These are the minutes of the meeting of the Board of Trustees of Ohio University held at The Ohio University Inn in Athens, Ohio on February 22, 1971.

The Chairman called the meeting to order with the following members present in addition to the Chairman: C. Paul Stocker, Don M. Casto, Jr., Fred W. Crow, Jr., Fred H. Johnson, Edwin L. Kennedy, William R. Morris and Mrs. J. Wallace Phillips. In addition to the Trustees, also present were President Claude R. Sowle, Provost Robert L. Savage, Treasurer John F. Milar, Director of Business and Administrative Services Wm. Charles Culp, and Secretary to the Board of Trustees Paul R. O'Brien.

It was moved by Mrs. Phillips, seconded by Mr. Kennedy and unanimously carried that the minutes of December 7, 1970 meeting of the Board of Trustees be approved as distributed by the Secretary.

The Secretary then read the following letter from the Governor appointing Fred W. Crow, Jr. to the Board of Trustees of Ohio University.

> I, James A. Rhodes, Governor of the State of Ohio, do hereby appoint Fred W. Crow, Jr. (Republican), Syracuse, Meigs County, Ohio, as a Member, Board of Trustees, The Ohio University, for an unexpired term beginning June 13, 1970, and ending at the close of business May 14, 1971, with appointee taking office December 18, 1970, vice Russell P. Herrold, deceased.
>
> IN WITNESS WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed at Columbus, this 15th day of December, in the year of our Lord, one thousand nine hundred and seventy.
>
> _____
> Governor

The Chairman welcomed Mr. Crow to the Board.

The Chairman then read the citation awarded Fred H. Johnson by the Board of Trustees at their July 20, 1970 meeting and presented him a framed copy of the resolution.

President Sowle asked Dr. Savage for a progress report on new construction. Dr. Savage reported that construction on all of the new buildings was progressing satisfactorily. The, as yet unencumbered, appropriation for the animal research building, the construction of which was previously approved by the Trustees, consists of $875,000 state money and $180,000 federal money. The plans are progressing and should be ready to go out for bids some time in March. Models of the animal research building for psychology and the animal research building for zoology were on display in the meeting room.

The Chairman asked Mr. Milar to explain the proposed renewal of student health insurance. Mr. Milar explained our present student health insurance expires at the end of this year and a special committee was appointed to study the student needs in this area and to make recommendations to the Board of Trustees. This committee recommends a renewal for five years with the present insurance carrier. Mr. Milar pointed out that this renewal will guarantee the annual premium rate at our current $16 rate for 1971-72 and 1972-73. This extension will also increase the basic surgical schedule from $225 to $400. It will retain the experience rating on our present policy on the same formula basis and any deficits occurring in the first two years of the renewal will not carry forward. Any premium adjustments occurring in the last three years would be acturarially estimated and mutually agreed upon.

After a discussion of this proposal, it was moved by Mr. Morris, seconded by Mr. Kennedy, and unanimously carried that the following resolution be adopted:

> RESOLVED, that the appropriate administrative officials extend for an additional five year period the contract with Continental Casualty Company to provide student health and accident insurance.

The Chairman called on Mr. Milar to explain the proposed amendment to the 1970-71 budget. Mr. Milar presented several exhibits showing increases and decreases in income and increases in expenditures. These were explained to the Board and it was then moved by Mr. Morris, seconded by Mr. Kennedy, and unanimously carried that the following resolution be adopted:

> RESOLVED, that the 1970-71 Budget Resolutions adopted January 5, 1970 and amended June 29, 1970 be further amended to reflect the following changes in Income and Expense for the General Operating Budget:

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Decrease in State Appropriation	$ (141,952)	
Increase in Student Fee Estimate	300,754	
Decrease in Other Income Estimate	(198,732)	
Increase in 1969-1970 Year End Surplus	860,432	
Total Increase		$ 820,502
Increase in Expenditures for Carry-over	$ 269,803	
Increase in Operating Reserve	424,174	
Total Increase		693,977
To Year End Surplus		$ 126,525
Summary:		
Revised Income Total		$ 41,643,902
Revised Expense Total		$ 41,517,377
Projected Year End Surplus		
From Operations	$ 126,525	
Special	35,485	$ 162,010

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The Chairman asked Dr. Savage to explain the 1971-72 budget. Dr. Savage reported that the proposed budget was prepared on a planning, programming and budgeting system rather than the historical method used in the past by the University. This method of budgeting permits systematically reallocating resources to reflect changing priorities caused by changing patterns of student demand.

The greatest change in this year's budget procedure was the establishment of an extensive review process during the construction of the various segments of the budget. Each academic department had an advisory committee of students and faculty to work with the department chairman. Each college had an advisory committee of students and a faculty representative from each department. The academic area had a budget advisory committee composed of faculty representatives from each college and students, both graduate and undergraduate. All budget requests were reviewed by the University Budget Committee, which is composed of two students, two members of the faculty, and seven senior administrators.

Because of the small amount of incremental funds which can be anticipated for next year ($2,000,000), it was decided that no significant shift in programs could be realized. After a reserve of $500,000 was established, the remaining $1,500,000, representing an increase of 3.72 per cent, was distributed on a prorated basis to the major budget areas in order to establish preliminary control totals. With the review process established, priority considerations were given within a budget area and between budget areas. I believe the procedure followed was a significant improvement over historical or formula budgeting.

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The revenue estimated for 1971-72 is outlined in Schedule A.

Provost Savage pointed out that the budget process used is far from perfect, but the Task Force believes that it is a step in the right direction. This process is the most open approach to budgeting in the recent history of Ohio University. The price for this openness has been endless hours of meetings, preparations, studies and deliberations. Provost Savage thanked all who have participated in the hearings and studies.

Mr. Johnson commented that he is thankful for the information the Board has received and particularly likes the new approach adopted for budgeting.

Mr. Kennedy called the Board's attention to the fact that the estimated income used was the most conservative estimate of the Board of Regents' three proposals for appropriations for 1971-72.

Mr. Morris commented that the Budget Committee should be commended for getting the input into the budget from a cross section of the various University groups. He hopes that the Trustees will have more time in the future to study the budget.

President Sowle reported that he hopes in the future to start the budget in the fall and have much more time available to consider the various aspects of the budget.

Mr. Morris moved the adoption of the following resolution. It was seconded by Mr. Crow and unanimously carried.

> RESOLVED, that the 1971-72 Budgets of expected income and expenditures as presented in Schedules I, II, III, IV and Exhibit B, are hereby approved and are hereby appropriated subject to the following provisions:

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(1) The Provost and Treasurer, with approval of the President, may make adjustments in Instructional and General Operating Expense Allocations (Schedule II, Exhibit B), provided the total of such expenditures does not exceed available unrestricted income or $42,992,810, whichever is less.

(2) Should available unrestricted income exceed $42,992,810, the expenditure of such additional income shall be subject to approval by the Board of Trustees.

(3) Expenditures of Restricted Income shall not exceed the amounts made available for such purposes.

OHIO UNIVERSITY
1971-72 BUDGET
INCOME SUMMARY

Schedule I

	Unrestricted	Restricted	Total
Instructional and General			
State Appropriation)	$41,783,615	-0-	$41,783,615
Student Fees)			
Other Income	1,047,185	960,000	2,007,185
1970-71 Projected Year-End Surplus	162,010	-0-	162,010
Total Instructional and General	$42,992,810	$ 960,000	$43,952,810
Organized Research			
Private Gifts and Grants		$ 75,000	$ 75,000
Government Gifts and Grants		450,000	450,000
Total Organized Research		$ 525,000	$ 525,000
Public Service			
Private Gifts and Grants		$ 120,000	$ 120,000
Government Gifts and Grants		2,000,000	2,000,000
Other Sources		460,000	460,000
Total Public Service		$ 2,000,000	$ 2,580,000
Auxiliary Enterprises			
Residence and Dining Halls		$12,745,000	$12,745,000
Other		1,150,000	1,150,000
Total Auxiliary Enterprises		$13,895,000	$13,895,000
Student Aid			
Endowment Income		$ 36,000	$ 36,000
Private Gifts and Grants		400,000	400,000
Government Grants		600,000	600,000
Total Student Aid		$ 1,036,000	$ 1,036,000
Total Income	$42,992,810	$18,996,000	$61,988,810

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OHIO UNIVERSITY
1971-72 BUDGET
EXPENSE SUMMARY

Schedule II

	Unrestricted	Restricted	Total
Instructional and General	$42,992,810	$ 960,000	$43,952,810
Organized Research		525,000	525,000
Public Service		2,580,000	2,580,000
Auxiliary Enterprises		13,895,000	13,895,000
Student Aid		1,036,000	1,036,000
Total Expense	$42,992,810	$18,996,000	$61,988,810

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OHIO UNIVERSITY
1971-72 BUDGET
RESIDENCE AND DINING HALLS

Schedule III

Operations	1971-72 Budget	
Income		
Residence Halls	$7,453,000	
Dining Halls	5,292,000	
Total Income		$12,745,000
Operating Expenses		
Residence Life	$ 675,300	
Director Residence Services	73,800	
Housing Office	84,900	
Interiors and Design	69,800	
Laundry	173,500	
Housekeeping	1,872,900	
Food Service	4,839,700	
Maintenance of Plant	1,327,300	
General Institution-Allocated Cost	603,700	
Fees Waived	13,900	
Less-Budget Committee Adjustments	(49,500)	
Total Operating Expenses		$ 9,685,300
Gain from Operations		$ 3,059,700
Operating Support from General Fund		
To Residence Life	$ 150,000	
To Dorm and Dining	146,700	
		$ 296,700
		$ 3,356,400
Changes in Fund Balance		
Balance July 1, 1971		
Funds Available		
Required Applications of Funds Available		
Principal	$ 642,000	
Interest	2,035,000	
Sinking Fund	372,100	
Repair and Replacement Reserve	262,000	
Audit, Insurance and Other	118,000	$ 3,429,100
Renovations and Other Contingencies		100,000
Balance June 30, 1972		$ 133,600

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OHIO UNIVERSITY
1971-72 BUDGET
RESIDENCE AND DINING HALLS
REPAIR AND REPLACEMENT RESERVE ACCOUNT

Schedule IV

Balance July 1, 1971	$658,000
Investment Income	33,000
Required Deposit	262,000
Funds Available	$953,000
Applications	
Equipment Replacement and Renovations	$182,000
Balance June 30, 1972	$771,000

OHIO UNIVERSITY
ESTIMATE OF UNRESTRICTED INCOME
1971-72

Exhibit A

	1970-71 Estimate	1971-72 Estimate	Increase (Decrease)
State Appropriation	$19,703,000		
Student Fees	18,763,400		
Sub-Total	$38,466,400	$41,783,615	$3,317,215*

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Exhibit A contd.

