,500 (to be retained in the fiscal officer file for purchase within purchasing authority and submitted to OPRPRM for purchases beyond the fiscal officer's purchasing authority). Further, if the department chooses to obtain competitive quotations, a quotation should not be solicited from the Bookstores since the Bookstores will not participate in competitive solicitations.

To place orders with the Bookstores, fiscal officers shall issue University of Hawaii requisitions for amounts within the fiscal officer's purchasing authority. For Bookstore purchases beyond the fiscal officer's purchasing authority, the fiscal officer shall submit the requisition to the OPRPRM for review and routing to the Bookstores. Fiscal officers shall be responsible for monitoring departmental requisitions to ensure that the products requested are not included in University contracts or SPO price lists.

Authority for procurement of books for resale purposes is

limited to the Bookstores. When the nature of a program requires issuance of books to students, such books are to be procured through the University of Hawaii Bookstores.

Occasionally, the Bookstores will have promotional sales on certain equipment which are restricted to University faculty, staff and students. Programs shall not purchase such equipment from the Bookstores.

b. Facilities Planning and Management Office (Manoa Campus)

The Facilities Planning and Management Office provides the following services to programs on the Manoa Campus:

- 1) Keys and lock service;
- 2) Repairs and alterations to buildings and grounds;
- 3) Wiring for installation of air conditioning window units;
- 4) Maintenance and janitorial supplies;
- 5) Moving and hauling services on campus; and
- 6) Maintenance of buildings and grounds.

Requests for any of the above goods or services shall be directed to the Facilities Planning and Management Office on FPMO's Service/Work Request Form.

Purchase orders for these goods and services shall not be issued to commercial vendors unless authorized by the Facilities Planning and Management Office.

The Facilities Planning and Management Office will review purchases, both new and replacement, for carpet and drapery and power requirements for computers, research equipment, air conditioning, refrigerators, freezers, stoves, microwave ovens, etc.

c. Auxiliary Services (Manoa Campus)

Auxiliary Services provides and/or manages the following services for programs on the Manoa Campus:

- 1) Parking;

- 2) Transportation Services;
- 3) Duplicating Services;
- 4) Food Services;
- 5) Faculty Housing; and
- 6) Campus Mail.

Requests for the above services shall be directed to Auxiliary Services. Purchase orders for these

services shall not be issued to commercial vendors unless authorized by Auxiliary Services.

25. Unusual Purchases

Certain "unusual purchases" could be construed as appropriate purchases, depending on the function of the program and on the circumstances. In any case, the expenditure must conform to standards of propriety and legality. In carrying out this responsibility, the fiscal officer must determine if a particular expenditure is a bona fide business expense of a department's program and whether the expenditure is legal. A particular expenditure may be an appropriate charge for one program but an inappropriate charge for another program. Determinations by the fiscal officers should be based largely on the function of the program, as well as on the circumstances surrounding a particular expenditure which would not otherwise be considered a bona fide business expense. These "unusual purchases" may include but shall not be limited to: recognition awards, certificates, plaques or trophies to students or non-University individuals or groups; printed t-shirts for various programs; nominal incentives to research subjects; perpetual awards to University employees which will be displayed in University facilities; frames for certificates, documents, or pictures for presentation to students or non-University individuals or groups or displays in University facilities; promotional banners; engraved plates for displays in University facilities; promotional items to enhance the image of the various campuses, e.g., imprinted binders, calendars, mugs, pens, pencils, visors, caps, bumper stickers, decals, squeeze bottles, memo holders, letter openers, printed stickers; uniforms for athletic team members and coaches; signs.

The above itemization is not intended to be exhaustive. Purchases and payments for the above described items as well as any other expenditures deemed appropriate by the fiscal officer may be approved by the fiscal officer if the amount is within the fiscal officer's purchasing authority.