

Regulations for the Management of Purchase Requisition and Procurement at I-Shou University

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Part One General Principles

- Article 1 The Regulations for the Management of Purchase Requisition and Procurement at I-Shou University (hereinafter referred to as the “Regulations”) are made to serve as the legal basis for effective management of the operation of purchase requisition and procurement at I-Shou University (hereinafter referred to as the “University”).
- Article 2 The Regulations are made pursuant to the Rules of Consistency of Accounting Systems of School Legal Persons and Private Schools Thereof under the auspices of the Ministry of Education, and the Government Procurement Act of the Public Construction Commission, Executive Yuan, after the actual situation of the University is taken into consideration.
- Article 3 The term “procurement” as used in the Regulations shall refer to the contracting of construction work (except that for land), the purchase or lease of property, the retention or employment of services, etc. Related definitions are as follows:
1. construction work: activities performed above or underneath the ground for building, augmenting, altering, repairing, or dismantling structures and their respective auxiliary equipment/facilities, or reforming natural environment, including architectural, civil, hydraulic, environmental, transportation, mechanical, electrical, and chemical construction works and others as determined by the

competent authority.

2. property: any and all articles, materials, equipment, machines, tools, and other personal property, real property, rights, and other properties as determined by the competent authority.
3. service: professional services, technical services, information services, research and development, business operation and development, maintenance and repair, training, labor and other services as determined by the competent authority.
4. Where a procurement project involves construction work, property and service, or any two of them, and it is difficult to categorize the project as construction work, property, or service, the one which takes the highest percentage of the budget of the procurement shall govern.

Article 4 A procurement project shall be conducted in accordance with the Government Procurement Act and be under the supervision of a government agency, a public school or a state-run enterprise (hereinafter collectively referred to as the “public entity”) provided that the procurement project uses a grant from the public entity, and the amount of the grant is not less than half of the procurement value and also reaches the threshold for publication.

The procurement of construction work, property and service to which the Government Procurement Act is not applicable shall be conducted in accordance with the Regulations, unless otherwise agreed with the organization which offers a grant.

Article 5 Units-in-charge may conduct the procurement of any of the following items on their own without following the formal purchase requisition and procurement process after obtaining prior consent from the University. These units may request the Office of General Affairs to conduct the procurement if necessary.

1. items used to express congratulations or condolences: wreaths, flower baskets, congratulatory sheets for wedding, felts, gift vouchers, presents, etc.;
2. items used to entertain guests: drinks, fruits, tobacco and alcohol, snacks, etc.;
3. items used for worship;
4. food ingredients, raw materials, seasonings, etc. used by business units of the ISU Practice Center under the charge of the General Affairs Section of the Office of General Affairs;
5. property insurance;
6. rent;
7. purchase of immovables; and
8. other items ratified by the President or his/her deputy.

Article 6 If a procurement project uses a grant offered from outside the University (e.g.

MOST-funded research projects, industry-university collaboration projects, projects commissioned by the private sector, various tenders, etc.; hereinafter collectively referred to as “the outside grant”) and the budget of the procurement is less than NT\$5,000, the unit requesting procurement (the principal investigator) (hereinafter referred to as the “requesting unit”) is authorized to conduct procurement based on a percentage of the total grant amount in accordance with applicable procurement regulations enacted by the organization which offers the grant.

If a procurement project uses the University’s funds (including matching grants offered by the University) or the research project concerned is not led by the University’s faculty, and the budget of the procurement is less than NT\$5,000, the requesting unit may conduct procurement on their own, or request the Office of General Affairs to conduct the procurement if necessary. If the budget of the procurement is more than NT\$5,000, the procurement shall be conducted in accordance with the Regulations.

If a requesting unit conducts procurement on its own in accordance with the preceding paragraph, the reimbursement value of items under the same category shall not exceed NT\$5,000 within any thirty-day period and NT\$10,000 within any ninety-day period.