	1970-71 Estimate	1971-72 Estimate	Increase (Decrease)
Other Income	$ 1,300,000	$ 1,047,185	$ (252,815)
From Reserve	1,057,000	-0-	(1,057,000)
Variance	7,400	-0-	(7,400)
1970-71 Projected Year-End Surplus	-0-	162,010	162,010
Total	$40,830,800	$42,992,810	$2,162,010

*Assumption that the following combinations of income sources will generate $3,317,215 additional dollars:

1. Increase in State appropriations.
2. Increase in student fees due to increased enrollment.
3. Increase in student fees due to rate increase.

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OHIO UNIVERSITY
1971-72 BUDGET
INSTRUCTIONAL AND GENERAL OPERATING EXPENSES

Exhibit B

	Adjusted 1970-71	Proposed 1971-72	Increase (Decrease)
Vice President & Dean of Faculties			
Arts and Sciences	$ 8,821,580	$ 9,185,303	$ 363,723
International Studies	266,958	274,447	7,489
Business Administration	1,578,842	1,623,255	44,413
Communications	1,345,625	1,383,439	37,814
Education	2,776,808	2,854,883	78,075
Engineering	1,628,590	1,674,337	45,747
Fine Arts	2,194,296	2,258,555	64,259
Graduate College	110,662	125,306	14,644
Graduate Scholarships	139,026	131,426	(7,600)
Honors College	30,825	31,715	890
University College	215,739	219,732	3,993
Off-Campus Academic Programs	4,729,263	4,862,205	132,942
Black Studies Institute	257,542	264,808	7,266
Workshops	61,304	63,009	1,705
Air Force	7,565	7,763	198
Army	9,422	7,929	(1,493)
Learning Resources	112,366	115,554	3,188
Library	1,798,997	1,849,564	50,567
Ohio University Press	72,925	73,000	75
Faculty Senate	23,852	24,519	667
Associate Dean of Faculties	26,911	152,756	125,845*
Vice President's Office	180,300	187,343	7,043
Sub-Total	$26,389,398	$27,370,848	$ 981,450
Vice President-Educational Services			
Vice President's Office	$ 108,498	$ 101,289	$ (7,209)
Supervision Residence Halls	150,000	296,681	146,681
Off-Campus Housing	20,098	20,999	901
Co-Curricular Activities	231,638	213,931	(17,707)
Baker Center	190,000	197,500	7,500
Student Services	1,811,122	1,894,747	83,625
Student Activities Board-Fund Transfer	92,395	95,000	2,605
Convocation Committee-Fund Transfer (Cultural Activities Committee)	36,734	38,100	1,366
Budget Committee Adjustment	-	(20,000)**	(20,000)
Allocation Following Hearings	-	18,000	18,000
Sub-Total	$ 2,640,485	$ 2,856,247	$ 215,762

*Includes $90,000 for 6 new faculty and other annualized positions.
**To be distributed within Educationa Services.

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Director of Business and Admin. Services			
Director's Office	$ 57,733	$ 52,380	$ (5,353)
Administrative Data Processing	738,995	758,081	19,086
Environmental & Auxiliary Services	329,095	293,560	(35,535)
Purchasing	167,261	152,746	(14,515)
Stores	91,233	101,952	10,719
Personnel	137,141	122,097	(15,044)
Faculty-Staff Scholarships	135,650	140,678	5,028
Physical Plant	4,119,404	4,341,404	221,659
Capital Improvements	418,038	300,000	(118,038)
Airport	42,813	44,405	1,592
Security	448,984	447,682	(1,302)
Budget Committee Adjustments	-	221,859*	221,859
Allocation Following Hearings	-	72,000	72,000
Sub-Total	$ 6,686,347	$ 7,048,503	$ 362,156

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Exhibit B cont.

	Adjusted 1970-71	Proposed 1971-72	Increase (Decrease)
Treasurer			
Treasurer's Office	$ 99,882	$ 103,854	$ 3,972
University Budget Office	91,574	96,724	5,150
Cashier-Bursar	72,707	75,321	2,614
Controller	394,051	415,909	21,858
Student Financial Aids	170,507	179,137	8,630
Bureau of Inspection	25,000	22,000	(3,000)
Pension Contributions	5,800	5,800	-
Insurance	13,230	20,000	6,770
Undergraduate Scholarships	698,340	698,340	-
National Defense Loans	24,832	34,823	9,991
Work-Study Matching Funds	98,085	105,100	7,015
Sub-Total	$ 1,694,008	$ 1,757,008	$ 63,000
Vice President-Development			
Vice President's Office	$ 279,701	$ 263,922	$ (15,779)
Publications	102,929	108,160	5,231
Public Information	26,259	29,257	2,998
Sub-Total	$ 408,889	$ 401,339	$ (7,550)

*To be distributed within Business and Administrative Services.

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Provost			
Provost's Office	213,431	224,372	10,941
Research Institute	720,419	675,422	(44,997)
Radio-TV Broadcasting	521,012	519,000	(2,012)
Intercollegiate Athletics	765,127	760,807	(4,320)
Architect - Engineer	83,451	84,585	1,134
Planning	37,829	39,647	1,818
Institutional Memberships	9,000	-	(9,000)
Allocation Following Hearings	-	35,000	35,000
Sub-Total	$ 2,350,269	$ 2,338,833	$ (11,436)
President			
President's Office	$ 125,359	110,201	$ (15,158)
Cutler Service Bureau	36,045	38,821	2,776
Sub-Total	$ 161,404	$ 149,022	$ (12,382)
General Institution			
Plant Funds	$ 15,000	$ -	$ (15,000)
Facilities Fee	500,000	500,000	-
Ombudsman	30,092	34,000	3,908
Sub-Total	$ 545,092	534,000	$ (11,092)
Reserve Unallocated			
Reserve	$ (52,492)*	$ 500,000	$552,492
Allocation Following Hearings	-	37,010	37,010
Sub-Total	$ (52,492)	$ 537,010	$589,502
GRAND TOTAL	$40,823,400	$42,992,810	$2,169,410

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*Includes allocation of Flight Training of $127,964.

Provost Savage then presented the following salary ranges for full-time faculties and reported that the new budget was based on the recommended salary ranges in this proposal.

OHIO UNIVERSITY
RESOLUTION ON FACULTY SALARY RANGES

The 1970-71 salary range for full-time faculty for the academic year was:

	Minimum	Maximum
Professor	$13,400	$32,000
Associate Professor	10,800	19,490
Assistant Professor	8,000	16,330
Instructor	6,000	14,145
Lecturer	8,700	18,400

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The recommended salary range for full-time faculty for the 1971-72 academic year is:

	Minimum	Maximum
Professor	$14,000	$34,000
Associate Professor	11,500	20,000
Assistant Professor	8,500	16,500
Instructor	6,000	15,000
Lecturer	8,000	19,000

It was moved by Mr. Morris, seconded by Mr. Kennedy, and unanimously carried that the following resolution be adopted:

BE IT RESOLVED, that the full-time faculty salary range for the 1971-72 academic year be approved as recommended by the Provost with the understanding that in exceptional cases the maximum ceiling can be broken, subject to approval by the Board-Administration Committee, but that the minimum shall be adhered to in all cases.

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The Chairman asked Mr. Milar to explain the proposed Convocation Center refinancing. Mr. Milar reported that our current loan on the Convocation Center, amounting to $6,400,000 at 6½ per cent interest, is due on June 15, 1971. We are in a position to pay the interest on this loan and a $100,000 reduction in the face amount, leaving a balance to be refinanced of $6,300,000. Mr. Milar presented three alternatives in refinancing this loan. Two of the alternatives were long-term financing at 6 per cent interest. The one Mr. Milar recommended was short-term, or one year, temporary financing at 4½ per cent interest. This method would permit a reduction of $216,000 in the face amount of the loan by June 15, 1972.

Mr. Milar reported that he was recommending the short-term refinancing after discussing the alternatives with Mr. Kennedy. Mr. Kennedy reported that as a matter of principle, he was against financing long-term facilities on a short-term basis. However, in this case, and due to the difference in interest rates and the uncertainty of future interest rates, he recommended that we accept Mr. Milar's recommendation.

It was then moved by Mr. Kennedy, seconded by Mr. Casto and unanimously carried that the Treasurer of Ohio University be authorized to seek interim financing in the amount of $6,300,000 on the Convocation Center for one additional year.

