



KENTUCKY STATE UNIVERSITY

Policies and Regulations

POLICY TITLE:

Purchasing

APPLIES TO:

Staff

Faculty

ADMINISTRATIVE AUTHORITY:

Finance & Administration

APPROVED BY:

Kentucky State University Board of Regents

EFFECTIVE DATE:

August 8, 2025

NEXT REVIEW DATE:

August 8, 2028

POLICY STATEMENT:

A purchasing system is in place to help ensure that purchases of goods and services are properly approved and obtained at the best value with a fair and open opportunity to vendors for KSU business.

The Purchasing Department provides procurement services in a timely, legal, ethical, and professional manner to the research, academic and administrative departments in support of KSU's mission and goals, and at the best value to KSU.

This policy is intended to provide a framework for these procurement activities, thereby ensuring compliance, fiscal responsibility, and efficiency.

DEFINITIONS:

Best Value

The most advantageous balance of price, quality, service, and other factors, as determined by the Purchasing Department and end-user, to meet KSU's needs.

Bid

A formal, competitive offer submitted by a vendor in response to an invitation for bids (IFB) or request for proposals (RFP).

Contract

A legally binding agreement between KSU and a supplier for the provision of goods or services.

Emergency Purchase

A purchase made in response to a sudden, unexpected occurrence that poses a clear and imminent danger to public health or safety, or that critically impacts KSU's ability to perform its essential functions, and which requires immediate action.

Invitation for Bids (IFB)

A formal document that an entity such as KSU sends to potential contractors or vendors to solicit bids for a specific project or purchase. It is usually used when the project scope, requirements, and even the process for completion are well-defined. The focus is on the price, and an IFB is nearly always awarded to the lowest bidder.

Kentucky Model Procurement Code (KMPC)

KRS Chapter 45A, which governs the purchasing functions of state agencies, including universities.

Purchase Order

KSU's official document used to authorize and formalize a purchase transaction with a vendor.

Purchasing Department

The KSU Office, located with the Department of Finance & Administration, that possesses central authority for the procurement of goods and services.

Request for Proposals (RFP)

A formal document that an entity such as KSU uses to invite potential vendors or contractors to submit proposals for a specific project, service, or product. It is usually used when KSU needs to consider factors other than price when selecting a vendor or contractor.

Requisition

An internal KSU document used by a department to request the purchase of goods or services.

Sole-Source Procurement

A procurement where, after a good-faith review of available sources, it is determined that only one (1) supplier is practicably available for the required good or service. This requires formal justification and approval.

Small Purchase

A procurement of goods, services, or construction below a specified dollar threshold, which may be made using simplified procedures defined by the KMPC and KSU policies and regulations.

PROCESS:

General Authority and Compliance

- The Purchasing Department is the central authority for KSU and is responsible for management and oversight of the purchasing process, including the development of detailed purchasing regulations, forms, and training materials.
- KSU adheres to Kentucky's Model Procurement Code (KRS Chapter 45A) and all applicable KSU policies, administrative regulations, and state and federal policies. This includes requirements for competitive bidding, contract management, and ethical conduct.
- All purchases are made from Board-approved operating and capital budgets. Department heads are responsible for ensuring funds are available prior to initiating a purchase request.

Methods of Procurement and Thresholds

- The method of procurement will be determined by the Purchasing Department based on the estimated cost of the goods and services, the nature of the purchase, and applicable laws and regulations.
- **Small Purchases.** For purchases below \$100,000, simplified procedures may be used. Generally, the purchasing requirements for small purchases are as follows:
 - Purchases less than \$5,000: One (1) quote is required.
 - Purchases between \$5,000 and \$49,999.99: Two (2) quotes are required.
 - Purchases between \$50,000 and \$99,999.99: Three (3) quotes are required.
- **Competitive Sealed Bidding/Proposals.** Purchases of \$100,000 or more will require a competitive bid process (e.g., invitation for bids (IFB) or request for proposals (RFP)) unless the items can be purchased from an existing authorized government contract (e.g., state master agreements, cooperative purchasing agreements compliant with KRS 45A.300).
 - The formal bid process involves public advertisement, issuance of detailed specifications or scope of work, receipt of sealed bids/proposals by a specified deadline, public opening (for IFBs), and evaluation by a committee, leading to an award to the lowest responsive and responsible bidder or the offeror providing the best overall value.
 - Specifications for bids and proposals will be drafted to promote overall economy for the purposes intended and to encourage competition in satisfying KSU's needs, and shall not be unduly restrictive.
- **Sole-Source and Noncompetitive Negotiations.** In certain limited circumstances, where it is determined that only one (1) source is practicably available for a good or service (sole source), or when a competitive process is not feasible or in KSU's best interest (noncompetitive negotiation, pursuant to conditions in KRS 45A.095), a direct procurement may be made. Such procurements require robust written justification, review and approval by the Purchasing Department, and may require higher administrative approval depending on the value.
- **Emergency Procurements.** In the event of an emergency that threatens health, safety, or critical KSU operations, procurements may be made with expedited procedures. All emergency purchases must be documented, including justification for the emergency declaration, and reported to the Purchasing

Department as soon as practicable for review and formalization. Such procurements shall be made with as much competition as is practicable under the circumstances (KRS 45A.095).