If a requesting unit conducts procurement on its own in accordance with Paragraph 2, the item(s) to be procured shall be used for the approved purpose only, and the unit price shall be consistent with the average market value. To reimburse relevant expenses, photos of the procured item(s) being stored on campus or used must be attached. In case of the procurement of services (e.g. maintenance or repair), photos of the service being provided must be provided for the purpose of reimbursement.

In case of any disputes arising in relation to an application for expense reimbursement, the applicant concerned shall be held fully responsible for the possibility of not being able to reimburse the expenses or take relevant responsibilities.

Article 7 If a supplier provides any property for the purpose of trial, the unit concerned shall not conduct a trial unless obtaining prior consent of the University. After the trial is completed, the equipment being trialed shall not be retained on campus and the unit concerned shall request the supplier to take the equipment back, unless otherwise ratified by the University.

The procured property must not be put into service unless the property passes the inspection for acceptance.

Part Two Purchase Requisition

Article 8 If a procurement project uses the University’s funds (including matching grants offered by the University) or the research project concerned is not led by the University’s

faculty, the procedure for purchase requisition is as follows:

1. the requesting unit: the staffer-in-charge shall fill out a purchase requisition form based on the approved budget, and the purchase requisition form shall detail product names, specifications, models (samples and drawings are required), the quantity and unit of measurement, the source of funding, the project serial number, and intended purposes. The purchase requisition form shall then be submitted to the administrative head of the unit and the first-level administrative head for approval. Units requesting procurement shall pay attention to the following instructions when filling out a purchase requisition form:
 - a. product name: it is highly recommended to provide product names in Chinese.
 - b. specifications: the characteristics of products or services to be procured, such as quality, performance, safety, dimension, symbol, terminology, packaging, marking, labeling, production process & methods, assessment process, etc. It is to be noted that the specifications stated on the purchase requisition form shall not constitute any restriction upon the purpose or effects to further lessen competition. When it is unlikely to detail the specifications, samples, drawings or user's manuals are required.
 - c. In case of special items or items to be procured for the first time, units requesting such procurement shall provide the information on suppliers.
 - d. In case of items of exclusive distribution, a certificate of exclusive distribution must be provided.
 - e. If a unit wants to purchase items of similar nature or purchase different items from the same supplier, it shall gather all required information and submit only one purchase requisition form.
2. the second-level administrative head of the requesting unit: review the application for purchase requisition.
3. the first-level administrative head of the requesting unit: review the application for purchase requisition.
4. General Affairs Section of Office of General Affairs: assign the application for purchase requisition to a staffer in charge of procurement to conduct a preliminary examination.
5. Dean of General Affairs: review the application for purchase requisition, and then forward the application to the Office of Accounting.
6. Office of Accounting: verify whether the budget stated on the purchase requisition form is applicable to the item(s) to be procured.

7. countersigning units: review the application for purchase requisition.
8. Office of Secretariat: review the application for purchase requisition.
9. President or his/her deputy: take into consideration suggestions and comments made by the requesting unit as well as by relevant units to approve or reject the purchase requisition. If the purchase requisition is approved, then the General Affairs Section of the Office of General Affairs will proceed to procurement. On the other hand, the purchase requisition form will be returned to the requesting unit if rejected.

Article 9 If a procurement project uses the outside grant, the procedure for purchase requisition is as follows, unless otherwise agreed with the organization which offers the grant:

1. the requesting unit: the staffer-in-charge shall fill out a purchase requisition form based on the approved budget, and the purchase requisition form shall detail product names, specifications, models (samples and drawings are required), the quantity and unit of measurement, the source of funding, the project serial number, and intended purposes. The purchase requisition form shall then be submitted to the second-level administrative head of the unit for approval.
2. the second-level administrative head of the requesting unit: review the purchase requisition form.
3. General Affairs Section of Office of General Affairs: assign the purchase requisition form to a staffer in charge of procurement to conduct a preliminary examination.
4. Office of Accounting: verify whether the budget stated on the purchase requisition form is applicable to the item(s) to be procured.
5. President or his/her deputy: take into consideration suggestions and comments made by the requesting unit as well as by relevant units to approve or reject the purchase requisition. If the purchase requisition is approved, then the General Affairs Section of the Office of General Affairs will proceed to procurement. On the other hand, the purchase requisition form will be returned to the requesting unit if rejected.

