

# **Quick Guide: University Contract Rules & Procedures**

## **Overview:**

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

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

**Competitive Bidding Thresholds** As of August 13, 2025, the State increased the public bidding threshold for New Jersey's state colleges and universities:

- **Public Works:** The bid threshold for public works contracts has increased to \$42,600.
- **Non-Public Works:** The bid threshold for non-public works contracts has increased to \$119,800.

As a result of this increase, some requirements in the table below have changed.

## **Purchase Thresholds and Requirements**

<b>Contract/Purchase Value</b>	<b>Requirements/Recommendations</b>
<b>Up to \$25,000.00</b>	<ul style="list-style-type: none"><li>• \$0 - \$25,000 No competitive bids/quotes required. Use good judgment to ensure best value.</li><li>• \$0 - \$17,970 —New Jersey Business Registration Certificate is not required. Note: Any vendor that will be paid \$17,970.01 or more in a fiscal year will be required to provide a N.J. Business Registration Certificate (NJBRC)</li></ul>
<b>\$25,000.01 to \$100,000.00</b>	<ul style="list-style-type: none"><li>• 3 written quotes are required. The quotes must be obtained by the requisitioning department and submitted to University Procurement and Business Services.</li><li>• All written quotes must be attached to the Competitive Quote Form upon submission.</li></ul>
<b>\$119,800.01 or above</b>	This requires a formal public bid or Bid Waiver with Kean University Board of Trustees approval.
<b>\$500,000 and above</b>	Requires Board of Trustees approval.

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

## **Public Bidding Requirements**

### **Purchases Exceeding \$119,800.01:**

- Public advertisement is required unless using approved contracts.

### **Approved Contracts**

Purchases may bypass bidding when using:

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

## Exceptions to Public Bidding

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

## Contract Terms and Amendments

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

## Vendor Compliance

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

## Professional Service Agreements (PSA)

### Key Elements:

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

### Signature Process:

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

## Ordering Amazon Gift Cards

### Authorization Form:

- Complete the ORSP gift card authorization form.
- Retain a copy of the emailed approval for procurement purposes.
- **Additional steps apply.**

## Definitions

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

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

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

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

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

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

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

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

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

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