The Chairman asked the Secretary to explain the proposed extension to the Hocking Conservancy District of a right-of-entry over University lands.

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The Secretary explained that a three year right-of-entry had been granted the Hocking Conservancy District in 1968. Due to weather and other conditions, the project was not completed on schedule and the Hocking Conservancy District has requested a one year extension of this right-of-entry.

It was moved by Mr. Casto, seconded by Mr. Morris and unanimously carried that the following resolution be adopted:

WHEREAS, the Board of Trustees of Ohio University approved the granting of a Right-of-Entry to the Hocking Conservancy District on February 6, 1968 over certain University lands and;

WHEREAS, this Right-of-Entry extended for three years or until February 6, 1971 and;

WHEREAS, due to weather and other conditions, this flood protection project has not yet been completed and the Hocking Conservancy District has requested a one year extension of the Right-of-Entry;

NOW, THEREFORE, BE IT RESOLVED, that the Right-of-Entry be extended for one year and that all provisions set forth in the original Right-of-Entry shall continue in effect during the term of the extension of the Right-of-Entry.

The Chairman asked Mr. Culp to explain the proposed resolution relative to purchasing manuals. Mr. Culp reminded the Board that in the September meeting the Board had considered the revised Purchasing Manual and suggested that a manual of food purchasing be prepared and submitted to the Board before they took any action on the general purchasing manual.

It was then moved by Mr. Morris, seconded by Mrs. Phillips and unanimously carried that the following resolution be adopted:

BE IT RESOLVED, that the following Ohio University Purchasing Manual be approved to replace the Purchasing Manual previously approved by the Board of Trustees in February, 1968.

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FORWARD

To Faculty and Staff Members:

The Purchasing Department has two primary responsibilities:

(1) To serve faculty and staff in securing materials and contracted services.

(2) To conform with the laws of the State of Ohio and policy established by the Board of Trustees in assuring that purchases are properly authorized and result in proper quality goods or services being delivered to designated locations at the proper time, in the right quality and at the lowest possible cost.

It is also appropriate to point out, in connection with paragraph 2 above, that in addition to the University Board of Trustees there are a host of other "interested parties" who quite rightfully are concerned about the expenditure of public funds. These include the auditors of various agencies, legislative committees, potential vendors, etc.

The brief explanation above serves as a preface to this Manual of Purchasing Policies and Procedures for Ohio University.

Service rendered to you by the Purchasing Department will be improved, we believe, if all University personnel will become familiar with and understand these policies and practices. It is for this reason that we have approved this manual.

Claude R. Sowle
President
Ohio University

Duncan M. Baxter
Chairman
Board of Trustees
Ohio University

MANUAL OF PURCHASING POLICIES AND PROCEDURES

FOR OHIO UNIVERSITY

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MANUAL OF PURCHASING POLICIES AND PROCEDURES FOR OHIO UNIVERSITY

INTRODUCTION

Ohio University's Purchasing Department is organized and administered as a division of the University's general business management organization.

The function of the Purchasing Department is to organize and administer procurement for all departments of the University in accordance with responsibility and authority delegated by the University's President and the Board of Trustees.

The policies and procedures have been made as simple as possible and still meet the requirements of State of Ohio laws, general University regulations, good business practice, and special requirements adopted from time to time by various agencies from which the University secures funds for special programs. These procedures are meant to cover most cases involving procurement for Ohio University, and are generally consistent with those of similar institutions and with technically oriented industrial firms.

The Purchasing Department has been assigned definite responsibilities:

(1) Procurement of goods and services for all University Departments.
(2) Testing and evaluation of various commodities to insure proper balance of quality and monetary expenditures.
(3) Expedite delivery of urgently needed goods and services.
(4) Assist in furniture selection and color coordination for interior design.
(5) Refer information about new or improved products to departments using these products.
(6) Inform departments of exceptional buys on selected commodities.

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The Purchasing Department must work, therefore, with hundreds of individuals within the University, and with thousands of vendors, in supplying complex requirements economically, effectively and as promptly as circumstances will allow.

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The Purchasing Department shares in certain responsibilities with the Controller's Office and other University administrative offices in expending University funds so that all transactions will pass numerous audits and will be considered as sensible business transactions.

All persons with budget responsibilities can simplify and expedite the handling of requirements for supplies, equipment and services by becoming familiar with Ohio University's procurement policies and by designating someone within their departments who can become skilled in working with the Purchasing Department.

The following points warrant special emphasis:

(1) Plan your needs well in advance.
(2) Describe accurately on requisitions the quantity and quality needed.
(3) Initiate requisitions well in advance of the critical date required. Indicate date items will be needed and location (room) to which items are to be delivered.
(4) Use correct account numbers.
(5) Keep the Purchasing Department informed of transactions which have worked out well for your department or those that did not. Also inform them of new equipment items you have learned about.

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The University considers its vendors to be valuable assets. It attempts to administer buying practices in such a way that all worthwhile suppliers are considered and dealt with ethically. The best ones will be awarded shares of the University business on the basis of competitive prices, services rendered, and ultimate long-range benefit to the University as a whole.

All savings, including cash discounts, achieved by combining purchases, using the buying power of the University as a whole, or in developing larger quantities per order by the cooperation of any department, or other institutions who are members of the Inter-University Council benefit the departmental or project budget which provides the funds for the purchase. Standardization and simplification of products and procedures also may result in substantial and repetitive savings to the individual department budget.

This manual of purchasing policies is intended to list the general policies and procedural practices developed to accomplish the procurement processes for Ohio University. While it is somewhat detailed, it cannot cover all eventualities. The occasional exceptional case will be worked out as circumstances and good business practices warrant.

The Director of Purchases and his staff of purchasing agents will be happy to discuss with you any procurement problems that are not covered in detail in this manual. Of course, suggestions for future editions of the manual will be greatly appreciated.

The responsibility for implementing the foregoing policies has been delegated to the Purchasing Department, and the cooperation of all individuals and departments is requested. Revision in policy or procedures will be made in future editions of this manual when required. Suggestions from the faculty and administrative staff for future changes will be welcomed by the Director of Purchases.

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Gerald F. Evans
Director of Purchases

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I. UNIVERSITY ORGANIZATION FOR PROCUREMENT

1. PURCHASING OBJECTIVE: GREATEST VALUE FOR FUNDS EXPENDED

The expenditure of all Ohio University funds should be handled so that the greatest ultimate value per dollar expended is achieved.

2. CENTRALIZATION AND AUTHORITY DELEGATION FOR PROCUREMENT

The responsibility for procurement negotiations and administration of procurement policies and procedures has been centralized and delegated to the Director of Purchases. This office is responsible for training a staff specializing in procurement practices, and for centralizing purchasing transactions so that the utmost in efficiency and monetary savings can be secured for the University.

3. UNAUTHORIZED PURCHASES

No individual has the authority to enter into purchase contracts, or in any way to obligate Ohio University, for a procurement indebtedness unless specifically authorized to do so by the President, Board of Trustees, or the Director of Purchases. Any such negotiations are considered as unauthorized purchases and the individual may encounter a personal obligation to the vendor. Firms ordinarily doing business with the University are aware of this policy and are advised that all purchases chargeable to Ohio University must

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be authorized by an official Ohio University purchase order signed by an authorized individual. Exclusive of the petty cash procedures and debit voucher procedure (Section III-5 and II-4), the University will not reimburse officers or employees for the cost of any such purchases on behalf of the University unless previous arrangements to that end have been made.

4. CONFLICT OF INTEREST IN PROCUREMENT

The University is not allowed to enter into contracts for the purchases of property, supplies or equipment from persons holding an office of trust or an employee of such office or of a board of such officers from the institution with which he is connected. (See Section 2919.08 and 2919.09 Ohio Revised Code).

5. RECEIVING AND INTERVIEWING SALES REPRESENTATIVES

University personnel having a need to contact sales representatives for a particular brand name or product should contact the Purchasing Department for assistance. Sales representatives contacting University personnel without being scheduled through the Purchasing Department should be encouraged to contact the Purchasing Department. When sales representatives possess information concerning new products or special values, they will be referred to appropriate offices.

6. GENERAL STORES OPERATION

In all cases on the Athens campus where material is available through General Stores, departments are to avail themselves of this service and requisition items on the short form. Goods may be secured from General Stores by use of a "stores requisition" (Form P-36) or by calling in person with the requisition to pick up the materials desired. This form, properly approved, should be sent or carried directly to General Stores. Branch campuses of the University need not follow this procedure.

7. GENERAL STORES CATALOG AND INVENTORY

The General Stores Catalog may be obtained by calling the General Stores or Purchasing Department. A substantial inventory is carried at all times and is broken down into the following sections:

Janitorial Supplies	1.XXXX
Dining Hall Supplies	1.XXXX
Electric Supplies	2.XXXX
Plumbing Supplies	3.XXXX
Copper Fittings Supplies	4.XXXX
Paint & Oils	5.XXXX
Tools	6.XXXX
Office	7.XXXX
Tinners	8.XXXX
Hardware	9.XXXX
Recording Tapes	10.XXXX
Laboratory Glassware	11.XXXX

II. PLANNING AND REQUISITION PREPARATION BY UNIVERSITY DEPARTMENTS

1. AUTHORITY TO SUBMIT REQUISITIONS

Only that person or persons having authority for a particular budget account or his designated representative is authorized to issue and sign requisitions.

2. UNIFORM POLICIES REGARDLESS OF FUND SOURCE

General policies concerning purchasing apply to all funds of the University, regardless of source. All funds deposited with the University are University funds and must be handled consistently in accordance with University policies.