Article 10 For procurement projects in which government grant is used, units requesting procurement must not require or refer to a particular trademark or trade name, patent, design or type, specific source of origin, producer or supplier, unless there is no sufficiently precise or intelligible way of describing the procurement requirements and provided that words such as “or equivalent” are included in the purchase requisition form.

Article 11 No procurement shall be conducted unless the purchase requisition concerned is approved by the President or his/her deputy. The aforesaid rule, however, is not

applicable when the purchase requisition is an urgent one and Article 30 shall apply.

Article 12 When the requesting unit wants to change the specifications or the quantity of the item(s) which has(ve) been approved to be procured, the unit concerned shall submit a petition along with an explanatory statement to the President or his/her deputy for approval.

Article 13 If any item is considered necessary but no budget has been drawn up, the budget is to be changed, or the value of the intended procurement is over budget, the unit concerned shall submit a petition to the President or his/her deputy for approval before drawing up a new budget to request procurement.

Article 14 As procurement activities must be taken seriously, units requesting procurement shall submit purchase requisition forms in accordance with different periods of lead time based on the value of the intended procurement:

1. A purchase requisition form shall be submitted at least 90 days prior to the date of use provided that the value of the intended procurement is NT\$1,000,000 or more.
2. If a procurement project uses the University's funds (including matching grants offered by the University) or the research project concerned is not led by the University's faculty, a purchase requisition form shall be submitted at least 45 days prior to the date of use provided that the value of the intended procurement is NT\$50,000 or more but less than NT\$1,000,000. If a procurement project uses the outside grant, a purchase requisition form shall be submitted at least 45 days prior to the date of use provided that the value of the intended procurement is NT\$100,000 or more but less than NT\$1,000,000.
3. If a procurement project uses the University's funds (including matching grants offered by the University) or the research project concerned is not led by the University's faculty, a purchase requisition form shall be submitted at least 15 days prior to the date of use provided that the value of the intended procurement is less than NT\$50,000. If a procurement project uses the outside grant, a purchase requisition form shall be submitted at least 15 days prior to the date of use provided that the value of the intended procurement is less than NT\$100,000.
4. A purchase requisition form shall be submitted at least six months prior to the date of use provided that the property or item(s) to be purchase are imported.
5. If a procurement project uses the outside grant, the procurement procedure shall be completed at least three months prior to a given deadline. Should any delay in purchase requisition have resulted in an unsuccessful application for reimbursement, the grant shall be returned to the public entity concerned.
6. Under special circumstances, a petition may be submitted for special consent.

Part Three Procurement

Article 15 Functional authorities for procurement operation are as follows:

1. General Affairs Section of Office of General Affairs: take charge of all affairs in relation to procurement projects.
2. Office of Accounting: review procurement projects.
3. Office of Secretariat: review procurement projects.
4. Dean of General Affairs: review procurement projects which use the University's funds (including matching grants offered by the University) or in which the research project concerned is not led by the University's faculty; approve or reject a procurement project which uses the outside grant and has a tender awarding value not in excess of NT\$50,000.
5. President or his/her deputy: approve or reject procurement projects.
6. Procurement Panel: a) Procurement projects which use the University's funds (including matching grants offered by the University) or in which the research project concerned is not led by the University's faculty, and at the same time have a tender awarding value in excess of NT\$50,000 or b) procurement projects which use the outside grant and have a tender awarding value in excess of NT\$100,000 shall first be submitted to the Panel for deliberation and then to the President or his/her deputy for approval. The aforesaid rule, however, does not apply to the following situations:
 - a. a procurement project which requires opening tender pursuant to the Government Procurement Act;
 - b. catering service, meals, banquets, folk food, and local specialties/food;
 - c. space rental and accommodation;
 - d. proficiency/professional skills tests;
 - e. consolidated procurement projects involved with academic alliances, academic organizations, government agencies, the Consortium on Core Electronic Resources in Taiwan (CONCERT), or other colleges/universities;
 - f. any other procurement projects ratified by the President or his/her deputy.