- **Personal Service Contracts (PSCs).** Personal service contracts are agreements for unique professional, technical, artistic, or other specialized services, often where the individual expertise or qualifications of the provider are a primary consideration. These are governed by specific provision within the Kentucky Model Procurement Code (KRS 45A.690 to 45A.725).
 - KSU will adhere to all statutory and regulatory requirements for PSCs, including but not limited to, determining when a PSC is appropriate, required competitive procedures, documentation, and approval processes.
 - All PSCs must clearly define the scope of services, deliverables, timelines, and compensation.
 - Like all other agreements, PSCs require thorough vetting by the Purchasing Department and the Office of General Counsel prior to execution to ensure compliance and to protect KSU's interests.
- **Memoranda of Agreement (MOAs).** For the purposes of the Kentucky Model Procurement Code, memoranda of agreement are agreements for unique professional, technical, artistic, or other specialized services entered into by a public agency such as KSU and another governmental entity or non-profit organization. If a memorandum of agreement involves the expenditure of KSU funds for the procurement of services from an external party, it is generally subject to this Purchasing Policy and the applicable procurement methods outlined herein.
 - The Purchasing Department, in consultation with the Office of General Counsel, will determine if an MOA functions as a procurement contract.
- **Purchases Exceeding \$1,000,000.** Purchases that result in expenditures of more than \$1,000,000 in a single fiscal year require prior approval by the Kentucky State University Board of Regents, in accordance with the Board of Regents' Bylaws and KSU policies.

Contracts and Agreements

- All written supplier forms of agreement for the purchase of goods and services, such as quotations, proposals, contracts, and terms and conditions, require vetting by the Purchasing Department and the Office of General Counsel prior to execution to protect the best interests of KSU. This review ensures compliance with KSU policies, state law, acceptable risk levels, and appropriate legal protections.
- **No employee may sign an agreement on behalf of KSU unless they have specific, delegated signature authority.** The Purchasing Department will manage the contract execution process.

Ethics and Conflicts of Interest

- All purchasing activities shall be conducted in an ethical manner, consistent with the National Institute of Government Purchasing (NIGP) Code of Ethics and the Kentucky Model Procurement Code's provisions on ethics in public contracting (KRS 45A.345 through 45A.460).

- In general, KSU does not enter into purchasing contracts with entities in which students, faculty, staff, or members of their immediate families have a direct or significant indirect interest.
- Rare exceptions may be allowed conditioned upon full disclosure, compliance by the other parties with all contracting requirements (including evidence of appropriate business insurance and licensing, and acceptance of the standard KSU contract terms), and a determination that the arrangement is in the best interest of KSU.
- These transactions are subject to KSU's Conflict of Interest and Commitment Policy governing the conduct of employees relative to business relationships and require review and approval in accordance with that policy. All potential conflicts must be disclosed to the Purchasing Department and other appropriate authorities prior to any commitment.

Federally Funded Purchases

Purchases from federal funds will be reviewed for allowability of costs in accordance with Subpart E – Cost Principles of Title 2 CFR 200 (Uniform Guidance) and the specific terms and conditions of the federal award prior to authorization and payment. This includes ensuring that procurements made with federal funds adhere to applicable federal procurement standards (e.g., 2 CFR 200.317–200.327).

Unauthorized Purchases and Personal Liability

- **Any employee who commits KSU to expenditures without proper authorization** through established purchasing procedures (e.g., an approved purchase order or authorized procurement card transaction) **may be held personally liable for the expenditure.**
- Unauthorized purchases may also subject the employee to disciplinary measures, up to and including termination of employment, along with potential criminal and civil penalties.
- KSU will not be responsible for payment of unauthorized purchases.

Vendor Relations

- The Purchasing Department is the primary point of contact for vendors seeking to do business with KSU.
- KSU is committed to fostering fair, ethical, and professional relationships with all vendors.

Receiving and Payment

- Departments are responsible for inspecting goods upon receipt to ensure they meet specifications and quantities ordered. Any discrepancies must be reported promptly to the Purchasing Department and vendor.
- Payment to vendors will be processed by Accounts Payable upon verification of receipt of goods/services and a valid invoice, referencing an authorized purchase order.

REFERENCES AND RELATED MATERIALS:

Contract Management Policy

[KRS Chapter 45 Budget and Financial Administration](#)

[KRS Chapter 45A Kentucky Model Procurement Code](#)

200 KAR Chapter 5

[Kentucky Finance and Administration Cabinet](#)

[National Institute of Governmental Purchasing Code of Ethics](#)

CONTACTS:

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HISTORY:

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Policy)	Circa 2010	
Substantive Revisions	August 2024	Your Part-Time Controller
Substantive Revisions	June 2025	Zach Atwell