3. THE REQUISITION

Except for petty cash expenditures, the purchase requisition (Form B 4/70 Exhibit I), is used for the procurement of all supplies, equipment and services not available through the Ohio University General Store. Items from General Stores will continue to be ordered on the short form stores requisition (Form P-36).

NOTE: Form B 4/70 may be obtained in a package of 100 from General Stores. Stock number 7.6230.

The last copy (goldenrod) should be detached and retained as the departmental file copy. The third part (pink) is provided where needed as a file copy for the dean or administrative head. The original (white) and second part (yellow) should be forwarded to the Purchasing Department intact.

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The following basic information must be completed before the requisition can be accepted

(A) Account name
(B) Account number and object code
(C) Room and building to which delivery should be made
(D) Date of preparation
(E) Departmental requisition number (if needed)
(F) Name of suggested vendor (if known)
(G) Name of person initiating requisition and campus telephone number
(H) Approval signature - department head
(I) Approval signature - dean or administrative head
(J) Quantity, equipment classification and estimated cost
(K) Unit (i.e., each, dozen, etc.)
(L) Description of item to be purchased
(M) Equipment classification (N, O, or R)

N-New
If the piece of equipment is purchased to perform a new task, or represents an addition to present equipment.

O-Original
If the piece of equipment is purchased at the time of construction of a new building. (Unexpended plant funds)

R-Replacement
If the piece of equipment is purchased to replace a worn-out piece of equipment, or one that was used as a trade-in. Indicate property tag number, manufacturer's name and serial or model number of old item.

(N) Estimated cost (total)

The suggested vendor may be shown in the space provided for that purpose. If the request is a reorder, show the last order number. The quantity must be shown in the column provided. The unit should be precise, i.e., dozen, gross, pound, each package (100's) etc. Specifications should be concise, but complete in detail. It is insufficient to show only the catalog number or model number. A complete word description is more desirable. Where appropriate, state the size, color, finish, etc. A Department may request an opportunity to review the bids before an order is placed. If this is desired, it should be so stated on the requisition.

4. REQUISITIONS TO BE PROCESSED BY DEBIT VOUCHER

Many transactions which are made on behalf of the University can be completed without processing a purchase order. The Accounts Payable Department can, in certain instances, issue payment from the requisition. This method of payment is called a debit voucher. Invoices processed by this method must be forwarded along with the requisition, to Accounts Payable Department within two working days after receipt, provided material and/or services have been received. Prompt processing of debit voucher payments is important because these transactions are not encumbered and do not appear on budget printout until paid. These requisitions can be sent directly to the Accounting Department after the dean or administrative head has approved the requisition. The following list of items and services may be processed by the debit voucher method providing the approved invoices are attached:

1. All travel entertainment and related expenses.
2. Landing fees (airport).
3. Awards, scholarships, etc.
4. Refunds.
5. Honoraria and related expenses (no gifts).
6. Stipends.
7. Commissions and royalties.
8. Books, texts, periodicals, reprints, directories, etc. (limit $50.00).
9. Inter-library loan fees.
10. Subscriptions (personal subscriptions excluded).
11. Credit card purchase (gas or car rental-O.U. credit cards only).
12. Office machine repairs (limit $50.00).
13. Film rental (excluding radio-TV).
14. Advertising.
15. Memberships and dues (personal memberships and dues excluded).
16. Insurance policies.
17. Telephone and telegraph bills.
18. Clipping service.
19. Freight charges (not covered on purchase order).
20. Testing services.
21. Mutual health fund payments.
22. Miscellaneous payments (deeds; boiler insp; elevator insp; licenses; legal fees; proofreading fees; assessments).

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23. Utilities: gas, water, electric, sewer.
24. Instrument repair (local only).
25. Bowling equipment rental assessment.
26. Metered postage.

5. QUOTATIONS

Small orders from local vendors are often priced by the Purchasing Department by telephone and processed immediately. Larger orders may require competitive bids, and, if the vendors are local or in the State of Ohio, this may take a week to ten days to process. If the selected vendors are outside the State, processing may take two or three weeks.

Bids that do not agree with every respect of the specifications on the requisition will normally be referred to the department for recommendation.

NOTE: If a department wishes to accept a bid other than the low bid or wishes to select a "brand" name, a letter of justification must be forwarded to the Purchasing Department. This letter must give in detail the advantages of the preferred item over that of the low bid and must be signed by the user and by the department head or chairman.

6. NECESSITY FOR PRE-PLANNING OF ITEMS NEEDED

The necessity for departments to pre-plan supply and equipment needs cannot be over-emphasized. The time required to issue an order and secure delivery after the receipt in the Purchasing Department of a properly prepared and approved requisition varies greatly. The work load at any given time within the Purchasing Department is also a factor. Delivery, however, will always depend on the supplier's stock and the problems they have in producing or securing delivery from their suppliers.

7. SUBMISSION OF REQUISITIONS WELL IN ADVANCE

All departments are urged to requisition standard commonly-used or repetitively-used supplies well in advance of dates needed. When requisitioning these types of items it is important to specify the largest possible quantity and as many items as possible from common sources of supply. Examples are laboratory reagent chemicals, glassware, filter paper, rubber and plastic tubing, etc. Animal feed and bedding materials, cylinder gasses, office supplies, teaching materials and other such repetitively used items should rarely be designated as "emergency needs".

8. ADDITIONAL TIME REQUIRED FOR EQUIPMENT ITEMS

Equipment items, whether office equipment, furniture, laboratory equipment or business machines, always require more time for planning, for purchasing negotiations, and for delivery. Along this line, it is essential that equipment lists for new buildings be submitted to the Purchasing Department at least one (1) year prior to completion date of the building.

9. PROPER CLASSIFICATIONS OF ITEMS IN PREPARATION OF REQUISITIONS

Since the University's purchasing procedure requires a requisition to be prepared, so that a corresponding purchase order may be typed, it is important that items of similar classification (equipment, supplies, etc.) be grouped on the same requisition. It is also important that items from a common source be listed and that a single requisition not include several items which must be purchased from a variety of vendors. (Example: Subscriptions from several publishers).

10. RUSH EXPENDITURES NEAR TERMINATION OF A BUDGET PERIOD

No rush expenditures near the end of a budget period should be requested. It is particularly important that requisitions for research grant budgets for supply items and equipment be submitted sufficiently early so that buying negotiations can be accomplished, delivery secured and invoices processed before the end of the grant period. Usually all such requisitions should reach the Purchasing Department at least three months before the end of the budget period. The Purchasing Department should receive a memorandum requesting cancellation of any items ordered on a grant, that apparently cannot be delivered and invoiced before termination of the grant budget. Equipment items for research grants should be requisitioned early in the grant period so that the equipment can be delivered and used. Equipment items usually should be purchased and used during the major portion of a research grant for which funds are expended. Therefore, requisitions for expenditures against current University budgets should reach the Purchasing Department by April 30 of each year.

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11. REQUISITIONS FOR SUBSCRIPTIONS

Subscription requests, or any request involving the mailing of periodic literature, should show complete mailing address not to exceed five lines. Subscriptions in the name of an individual are discouraged. Show mailing address two full spaces below last line of specifications:

Example Subscription mailing address:

Ohio University
Department of Education
Room 317, McCracken Hall
Attn: John Doe
Athens, Ohio 45701

III. SUPPLIER SELECTION AND PROCUREMENT TECHNIQUES

1. SELECTION OF VENDORS

Potential vendors are selected for their ability to serve the needs of the University in the most economical and efficient manner possible on a continuing basis. Past performance of vendors and cooperation with Ohio University are important factors in vendor selection. It is impossible for the University to purchase efficiently from all available sources in many lines. The buying power of the University must be concentrated as much as possible with selected vendors to attain the maximum advantages of price and service. Many vendors have secured important shares of University business on the basis of negotiated contracts and confidential price lists and exceptional service demonstrated repeatedly over long periods of time. Such well qualified suppliers are important assets to the University.

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2. CHANGES OF SUGGESTED VENDOR BY PURCHASING DEPARTMENT

The Purchasing Department may delete an item listed on the requisition and buy from another source to take advantage of special circumstances or of an existing University or Inter-University Council contract. Of course, the order may also be shifted entirely to another supplier who will provide better prices, service, or delivery. The standard of quality will not be changed, except in necessary cases and with consultation between the buyer and the department requisitioning the item.

IMPORTANT: FOR THESE AND OTHER REASONS, NO COMMITMENTS, EXPRESSED OR IMPLIED, SHOULD BE MADE BY UNIVERSITY DEPARTMENTS.

3. SUGGESTIONS OF SUPPLY SOURCES FOR UNUSUAL ITEMS

Using departments are encouraged to suggest sources of supply with complete addresses, particularly for unusual or non-standardized items. Authority for the final selection of the vendor, however, shall be left to the Purchasing Department buying staff which is charged with the overall responsibility of developing and contracting with the best sources of supply for Ohio University. The Purchasing Department will follow a department's recommendations as much as possible.

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4. PREVIOUS HISTORY FOR COMMODITIES HELPFUL

Usually, items specified on a requisition have been handled before for other departments and an adequate history of the product, potential vendors and their service capabilities and product availability is on hand in the records of the Purchasing Department, or can be readily developed or updated. This is one of the advantages of specialization and centralization.

5. LOCAL PURCHASES BY PETTY CASH

A petty cash procedure has been established by the Business Office which permits employees, with supervisory approval, to make direct emergency purchases from local suppliers of low cost items which are not available in the General Stores Warehouse. Purchases are limited to ten dollars ($10.00). Payments for services are prohibited unless prior approval is obtained through the Controller's and Purchasing Offices. For additional information on this procedure, see Exhibit II at the end of this manual.