Article 16 The Procurement Panel carries out two major functions, and its organization and operation are as follows:

1. Quotation request and price negotiation:
 - a. Panel members include: the Dean of General Affairs, the Section Chief of the General Affairs Section of the Office of General Affairs, the staffer in charge of the procurement project, and professionals from outside the University.
 - b. If a procurement project uses the University's funds (including matching grants

offered by the University) or the research project concerned is not led by the University's faculty, and the procurement project has an estimated value in excess of NT\$50,000; or if a procurement project uses the outside grant, and the procurement project has an estimated value in excess of NT\$100,000, the Panel shall follow the procurement procedure to request quotations and negotiate a better price.

2. Deliberation:

- a. Panel members include: the Dean of General Affairs, the Office of Secretariat, the Office of Accounting, the General Affairs Section of the Office of General Affairs, the Property Management Section of the Office of General Affairs, the staffer in charge of the procurement project, and/or parties involved in the procurement project. The Dean of the General Affairs, or the person authorized by the Dean, shall serve as the convener and chairperson.
- b. In principle, panel members meet at least once every month to deliberate procurement projects.
- c. Procurement projects which use the University's funds (including matching grants offered by the University) or in which the research project concerned is not led by the University's faculty, and at the same time have an estimated value in excess of NT\$50,000; or procurement projects which use the outside grant and have an estimated value in excess of NT\$100,000 must be submitted to the Panel for deliberation. The supplier(s) concerned may be invited to attend the meeting if the Panel considers it helpful.

Article 17 Functional authorities for procurement approval are as follows:

1. Procurement projects which use the University's funds (including matching grants offered by the University) or in which the research project concerned is not led by the University's faculty, and at the same time have a tender awarding value in excess of NT\$50,000 shall first be submitted to the Panel for deliberation and then to the President or his/her deputy for approval.
2. For procurement projects which use the outside grant:
 - a. If the tender awarding value does not exceed NT\$50,000, the Dean of the General Affairs or the person authorized by the Dean has the right to approve or reject such a procurement project.
 - b. If the tender awarding value exceeds NT\$50,000, the President or his/her deputy has the right to approve or reject such a procurement project.
 - c. If the tender awarding value exceeds NT\$100,000, such a procurement project shall be submitted to the Panel for deliberation before submitted to the

President or his/her deputy for ratification.

Article 18 No procurement shall be conducted unless the purchase requisition concerned has been approved and the procurement procedure has been completed. The aforesaid rule, however, is not applicable when the purchase requisition is an urgent one and Article 30 shall apply.

Article 19 Based on the procurement value, the General Affairs Section of the Office of General Affairs shall stick to the following principles to request quotations and negotiate a better price:

1. For a procurement project of an estimated value not in excess of NT\$10,000, the Section shall request quotations from and negotiate a better price with at least one supplier, and a written quotation is required.
2. For a procurement project of an estimated value of NT\$10,000~30,000, the Section shall request quotations from and negotiate a better price with at least two suppliers, and written quotations are required.
3. For a procurement project of an estimated value in excess of NT\$30,000, the Section shall request quotations from and negotiate a better price with at least three suppliers, and written quotations are required.
4. The Government Procurement Act shall apply to all activities in relation to a procurement project, including invitation to tender, tender opening, price competition, price negotiation, contract awarding, and inspection and acceptance provided that the procurement project uses a grant from a government agency, and the amount of the grant is not less than half of the procurement value and also reaches the threshold for publication.
5. In any of the following situations, the number of suppliers giving quotations as referred to in Subparagraphs 1~3 shall not apply:
 - a. where the subject of a procurement is an exclusive right, a sole source supply (a certificate is required), a prototype or a subject first produced, a work of art, or no reasonable alternative or substitute exists;
 - b. for additional deliveries by the original supplier which are intended either as follow-up maintenance, or parts and components replacement for existing supplies or installations, or as extension of existing supplies, services, or installations where a change of supplier would not meet the requirements of compatibility or interchangeability with already existing supplies, services, or installations;
 - c. where a particular trademark or trade name is required or the subject of a procurement is bought from another institution, and invitation to tender or price

negotiation is, therefore, unable to conduct; or it is hardly possible to obtain quotations from three suppliers due to special reasons; an explanatory statement shall be submitted to the President or his/her deputy for prior consent;

