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

Contract/Purchase Value	Requirements/Recommendations
Up to $25,000.00	• $0 - $25,000 No competitive bids/quotes required. Use good judgment to ensure best value. • $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)
$25,000.01 to $100,000.00	• 3 written quotes are required. The quotes must be obtained by the requisitioning department and submitted to University Procurement and Business Services. • All written quotes must be attached to the Competitive Quote Form upon submission.
$119,800.01 or above	This requires a formal public bid or Bid Waiver with Kean University Board of Trustees approval.
$500,000 and above	Requires Board of Trustees approval.

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