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6. EMERGENCY BUYING

EMERGENCY ORDERS MUST BE KEPT TO A MINIMUM. When necessary, emergency purchases will be made by the Purchasing Department, by telephone, and a confirming purchase order will be sent immediately to the vendor. To initiate an emergency transaction, the authorized person must submit a signed requisition to the Purchasing Department, giving the exact information, the circumstances, and the correct and complete account number to be charged. Proper planning eliminates many rush transactions, but real emergencies will be handled as expeditiously as possible. It is important that a requisition be "walked through" to the Purchasing Department prior to the placing of an order.

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7. SMALL ORDERS DISCOURAGED

Small orders are extremely costly to the University and to vendors. Vendors are understandably resisting the responsibility of delivering and invoicing orders when their costs become far greater than even their gross mark-up on the materials sold.

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8. POOL OR COOPERATIVE BUYING

The University will participate in cooperative or pool buying when it is judged to be advantageous. Examples are:

(a) Annual bid for scientific equipment and supplies
(b) Annual contract for stock forms and paper
(c) Annual contract for automobiles, etc.
(d) Contracts with Educational and Institutional Cooperative Services, Inc.
(e) Contracts by the Inter-University Council (This group includes all of tax supported educational institutions in the State of Ohio).

9. ESTABLISHMENT OF CURRENT PRICES

Members of the Purchasing Department buying staff remain aware of current prices through study of published price lists, price information available from salesman, or published market data; and if price cannot be determined from such sources the proper price is established through negotiation or competitive bid.

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10. PRICE AS A FUNCTION OF VALUE

The Director of Purchases may examine prices quoted by several different suppliers to determine which price, in combination with the necessary quality features of the product and the service aspects of the relationship with the supplier, will afford the University the greater over-all value.

11. FACTORS IN SELECTION OF MAJOR EQUIPMENT

The selection of major equipment shall be based on considerations of economy in operation, productivity, compatibility, quality, dependability, savings in time or labor costs, and durability, so that the net result will be increased efficiency at the lowest net cost.

NOTE: Prior to submitting a requisition for the purchase of an instrument or item of equipment, the requesting department should ascertain whether power requirements or other utilities are available. These should be specified on the requisition. Space requirements and floor loading should also be checked where applicable. The Purchasing Department and the Director of Utilities should be contacted if assistance is needed.

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12. SERVICE AGREEMENTS

It is strongly recommended that certain items of equipment be covered by service contracts in order to assure continuing efficient operation. Such general-use equipment as electric typewriters, dictating equipment, calculating machines and duplicating equipment fall in this category. Such equipment as electron microscopes, ultra centrifuges and other highly specialized scientific equipment also should be maintained under service contracts. Forms required by vendors are signed on behalf of the University by the Director of Purchases and transmitted to them with a purchase order.

13. DISPOSITION OF SURPLUS ITEMS

The Office of Equipment Property Control shall be solely responsible for the effective disposition of all surplus or outmoded articles and shall administer transfer of commodities and/or equipment between operating departments, as appropriate. That department must, in conjunction with the Purchasing Department, sell or trade-in those articles no longer of use to the University.

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14. STANDARDIZATION OF COMMON USE ITEMS

Items in common use shall be standardized as much as possible in order to gain the value of maximum quantity discounts, to lessen the variety of items carried in stock in various departments, and to eliminate numerous small orders at retail prices and expensive processing costs.

15. DETERMINATION OF QUALITY SPECIFICATIONS

The buyer shall make purchases on the basis of specifications, either on file or furnished by members of the faculty and staff. The determination of a desirable quality to accomplish necessary results will be a joint decision between the using agent, department chairman, and Director of Purchases. (Example: Many vendors make alternate proposals which afford the university a better value by either meeting or exceeding the specifications.)

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16. REVISION OF ORDER QUANTITIES

The Purchasing Department shall check purchase requests against the need and may revise quantities or quality in accordance with Ohio University's purchasing policy and good business practice; the fundamental responsibility of the buyer is to fill the need, not necessarily to make a purchase exactly as requested. Significant deviations will be discussed with the user and pertinent factors cooperatively considered. Be specific as to quantities. Do not say "1 box" or "1 carton", but rather "1 box (100 per box)". 39

17. ECONOMICAL ORDER QUANTITIES

When an order is placed, the quantity shall be that which results in the lowest total cost to the University, including the cost of carrying the merchandise in stock as well as its procurement cost. For this reason, a requisition is not considered a directive to purchase a given quantity.

18. REQUIREMENT CONTRACTS

When quantity cannot be determined definitely, required contracts stating estimated maximum and minimum limits, with deliveries to be scheduled or to be ordered as required, sometimes may be negotiated or placed for bid.

19. CONSOLIDATION OF PURCHASES

Purchases of similar items or items from common sources shall be consolidated for purchasing wherever possible, in order to gain maximum quantity discounts and best vendor service. The Purchasing Department will keep in mind delivery schedules and costs. 38

20. RESTRICTION OF SMALL REPETITIVE ORDERS

Small repetitive orders should be increased in quantity and decreased in frequency, so that suppliers are not continually asked to handle transactions which are unprofitable. Ordering in larger quantities also reduces costs to the University caused by the negotiating and placing of orders, paper work processing, and issuance of checks.

21. COMPETITIVE BIDDING

Wherever practical, competitive quotations from vendors handling the same or similar products will be secured. It is mandatory, by State of Ohio law, that all items totaling $2,000.00 or more be competitively bid. However, the Purchasing Department may, at its discretion, choose to bid any item which in its judgment "lends itself" to competitive bidding.

Individual departments may, for their own information, wish to secure "inquiry" price quotations on items they are considering for purchase. It should be understood, however, that these price quotations, regardless of their source, may not be acceptable to the Purchasing Department for actual use at the time of purchase due to time lapse, quantity changes or inadequate information. Be sure to allow sufficient time for the Purchasing Department to obtain prices, place the order, and receive shipment. 37

IV SPECIAL RESPONSIBILITIES OF UNIVERSITY DEPARTMENTS

1. PROMPT REPORTING OF MISTAKES IN SHIPPING OR INVOICING

Mistakes in shipment or invoicing should be reported promptly, in writing, to the Purchasing Department, and Receiving Department referring to the order number and vendor involved, receiving slip, and in sufficient detail so that proper negotiations and correction of discrepancies can be conducted and made a matter of record.

2. PROBLEMS INVOLVED IN INCORRECTLY SPECIFYING

Mistakes or insufficient information in specifying the product originally ordered by the requisitioning department often create difficult problems. Rectifying such errors after delivery is likely to be extremely costly because of restocking charges, two-way freight charges, and dissatisfaction on the part of the vendor.

3. REQUESTS FOR CANCELLATION OR MODIFICATION OF ORDERS

Requests for cancellation or modification of purchase orders (before shipping) should be directed to the Purchasing Department, by an authorized individual. Reasons for the request should be stated in writing with reference to the purchase order number and vendor. 36

4. RETURN OF SUPPLIES OR EQUIPMENT

Supplies or equipment returned to suppliers or manufacturers for adjustment or credit must be cleared through the Purchasing Department. Credit memos

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received that cannot be identified with returns will receive disposition at the discretion of the Controller's Office. Departments are urged to keep all such requests to the absolute minimum.

When an item is to be shipped from Ohio University, Athens campus, for repair or for any other reason, and it is desired that the Shipping and Receiving Department serve this function, the procedure outlined below should be followed. Prepare and send to the Purchasing Department a signed requisition which gives the following information:

(a) Location of the item. Include building, room number and person to contact. If the item will be delivered to the Receiving Department by the Department, please indicate this intention. In every case, a pick-up order will be issued and the Receiving Department will transport the item to the shipping dock.

(b) Brief description of the item. Include approximate weight, serial number, University inventory tag number, purchase order number and other applicable identifying information.

(c) Reason for return, i.e., repair, incorrect item, damaged, etc. Also state whether the party to which the shipment is being made is aware of and agreeable to the action. Include names of persons contacted, reference letters, etc. (If clearance has not been obtained, please so state and contact will be made by the Purchasing Department).

(d) Approximate value of the item and for how much it should be insured.

(e) Complete shipping address.

(f) Preferred method of shipment, i.e. R.E.A. Express, air express, air parcel post, motor freight, etc.

When possible, it is advised that items be packed for shipment before the requisition for pick-up is issued. Delicate instruments will be better protected in transit to Receiving and shipping will be expedited. If packing is not available the Carpenter Shop will furnish this service at a charge for labor and material. (A separate requisition will be needed for this service). The pick-up requisition issued to the Purchasing Department will be used to process payment of the shipping charges incurred, and will be kept on file as an aid in tracing the shipment, should it be delayed or lost in transit.

5. PROMPT INSPECTING AND CHECKING OF ITEMS RECEIVED BY DEPARTMENTS

The system of inspecting and testing shall be used to insure that the University is receiving the quantity and quality of goods for which it has negotiated. The department receiving the merchandise is responsible for promptly unpacking and carefully inspecting shipments. Any discrepancies or shortages should be reported promptly, in writing, to the Purchasing Department referring to the order number and vendor and attaching all pertinent papers. The Purchasing Department will work out the problems involved to protect the University's interest and to complete the transaction.

