

# COLORADO STATE UNIVERSITY-PUEBLO PURCHASING MANUAL

## I. GENERAL

- A. Definition. As used in this manual, the term "contract" denotes a legally binding agreement between the University and another agency, company or individual. Contracts include subcontracts and agreements for:

- Grant/Sponsored programs
- Educational service agreements
- Capital construction projects
- Leases
- Rentals
- Certain personal services such as
  - Consultants
  - Performing artists

When accepted by vendors, purchase orders represent contracts but are covered in Section 2 of this manual.

- B. Scope. As indicated in Attachment #1, certain contracts require the concurrence of a state department or official, usually with a Denver office. These might include the State Controller, Attorney General, Personnel Director, State Buildings and Real Estate Programs Director on CCHE Staff. Other contracts are handled entirely by the University. This manual deals primarily with acquisitions of the type handled entirely by the University.
- C. Use. Contracts are primarily used for acquisitions by the University but are also used for certain sales and other agreements made by the University. Standard form purchase orders are drafted primarily to cover the acquisition of a specific product or piece of equipment, and should be restricted to such purposes.

For example, contracts may be necessary where:

1. The University leases or rents property.
2. The University sells services or materials to federal or state agencies, sponsors, companies, or individuals.
3. The University conducts a conference, seminar or workshop and arranges for services, facilities or personnel.
4. The University and a sponsor agree on the terms of a research or other project.

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In the case of a purchasing transaction, a formal contract, as opposed to another type of purchasing document, should be used when the agreement contains provisions, which must be documented in detail. Frequently such provisions cannot be conveniently detailed on a purchase order or other purchasing document. Those who have contracting authority should exercise judgment as to when a formal contract is necessary. If in doubt, contact the Office of General Counsel or Procurement Services Office.

## II. AUTHORITY

The Board Of Governors (BOG) has retained authority to buy or sell real property, to lease BOG owned land, and to acquire or dispose of water rights, mineral resources, easements and rights-of way. The President and/or a designated Vice President are authorized to sign contracts except those contracts where the Board retains the authority. Other purchasing transactions have been delegated to the University Director of Procurement Services or to other positions as specified in Attachment #1.

Certain state agencies have statutory authority and responsibility for approval of specific purchasing actions; i.e., controlled maintenance, capital construction, leasing of real property and certain personal services.

Attachment #1 outlines the major types of contractual transactions and the position having authority to coordinate, approve, and issue appropriate documents.

Any questions should be referred to University General Counsel located in Administration Building Room #305 or Procurement Services located in Administration Building Room #309.

## III. CONFLICT OF INTEREST

Any University employee who is involved in the sale, acquisition, or rental of property, materials or services for the University must recognize and report potential or actual conflicts of interest. See Section 2.7.1.1. of the Faculty Handbook or the paragraph on Conflict of Interest in the State Classified Personnel Handbook.

## IV. FORM AND CONTENT OF CSU CONTRACTS AND AGREEMENTS

A. State laws, fiscal rules, and guidelines prescribed by the Attorney General must be observed in the drafting and execution of state agreements. Procurement Services publishes required information containing detailed information, forms and instructions for initiating, drafting, and obtaining proper approvals of contracts and agreements in which CSU-Pueblo, its departments, faculty and employees are parties.

B. University officials should closely scrutinize clauses providing for the University to pay

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taxes or requiring the University to reimburse the other contracting party for taxes, which may be imposed. Agencies of the state of Colorado are generally exempt from the payment of taxes levied by other states and the federal government. Any contract providing for payment or reimbursement of taxes must contain the following clause: "If any taxing authority attempts to impose taxes on property or services provided for in this agreement the contractor must notify Colorado State University-Pueblo, in time for Colorado State University-Pueblo to legally challenge the tax. If the contractor does not comply with this notification, Colorado State University-Pueblo shall not be liable for payment or reimbursement of taxes."

- C. For information on contract clauses applicable to construction or real property, contact the Office of General Counsel located in the Administration Building, Room #305.

## V. PROCEDURES

- A. Purchases using federal funds. The federal government has established standards for procedures and records, which apply when federal funds are expended to acquire supplies, equipment, and other services. This is accomplished by procedures established by Sponsored Programs and Procurement Services.
- B. Personal services.
  - 1. Definition of personal services. Personal services are those services provided by persons, firms or corporations for the benefit of the University. Construction and maintenance contracts are not included within this definition for purposes of this manual. Consulting is a personal service more fully covered in Section 7 of this manual.
  - 2. Types of personal services. Personal services required by the University may be provided by employees, or in some limited circumstances, by independent contractors. An independent contractor is a non-employee as defined in Section 7 of this manual. It is important that personnel engaging an individual or a firm to perform a personal service recognize the difference between employees and independent contractors in regard to classification, relationships and liability.
- C. Equipment lease or rental (Colorado State University-Pueblo as lessee).
  - 1. Initial contact. Departments desiring to lease equipment should notify Procurement Services to contact and arrange visits of vendors. The vendor, Procurement Services, and the department will then determine equipment, model numbers, accessories, prices, freight, delivery schedules, etc.

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2. Request for lease. The department will request a purchase order be issued for a formal lease by submission of a purchase requisition, which should indicate time factors and all detailed information mentioned in paragraph 1, above together with a lease proposal or agreement.
  
3. Lease document. Procurement Services may incorporate the requirement into a consolidated University lease if advantageous. Procurement Services will coordinate the proposed vendor agreement with the using department and will provide copies of signed agreements. Typewriters and office machines are normally handled in this manner.
  
4. Payments.
  - a. Consolidated University Contracts. When a consolidated University contract is used, Procurement Services will require that the participating department provide Procurement Services with the account to be charged, so that one single purchase order can be generated for that particular contract.
  
  - b. Individual University Contracts. Payments will be made in the normal manner against individual purchase orders issued.
  
5. Changes, Cancellations or Renewals. Direct charges to departments will continue until Procurement Services is notified of changes or cancellation. Renewals should be requested on a purchase requisition in sufficient time to permit negotiation of a new lease.
  
6. Lease purchase of equipment. Some contracts or agreements for lease of equipment contain a lease purchase provision whereby a stated amount of money paid as rent may later be applied to purchase of the equipment. A department feeling that a lease-purchase agreement is advantageous to the University should contact the Procurement Services for information on special coordination, approvals and procedures required.