- d. where a procurement project is an urgent one, or the requirements for the number of suppliers giving quotations as referred to in Subparagraph 1, 2 or 3 have not been fulfilled as the deadline for submission of tender has expired;
- e. where the overall campus planning must be taken into consideration to decide the subject of a procurement;
- f. catering service, meals, banquets, folk food, and local specialties/food;
- g. space rental and accommodation;
- h. proficiency/professional skills tests;
- i. consolidated procurement projects involved with academic alliances, academic organizations, government agencies, the Consortium on Core Electronic Resources in Taiwan (CONCERT), or other colleges/universities;
- j. where a procurement project is conducted based on an inter-entity supply contract announced according to law;
- k. where a procurement project meets the requirements set forth in the Government Procurement Act; or
- l. any other procurement projects ratified by the President or his/her deputy.

In case of an urgent procurement project, the requirements for the number of suppliers giving quotations as referred to in Subparagraphs 1~3 of the preceding paragraph are not necessarily to be fulfilled .

Article 20 In case of a procurement project in which a public notice is given on the Government e-Procurement System and open tendering procedures are required in accordance with the Government Procurement Act, the requesting unit shall provide the General Affairs Section of the Office of General Affairs with specifications, standards, drawings, and the budget as a basis for setting an estimate for the procurement and producing the tender documentation. The Section may invite professionals from outside the University to jointly set an estimate before submitting the estimate to the President or his/her deputy for ratification.

The time for setting an estimate for procurement as referred to in the preceding paragraph shall be determined according to the following rules:

1. in the case of open tendering procedures, prior to the opening of tenders.
2. in the case of selective tendering procedures, prior to the opening of tenders for the step next to the qualification evaluation.

3. in the case of limited tendering procedures, prior to the conducting of price negotiation with one single supplier or price comparison among two or more suppliers.

Article 21 Preference may be given to supplies or services provided by philanthropic organizations of the physically or mentally disabled provided that such supplies or services are with a reasonable price.

Article 22 Pursuant to the Government Procurement Act and the rules established by the public entity, preference may be given to a product which has been permitted to use a label of environment protection approved by the government, and in addition has the same or similar functions.

Article 23 When handling procurement projects, the General Affairs Section of the Office of General Affairs shall draw up procurement contracts by taking the value and the nature of the subject of procurement into consideration.

Article 24 Unless prior consent has been obtained from the President or his/her deputy, no payment shall be made by the University if a requesting unit does not follow the procedure mentioned herein to conduct a procurement project.

Part Four Administration of Contract Performance

Article 25 Whenever necessary, the University may notify a supplier of contractual changes within the frame of the contract. The supplier, after being notified, shall provide the University with documents related to any change in the subject of contract, the contract value, the time-limit for contract performance, payment terms, etc.

The requesting unit involved shall submit an explanatory statement and supporting documents to the University for approval. If the said change includes new specifications, the requesting unit shall submit an explanatory statement on additional procurement and a change of the contract value to the President or his/her deputy for approval. The General Affairs Section of the Office of General Affairs shall then proceed to negotiations over the price and contract terms and conditions.

Article 26 Any supplier may request contractual changes if the subject of procurement gets involved in any of the following situations:

1. the brand or the model specified in the contract goes out of production or is no longer available; or
2. the subcontractor(s) specified in the contract goes out of business or refuses to supply the subject of procurement; or
3. a substitute for the subject of procurement is required due to force majeure; or
4. the intended substitute is better than the original one or more beneficial to the

University.