6. CLAIMS PROBLEMS INVOLVING DAMAGES OR SHORTAGES

In the case of damage or shortage to a shipment which has not been processed through the Central Receiving Department, a written report should be made immediately to the Purchasing Department giving the following information:

(a) Name of carrier and copy of the freight bill
(b) Order number and date
(c) Vendor to whom the order was issued
(d) Invoice number and date (if available)
(e) Extent of damage and shortage (be specific)

In the case of lost shipments or a part of a shipment which is astray, the report should give items (a) through (d) above and list the number of cartons in the shipment which are lost or astray. It is important to note that the driver who makes the delivery must indicate on the freight ticket the shortage or damage which has occurred. He is also required to sign his name and the date of delivery.

If the damage or shortage is not evident at the time of delivery, you must in all cases notify the carrier within fourteen (14) days of a shortage or damaged shipment so that he will arrange for an inspection report. It is often advisable to notify the carrier verbally and confirm that notification in writing. It then becomes extremely important that all containers, packaging material, wrappers, etc. be retained for the carrier's inspection. Failure to keep this material will, undoubtedly, void any chance of obtaining a claim.

After the claim inspection report has been received, it should then be forwarded immediately to the Purchasing Department so that the purchasing agent can notify the vendor of the shortage and/or damage and ask for a replacement shipment.

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It will be determined by the Purchasing Department who has the responsibility of processing the final claim report, dependent, of course, on the conditions of the contract or purchase order.

7. NECESSITY FOR PROMPT INVOICE APPROVAL

Invoices received directly from vendors by departments must be promptly approved by department head and return to the Accounting Department. The entire credit standing of the University depends upon our paying our obligations on time. Any individual who is away from the University for an appreciable time should arrange for a deputy to receive, unpack and inspect merchandise. Arrangements should also be made for prompt invoice approval in such cases.

8. EMERGENCY REPAIRS

Emergency repairs or overhauls of office machinery on the Athens campus must clear through the Purchasing Department. Emergency repairs on typewriters are handled locally and will be taken care of promptly by calling the Purchasing Department. Typewriter overhaul jobs are generally sent out to the distributor handling the particular machine. Make and machine number should always be given in connection with repairs or overhauls. Such repairs on other campuses should be arranged by the campus director after notification to the office of Off-Campus Academic Programs.

9. RENTAL OR LEASE EQUIPMENT

Equipment which is furnished for University use, by outside agencies on a rental or lease basis, whether for a definite or indefinite period, will be covered by a formal purchase order. In the case of lease equipment, the department concerned will clearly mark the requisition, "lease equipment" and specify whether it is a new or renewal lease. Vendor lease agreements should be attached to the requisition, and forwarded to the Purchasing Department.

V. PURCHASES PROHIBITED BY UNIVERSITY POLICY

1. ITEMS NOT PURCHASED BY UNIVERSITY POLICY

University policy does not permit the purchase of such items as briefcases, flower vases and arrangements, coffee pots, expensive desk pads, or other such appointments. These and such other items are not provided by University funds, but are considered personal items. Any individual who wishes to have such items in his office should procure them personally. University letterheads should not be used for ordering personal items to be paid for by the individual. When letterheads are used, the vendor will very often bill the University rather than the individual, resulting in time consuming and expensive correspondence.

VI. SPECIAL PROCUREMENT POLICIES

1. PRINTING PROCUREMENT

Major printing requirements or new requirements should be approved by the Director of Publications. The Publications Office often assists in planning and editing brochures for departments. The department concerned is ressponsible for seeing that a requisition is submitted before printer assumes any production expense.

Minor printing jobs (forms, letterheads, pamphlets, memos, etc.) should be forwarded to the Graphics Reproduction Department, and if the work cannot be done internally, it will be contracted with an outside printer by the Purchasing Department. If the item is a reprint of an existing publication, form, etc., the following steps should be observed:

(a) A requisition stating the requirements and exact delivery date should be sent to the Purchasing Department along with six (6) samples of the forms to be purchased.

(b) A minimum lead time of ten (10) weeks is necessary to allow sufficient bid time (approximately 2 weeks) and a normal printing time of eight (8) weeks. This will be longer if a proof is requested!

(c) Forms requiring minor changes should be clearly marked on all the samples.

(d) Totally new designed forms will normally be awarded to that vendor who has assisted in the design of that form.

(e) Emergency orders can and will be handled as expeditiously as possible but it must be emphasized that competitive bidding may be required. If delivery is extremely critical there can be a "liquidated damages" clause added to the bid document for failure to deliver in the prescribed time. This, of course, will undoubtedly add to the overall cost but one may decide it would be worth it.

After an order for printing has been placed by the Purchasing Department, the department that has prepared the requisition will deal directly with the printing firm in correcting proof, but changes of quantity or specifications must be authorized in writing by the Purchasing Department since such changes require a revision of the purchase order contract and encumbered funds.

2. LETTERHEADS, ENVELOPES AND CALLING CARDS

University letterheads, envelopes, and calling cards have been standardized. Requirements of letterheads and envelopes for all offices are to be submitted directly to the Graphic Reproduction Department. Contact the Purchasing Department for information and prices of calling cards.

3. PURCHASES REQUIRING PREPAYMENT

Sometimes it is necessary to make advance payment for items. This is always true for U.S. Government documents from the Superintendent of Documents and for certain other items, usually of small value. In such cases, be sure of the accurate and complete description of the item required, its price, catalog number, and the exact name and address of the supplier. Prepare a requisition as usual and insert below the item description "prepayment" and below that "CHECK ATTACHED". Also, attach to the requisition, any supporting evidence such as advertisements, letters from the vendor, proforma invoices, etc.

4. PURCHASES OF RUBBER STAMPS AND OTHER FABRICATED ITEMS

When ordering rubber stamps, typewritten copy showing the exact wording, spacing, and lettering with an indication of the total size of the rubber stamp should be furnished on 3 x 5 inch cards. Three copies of the cards must be furnished so that the copies can be sent with the original purchase order to the stamp making company. This will reduce the possibility of error in spelling. No border should be shown unless the stamp requires a border. The same procedure should be used for name pins, engraved signs, or other such items to be fabricated.

5. GOVERNMENT SURPLUS PROPERTY

Acquisition of government surplus property is available through any government surplus channel. All inquiries must be routed through the office of the Director of Purchases. The Purchasing Department will work with the State Educational Agency for Surplus Property. Permission to dispose of government surplus property must be received from the Director of Purchases.

6. KEYS

On the Athens campus all requisitions for keys regardless of kind, shall be forwarded to the Security Department for approval. These approved requisitions will then be sent to Purchasing for issuance of purchase order. On other campuses the director is responsible for keys upon approval of the Dean of OCAP.

7. FILM RENTALS

All requisitions for film rental should be routed through the Learning Resources Center. L.R.C. will make arrangements for the film rental plus any equipment that may be required.

EXHIBIT II

OHIO UNIVERSITY

PETTY CASH PROCEDURE

PURPOSE

This procedure permits employees to purchase from local sources, with supervisory approval, small items on an emergency basis not available in the central storeroom. Purchases obtained from sources outside the Athens area must be handled by purchase order.

GENERAL

Individual purchases are limited to $10.00. Procedures outlined here must be strictly followed. Payments for services are prohibited unless prior approval is obtained through the Controller's and Purchasing offices.

A. PURCHASER

1. Every purchase must be supported by an original and one copy of the Petty Cash Voucher (Exhibit II-A) and the original and one copy of the vendor sales slip. The purchaser completes the voucher in ink. No corrections in the dollar amount are permitted.

2. The purchaser completes the petty cash voucher with the following information:
   a. Date
   b. Name of supplier
   c. Dollar amount written
   d. Dollar amount in figures
   e. Name of department to be charged
   f. Account number of department to be charged
   g. Obtains signature of representative of supplier receiving payment
   h. Obtains approval of authorized administrator
   i. Signature of purchaser receiving cash from petty cash custodian

3. The original or copy of the vendor's sales slip showing detail of items purchased must be attached to the petty cash voucher when presented to the Cashier's office for reimbursement. Cash register tapes are not acceptable.

4. Ohio University is exempt from sales tax in the state of Ohio. Sales tax, if paid, will not be reimbursed. The purchaser should inform the supplier that the purchase is for Ohio University and is tax exempt. In the event the vendor requires a tax exemption certificate, they may be obtained in the Purchasing Department.

5. Submit properly completed petty cash vouchers (original and one copy) with attached sales slip to the petty cash custodian in the Cashier's office, Haning Hall. If complete and proper, immediate reimbursement will be made.

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FORM SUPPLY

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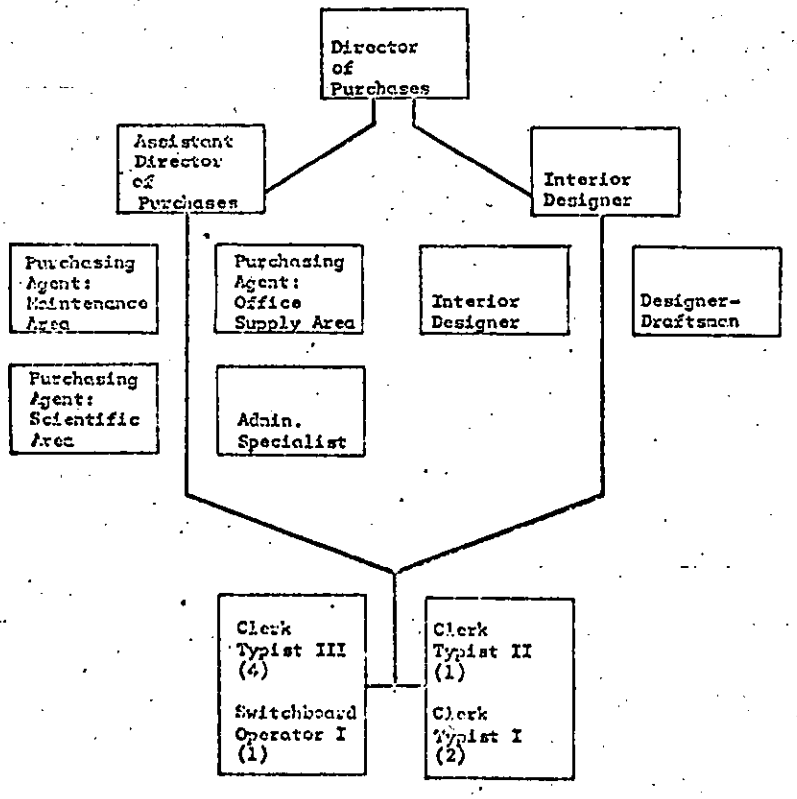
Forms may be ordered from the central storeroom, Stock No. 7.6250.

EXHIBIT III

DEPARTMENT OF PURCHASES

ORGANIZATION



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After a further discussion, it was moved by Mr. Morris, seconded by Mrs. Phillips and unanimously carried that the following resolution be adopted:

BE IT RESOLVED, that the following Ohio University Food Purchasing Manual, distributed with the agenda material for this meeting, be approved and implemented.

CENTRAL FOOD STORES

PURCHASING AND PROCEDURES

MANUAL

OHIO UNIVERSITY

1971

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I. INTRODUCTION

Food purchasing and warehousing are support functions to the Ohio University Director of Food Services, who has ultimate budgetary and operational responsibility for both cost and quality of the end service. In order to assure that these functions are totally responsive to the overall mission of the Food Services Department, the food purchasing and warehousing functions come directly under the authority and direction of the Director of Food Services.

Food purchasing is a very specialized area. Most food items purchased are further processed prior to end use. Therefore, quality, form, package size, etc., must be compatible with the menu, recipes, production systems, equipment, and student preference. The Assistant Director of Food Services (Production Systems and Training) works directly with the Food Buyer and the Director of Food Services on a continuing basis evaluating new products. Those products which meet established standards and are compatible with the existing menu are purchased and incorporated within the existing menu cycle.

II. GENERAL RESPONSIBILITIES AND LIMITS

A. The general function of the Central Food Stores Division of the Food Services Department is to purchase, distribute and account for those food and related supply items for which a dining hall requirement has been established. The Central Food Stores Division shares in certain responsibilities with the Controller's Office and other University Administrative Offices in expending University funds so that all transactions will pass numerous audits and will be considered sensible business transactions. It must be recognized that, as a public educational institution, there is a responsibility to the taxpayer, resident student and food purveyor to conduct business fairly and in accordance with public law. 17a

B. The primary responsibility shall be the purchase of food and related supply items at the lowest cost consistant with established quality standards. It is the further responsibility of this division to maintain accurate inventory and pricing information for every product. All purchases are to be limited to those items for which there is a properly established requirement.

C. It is the responsibility of the Central Food Stores Division to provide proper security measures throughout the order-use cycle to insure the safe delivery and accountability of all items requisitioned. 17

D. It is the Food Buyer's responsibility to maintain as low an inventory as possible, consistent with available market supply and economies of quantity buying.

E. It is the buyer's responsibility to maintain an up-to-date evaluation of suppliers based on overall performance including promptness of delivery, product quality and general reliability.

F. The buyer shall continually explore the market for additional suppliers and new food products. Information related to new products shall be directed to the attention of the Director of Food Services for proper evaluation and review.

III. SPECIFIC OPERATING PROCEDURES

A. Specifications for food products shall be developed through the combined efforts of the Director of Food Services, the Assistant Director (Production Systems and Training) and the Food Buyer in order to correlate the proper balance between quality and price as they relate to the end use of the product.

B. Projected Inventory Requirements of food related items shall be established by the Food Buyer based on past usage and estimated future consumption of all items which appear on a current menu cycle. Accurate inventories and the knowledge of quantity buying leverage are essential guidelines to the establishment of sound economic order quantities. 16

C. Potential Suppliers are to be selected for their ability to serve the needs of of the University Dining Halls in the most economic and efficient manner possible on a continuing basis. Past performance of vendors and cooperation with Ohio University are important factors in supplier selection. It is impossible for the University to purchase efficiently from all available sources in many lines. The buying power of the University must be concentrated as much as possible with properly selected vendors to attain the maximum advantage of low price and good service. Many vendors have secured important shares of University business on the basis of negotiated contracts and confidential "large user" price lists. At the same time, these suppliers have demonstrated (in the broadest sense) their ability to provide good service over long periods of time. Such well qualified suppliers are a valuable asset to the University.

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D. Three Requirement Levels are necessary based upon frequency of use, available storage, and product shelf life.

1. Large quantity requirements of such items as canned fruits, canned vegetables, frozen seafood items, frozen baked goods, shortenings - oils, prepared dressings, etc.

2. Line or mainstay items such as fresh meat, frozen items, fresh produce and perishable dry foods.

3. High usage items requiring frequent direct delivery, such as ice cream, carbonated beverages, dairy products and bakery items.

E. Price Determination. As an overall policy, prices for all items purchased shall be established through competitive bidding as described in the following three procedures:

1. Formal Bidding, used mainly with large quantity purchases or high and frequent use items, is extremely valuable in establishing price when dealing in large quantities for either one-time large orders or the standard open-end purchasing agreement. Invitation to bid that sets forth product quantity specifications and all pertinent terms of the contract shall be forwarded to prospective sources of supply. Sealed bids are received from those interested suppliers and opened publicly at the time and place noted in the invitation to bid. The securing of the formal bid quotation indicates to all suppliers that prices listed must be final and further negotiations are not permitted. If the low bid does not meet established product specifications as outlined in the invitation to bid, or if there is evidence that the low bidder cannot meet other necessary conditions as set forth by the buyer, the next low bid shall be considered. In all cases where the low bid is not accepted, written justification shall be prepared setting forth the reasons for such rejection. All bids are filed with the Resident State Auditor's Office for future reference and audit.

2. Informal Quotation buying, used mainly for line or mainstay items, is the method most often used. All steps in the formal bidding process are followed with the exception of the public bid opening. Again the invitation to bid is forwarded to prospective sources of supply. Price quotations normally will be expected to be in writing. The items shall be purchased from the supplier offering the stipulated product at the lowest price consistent with established product specifications. Details of these transactions shall be recorded and are to be available for audit.

3. Telephone buying is the least used method of purchasing. This procedure is employed primarily when time is limited or when the amount is small, or when the item source is difficult to locate. This method shall be used with established supplier only and immediately confirmed by a written purchase order. Details of these transactions shall be recorded and are to be available for audit.

F. Proper Receiving Procedures will be followed for all items delivered to the Central Stores warehouse, with strict adherence to the following:

1. When a product is received, Central Food Stores will inspect the product for all terms of the contract, including quality, condition, count, and weight. Each receipt will be identified with the appropriate purchase order.

2. If the product fails to meet the terms of the contract as to specification, amount, quality or condition, the Food Buyer shall be notified and he shall make the decision as to acceptance or rejection of the product. He shall consult with the Director of Food Services in those cases where such consultation is warranted.

3. When a product is to be rejected, the supplier shall be notified immediately by phone, indicating the justification for such a decision. Proper credit for the product shall be requested and details of the transaction shall be noted for the record with appropriate notation being filed in the vendor's performance file.

G. Special Bidding Regulations

1. State law currently requires competitive bidding for all purchases over $2,000.00. If this practice is impossible for some reason such as in the case of a one-source item, written justification for such purchases will be made.

2. All bid records received from suppliers are forwarded by Central Food Stores to the Resident State Auditor's office.

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3. All bids shall be available for review by any or all participating bidders at the office of the Food Buyer. It shall not be the responsibility of Ohio University to furnish copies to participating bidders.

4. The purchase order form (see Ohio University Purchase Order form attached) shall be used to establish an order with the supplier. The copies of this order form are to be distributed as follows:

   Orange - Retained for Central Food Stores record.

   White - (Original) Mailed to supplier as confirming purchase.

   Yellow - Sent to Accounting Department.

   Green - Sent to Central Food Stores receiving department as authorization to receive product.

   Pink - Recorded with Resident State Auditor's Office.

   White - Sent to Accounts Payable to authorize payment of supplier's invoice.

5. Cancelling an order shall be done only with the agreement of the vendor since an accepted order is a contract. If it becomes necessary to return an item to the vendor for exchange or credit, a copy of all pertinent data shall be retained by the Food Stores Division.

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PURCHASE ORDER

STATE OF OHIO
OHIO UNIVERSITY
ATHENS, OHIO 45701

THIS NUMBER MUST APPEAR ON ALL INVOICES, CORRESPONDENCE AND SHIPPING CONTAINERS

NO. F - 10225

DATE

TO

MATERIAL ON THIS ORDER IS EXEMPT FROM OHIO SALES TAX AND ALL FEDERAL TAX.

DEPARTMENT	REQ. NO	ACCOUNT NUMBER	AMOUNT	F.O.B. ☐ ATHENS, OHIO ☐ OTHER
				TERMS:

Please furnish and deliver the following to OHIO UNIVERSITY, ATHENS, OHIO

QUANTITY	UNIT	DESCRIPTION AND SPECIFICATIONS	UNIT PRICE	AMOUNT

INSTRUCTIONS TO VENDORS

1. TWO (2) COPIES OF INVOICE COVERING THIS PURCHASE MUST BE MAILED TO THE ACCOUNTS PAYABLE DEPARTMENT, OHIO UNIVERSITY.
2. PACKING SLIP MUST ACCOMPANY EACH DELIVERY SO THAT GOODS CAN BE IDENTIFIED. ALL SHIPPING CARTONS MUST BE MARKED WITH PURCHASE ORDER NUMBER.
3. ALL DELIVERIES MUST BE MADE TO THE RECEIVING DEPARTMENT, FACTORY STREET, ATHENS, OHIO.