Upon requesting contractual changes, the supplier shall provide a written explanation and documents on a comparison in specifications, functions, benefits, and prices. The requesting unit, then, shall collect and submit all required documents to the University to decide whether to use a product which has similar or better specifications, functions or benefits instead. The supplier, however, is not allowed to ask for an increase in the contract value accordingly. If a contractual change results in a reduction in the expense of contract performance, the amount of the said reduction shall be deducted from the contract value.

Article 27 Delays in delivery or extension of contract performance period:

1. The calculation of liquidated damages for delays shall be subject to the terms and conditions set forth in the contract, and the amount of the liquidated damages shall not exceed twenty percent of the contract value or the itemized price.
2. If a supplier, while performing the contract, encounters any of the following situations, the supplier may prepare all material evidence, and at the same time notify the University in writing. The requesting unit shall also submit all supporting documents to the University for approval for an extension of the contract performance period without liquidated damages:
 - a. a delay is caused by force majeure;
 - b. a delay is not attributable to the contractual changes made by the supplier or a suspension notice issued by the University;
 - c. a delay is attributable to the fact that the University fails to provide the supplier with the data, facilities or locations set forth in the contract, or adopt relevant review or approval measures set forth in the contract;
 - d. a delay is attributable to the delay caused by any other suppliers which have a contractual relationship with the University; or
 - e. any cause for a delay which the University, instead of the supplier, shall be to blame.

Article 28 Should a supplier be found to be in breach of the contract, the requesting unit shall immediately report to the General Affairs Section of the Office of General Affairs. The University shall then immediately require the supplier to make corrections by a given deadline, and take appropriate measures as specified in the contract.

Article 29 To deal with breaches of contracts by suppliers, the Dean of General Affairs shall set up a Supplier Appraisal Committee, which consists of personnel from the Office of Secretariat, the Office of Accounting, the General Affairs Section of the Office of General Affairs, the Property Management Section of the Office of General Affairs, and

the requesting unit. The Dean of General Affairs shall also serve as the chairperson.

In case of any breach of contract by the supplier, the staffer in charge of the procurement project shall refer the case to the Supplier Appraisal Committee for deliberation. If the Committee considers it necessary, it may invite the supplier to attend the meeting or have the supplier to submit an explanatory statement.

After reviewing the breach of contract, the Committee will categorize the supplier as an observer or debarred suppliers based on the severity of breach, and then submit a supplier appraisal form to the President or his/her deputy for approval.

Part Five Supplementary Provisions

Article 30 Where the procurement is an urgent one, the following principles shall apply:

1. The requesting unit shall first make sure that the procurement is truly an urgent one, and the value of the intended procurement is less than NT\$50,000 if the procurement project uses the University's funds (including matching grants offered by the University) or the research project concerned is not led by the University's faculty, or less than NT\$100,000 if the procurement project uses the outside grant.
2. Before conducting an urgent procurement project, the requesting unit shall ensure the source of funding and fill out an urgent purchase requisition form. Before being delivered to the General Affairs Section of the Office of General Affairs for further processing, the form shall be submitted to the second-level administrative head of the requesting unit (or his/her deputy), the first-level administrative head of the requesting unit (or his/her deputy), the Secretary-General (or his/her deputy), and finally to the vice president in charge of the corresponding administrative line function (or his/her deputy) for approval.
3. For urgent purchase requisitions, written offers shall be provided by fax or via email pursuant to Article 19 of the Regulations.
4. Upon delivery of products procured via an urgent purchase requisition, an acceptance inspection shall be conducted pursuant to the Regulations for Inspection and Acceptance of Property and Service Procured by I-Shou University.
5. The requesting unit shall submit the signed urgent purchase requisition form and the proof of delivery to apply for reimbursement of an urgent purchase requisition by following the small-amount reimbursement procedure.

Article 31 Any matter not mentioned herein shall be subject to the Government Procurement Act, the Enforcement Rules of the Government Procurement Act, and applicable laws and regulations.

Article 32 The Regulations become effective on the third day of promulgation after being adopted

by the University Administration Council and ratified by the President.

Note: In the event of any disputes or misunderstanding as to the interpretation of the language or terms of these Regulations, the Chinese language version shall prevail.