WE HEREBY CERTIFY THAT THE MATERIAL OR SERVICES SPECIFIED ABOVE ARE NECESSARY FOR OUR USE

OHIO UNIVERSITY

Purchasing Agent

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IV. FOOD STORAGE AND DISTRIBUTION

A. Proper storage and distribution of food and related supplies is a vital part of the University Food Services Program. Proper control of inventory and distribution is necessary to insure proper cost and consistent quality. Some of the important practices to be followed during storage and distribution are minimum product handling, conveniently arranged storage, proper stock rotation, proper storage temperatures, date coding of all perishable products and security of inventory.

B. The Dining Hall Requisition instructs and authorizes the Food Stores Division to remove from stock and to deliver those items listed on the order form. All Dining Hall requirements must be listed on the appropriate "Food Stores Order Form". This is to be done either by the Dining Room Manager or the manager's representative. The five-section "snap-a-part" food order is designed to provide use and cost data to the A.D.P. accounting system for ease in compiling the Dining Hall operating summaries. The five copies shall be distributed as follows:

White - Used by the Accounting Department to figure dining hall costs.

Yellow - Goes back to manager after price extention.

Pink - Retained in Central Food Stores file.

Gold - Sent to dining hall with the order to insure accurate delivery count.

Green - Retained by Dining Hall Manager for his record of the original requisition.

C. Emergency orders and emergency deliveries are available but are to be kept at a minimum. Careful pre-planning with menu and inventory can virtually eliminate costly "quick buying" on the open market. Requisitioning units are prompted by the Director of the University Food Services to exercise great care in planning ahead. When necessary, however, emergency purchases will be handled as expeditiously as possible and a confirming purchase order will be sent immediately to the supplier.

D. The distribution of food products. The trucking operation is responsible for both the security and condition of the product from the time it is loaded at the truck dock until delivery is made at the dining hall. All products shall be date-coded at the time of receipt at the dining halls as a further precaution against poor inventory practices.

E. The Manager, Central Food Stores Division, shall periodically provide a list of slow-moving items to the Director of Food Services in order that these items can be incorporated in menus and thereby assure their use ahead of spoilage.

V. ACCOUNTING

A. The Central Food Stores accounting responsibility starts with the extension of prices on the bid sheet and continues through the operating unit billing done for Resident Dining Accounting. This includes checking purchase orders, price extensions, delivery slips, dining hall charges and suppliers invoices.

B. A perpetual inventory is maintained by Central Food Stores covering all foods and related items. A semi-annual physical inventory of all existing stock shall be made in addition to periodic spot inventories of fast-moving and critical items. Perpetual inventory records will be corrected and any adjustments thereto recorded against the established write-off account for this purpose. All adjustments to this account must have written justification (ie; spillage, spoilage, broken package, etc.) and submitted to the Director of Food Services for written approval.

C. Unauthorized Purchases. No individual has the authority to enter into purchase contracts, or in any way to obligate the Ohio University Food Service Department, other than Central Food Stores purchasing agents as authorized to do so by the President, Board of Trustees, or the Director of Food Services. Any such negotiations are considered as unauthorized purchases and the individual may encounter a personal obligation to the vendor. Firms ordinarily doing business with the Ohio University Central Food Stores Division are aware of this policy and are advised that all purchases chargeable to the Ohio University Food Service Department must be authorized by an official University Purchase Order, signed by an authorized individual. Exclusive of the petty cash procedure, the University will not reimburse any employee for the cost of any such purchases on behalf of the University unless previous arrangements to that end have been made.

I. Receiving and Opening Bids

Ohio University Food Purchasing invites bidding on the food items listed on the forms attached hereto.

The enclosed pre-addressed envelopes must be sealed and must have been received by the Food Buyer, Central Food Stores Building, Factory Street, Athens, Ohio 45701, by _____o'clock A.M.-P.M. S.T./D.S.T. _____197_____ in order to qualify for consideration.

Any or all bids not prepared and submitted in accordance with the provisions outlined herein may be rejected. Likewise, any bid may be withdrawn prior to the above time schedule. No bids will be accepted after designated time.

II. Preparation of Bid

Two copies of the bid are enclosed, one to be returned to Ohio University Food Stores, the second may be retained for your files.

Bid prices must be completely filled in with final net price on a line item basis, using ink or typewriter. All prices quoted shall be F.O.B. Ohio University, destination--Food Stores Warehouse.

If additional discounts are available applying to a lump sum basis, or by grouping, submit these as an alternate plan.

Please sub total each section. Price extensions will be checked, and unless no change is specified by bidder, will be corrected.

III. Interpretations

Any request for an interpretation should be directed to Mr. Fred France, Central Food Stores, Factory Street, Athens, Ohio 45701. Phone - 614-594-5318.

IV. Product Variations

Bids offering equal and alternate food items will be considered if they are clearly identified in the bids, and are determined by us, to be of equal value in all respects to the proprietary item specified. If "equal" or "alternate" is not so specified, the bid shall be considered as originally requested.

V. Qualified Bidder

To be eligible for consideration, the firm submitting the bid shall have a factory or factories, or be a recognized representative of a processor or manufacturer of the quality and type product specified for at least one year. For further information on special qualification, contact the Food Buyer.

All suppliers must have a program of strict inspection and quality control that insures a first quality product.

The Food Buyer may make any investigation he deems necessary to determine the ability of the bidder to supply a proper product. The bidder shall furnish any information requested (i.e. licensing) and shall cooperate with inspection trips and/or other means of establishing acceptable levels of performance. All inspection trips will be at the buyer's expense.

VI. Rejecting Bids

The University reserves the right to reject any or all bids at its own discretion. All parties will be notified if such action takes place.

The Chairman asked Provost Savage to explain the proposed resolution relative to rebidding the food service and laundry buildings. Dr. Savage explained that bids on these two buildings had been received and they far exceeded the arthitect's estimated cost. He had consulted with the Budget, Finance and Physical Plant Committee relative to this and had obtained a telephone vote from members of the Board of Trustees authorizing the University to go out for additional bids on these buildings.

It was then moved by Mr. Stocker, seconded by Mr. Crow and unanimously carried that the following resolution be adopted:

WHEREAS, the bids for the Food Service and Laundry Building exceeded the estimated cost of the project by more than ten per cent, and;

WHEREAS, State of Ohio regulations require that the project be rebid;

NOW, THEREFORE, BE IT RESOLVED, that authorization to rebid the Food Service and Laundry Building at an estimated total project cost of $3,335,000 be ratified as previously approved by telephone vote of members of the Board of Trustees on January 15-January 20, 1971;

BE IT FURTHER RESOLVED, that in order to expedite the letting of contracts on this building, the Budget, Finance and Physical Plant Committee of the Board of Trustees be authorized to approve the awarding of contracts to the successful bidders, as recommended by the Department of Public Works.

The Chairman called on Fred Johnson for a report of the Educational Policy Committee. Mr. Johnson reported that his committee has had under consideration for some time the establishment of a branch in Ironton, Ohio. On February 8 and 9, 1971, members of the committee visited Portsmouth and Ironton to make an on-the-site study of the possibility of building a branch in Lawrence County. He reported that Mr. Kennedy was unable to get to Portsmouth because of weather conditions; however, he did arrive for the visit to the city of Ironton.

Mr. Johnson reported that there is available an appropriation of $2,091,830 transferred to Ohio University for the Ironton Branch. In addition, there is available $120,000 for planning the Ironton Branch.

Mr. Morris then asked President Sowle about the attitude of the Board of Regents on this branch. President Sowle reported that the master plan approved at the Friday meeting was not as definite on closing all academic centers as was the original plan. The Ironton facility could be retained as an academic center.

President Sowle also reported that the Board of Regents' master plan still carried the stipulation that no campus should be built within thirty miles of another branch campus. Also, that projected enrollment should show that it would reach 1,000 students by 1980.

Mr. Baxter added that he feels the Ironton community does need a facility, but the construction funds available are not sufficient to build a satisfactory building. Also, the operating projection indicates the branch would need supplemental operating funds, at least over the first two or three years of operation.

After a further discussion, it was moved by Mr. Johnson, seconded by Mr. Kennedy and unanimously carried that the following resolution be adopted:

WHEREAS, the Educational Policy Committee believes that, in principle, a branch building should be constructed in Lawrence County if it is economically possible, and;

WHEREAS, the Committee believes that a site better suited than the one shown the Committee for construction can be found in Lawrence County, and;

NOW, THEREFORE, BE IT RESOLVED, that the administrative officers of Ohio University be authorized to make a further study of the possibility of constructing a branch building in Lawrence County, and that sufficient funds be released from the planning funds available to make a study, particularly to locate a site better suited for an Ironton branch.

The Chairman called the roll for comments.

Mr. Crow commented that he enjoyed his first meeting of the Board and also the meetings with students last evening.

Mrs. Phillips and Mr. Johnson thought the meeting with the students was excellent. Mr. Baxter agreed and suggested other meetings be arranged with student groups.

There being no further business, Mr. Morris moved to adjourn. It was seconded by Mr. Crow and unanimously carried.

Duncan M. Baxter, Chairman

Paul R. O'Brien, Secretary