

Regulations for Purchase Requisition and Procurement at I-Shou University

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Chapter One General Principles

Article 1 The Regulations for 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 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” used herein refers to the contracting of construction work (except that for land), the purchase or lease of property, the retention or employment of services, etc. Definitions are as follows:

1. construction work: activities performed above or underneath the ground for building, augmenting, reconstructing, 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 determined by the competent authorities.
2. property: any and all items, materials, equipment, machines, tools, and other personal property, immovable property, rights, and other properties determined by the competent authorities.
3. service: professional services, technical services, information services, research and development, business operation and development, maintenance and repair, training, labor, and other services determined by the competent authorities.
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 that accounts for the highest percentage of the procurement budget shall govern.

Article 4

A procurement project shall be conducted in accordance with the Government Procurement Act and supervised by a government agency, a public school, or a government-owned enterprise (hereinafter collectively referred to as “the public entity”) provided that the procurement project uses a grant from the public entity, and the grant amount accounts for at least 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

Requesting units may conduct the procurement of any of the following items on their own without following the established purchase requisition and procurement procedure after obtaining prior consent from the University. The Office of General Affairs may be commissioned, if necessary, to purchase the following items:

1. items used to express congratulations or condolences: wreaths, flower baskets, celebratory hanging scrolls, felts, gift vouchers, presents, etc.;
2. items used to entertain guests: beverages, fruits, tobacco, 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 (hereinafter referred to as “the Section”);
5. property insurance;
6. rent;
7. purchase of immovable property;
8. school buses running between two campuses; and
9. other items ratified by the President or the person authorized by him/her.

Article 6

If a procurement project uses external research funding for an individual research project and the budget of the procurement is less than NT\$15,000, the unit requesting procurement (the principal investigator) is authorized to conduct procurement in accordance with the applicable procurement regulations enacted by the organization which offers the grant. Notwithstanding the foregoing, a procurement shall be conducted in accordance with Article 9 of the Regulations when the budget of the procurement belongs to the capital account.

If a procurement project uses the University’s funds (including matching grants offered by the University) or external research funding for a non-individual research project, and the budget of the procurement is less than NT\$5,000, the requesting unit may conduct procurement on their own, or commission the Office of General Affairs, if necessary, to conduct the procurement. 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 shall be

attached. In the case of the procurement of services (e.g. maintenance or repair), photos of the service being provided shall be provided for reimbursement purposes.

If any disputes arise in relation to an application for expense reimbursement mentioned above, the applicant concerned shall be held liable for the possibility of not being able to reimburse the expenses or accept responsibility.

Article 7

If a supplier provides any property for trial, the unit concerned shall not conduct a trial unless obtaining prior consent from 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 shall not be put into service until the property passes the acceptance inspection.

Chapter 2 Purchase Requisition

Article 8

If a procurement project uses the University's funds (including matching grants offered by the University) or external research funding for a non-individual research project, the procedure for purchase requisition is as follows:

1. the requesting unit: the staff-in-charge shall fill out a purchase requisition form based on the approved budget, and the purchase requisition form shall detail item 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. Item name: It is advised to provide item 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 and methods, and assessment process, shall not be prepared, adopted, or applied with a view to, or with the effect of, creating unnecessary obstacles to competition. When it is unlikely to detail the specifications, samples, drawings, or user's manuals shall be provided.

- c. In the case of special items or items to be procured for the first time, requesting units shall provide information about suppliers.
 - d. In the case of items of exclusive distribution, a certificate of exclusive distribution shall be provided.
 - e. If a unit wants to purchase items of similar nature or to 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 purchase requisition form.
 3. the first-level administrative head of the requesting unit: review the purchase requisition form.
 4. the Section: assign the purchase requisition form to one of its staff in charge of procurement to conduct a preliminary examination.
 5. Dean of General Affairs: review the purchase requisition form and then forward the form to the Office of Accounting.
 6. Office of Accounting: verify whether the budget stated on the purchase requisition form is suitable for the item(s) to be procured.
 7. countersigning units: express opinions if necessary.
 8. Office of Secretariat: review the purchase requisition form.
 9. President or the person authorized by him/her: take into consideration suggestions and comments made by the requesting unit and relevant units to approve or reject the purchase requisition. If the purchase requisition is approved, the Section 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 external research funding for an individual research project, the procedure for purchase requisition is as follows unless otherwise agreed by the organization offering the funding:

1. the requesting unit: the staff-in-charge shall fill out a purchase requisition form based on the approved budget, and the purchase requisition form shall detail item 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. the Section: assign the purchase requisition form to one of its staff in charge of procurement to conduct a preliminary examination.
4. Office of Accounting: verify whether the budget stated on the purchase requisition form is suitable for the item(s) to be procured.
5. President or the person authorized by him/her: take into consideration suggestions and comments made by the requesting unit and relevant units to approve or reject the purchase requisition. If the purchase requisition is approved, the Section 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 grants are used, requesting units shall 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 stated in the purchase requisition form.

Article 11 No procurement shall be conducted unless the purchase requisition concerned is approved by the President or the person authorized by him/her. Notwithstanding the foregoing, the aforesaid rule is not applicable when the purchase requisition is an urgent one as stated in Article 30.

Article 12 When the requesting unit needs to change the specifications or the quantity of the item(s) which has(ve) been approved to be procured, the requesting unit shall submit an explanatory statement to the President or the person authorized by him/her 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 an application to the President or the person authorized by him/her for approval before drawing up a new budget to request procurement.

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

- a. 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.
- b. 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 external funding, and the value of the intended procurement is NT\$100,000 or more but less than NT\$1,000,000, a purchase requisition form shall be submitted at least 45 days prior to the date of use.
- c. A purchase requisition form shall be submitted at least fifteen 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 external funding, and the value of the intended procurement is less than NT\$100,000, a purchase requisition form shall be submitted at least fifteen days prior to the date of use.
 - d. 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 purchased are imported.
 - e. If a procurement project uses external funding, the procurement process 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.
 - f. Under special circumstances, an application may be submitted for special consent.

Chapter Three Procurement

Article 15

Functional authorities for procurement operation are as follows:

1. The Section: take charge of all affairs relating 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); approve or reject a procurement project which uses external funding and has a tender awarding value not in excess of NT\$50,000.
5. President or the person authorized by him/her: approve or reject procurement projects.
6. Procurement Panel (hereinafter referred to as "the Panel"): Procurement projects that use the University's funds (including matching grants offered by the University) and at the same time have a tender awarding value in

excess of NT\$50,000 and that use external funding 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 the person authorized by him/her for approval. Notwithstanding the foregoing, the aforesaid rule is not applicable 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 institutions, government agencies, the Consortium on Core Electronic Resources in Taiwan (CONCERT), or other colleges/universities;
- f. other procurement projects ratified by the President or the person authorized by him/her.

Article 16

The Panel carries out the following 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 Section, the staff in charge of procurement projects, and professionals from outside the University.
 - b. If a procurement project uses the University's funds (including matching grants offered by the University) and has an estimated value in excess of NT\$50,000, or if a procurement project uses external funding and 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 Section, the Property Management Section of the Office of General Affairs, the staff in charge of procurement projects, and/or parties involved in procurement projects. The Dean of General Affairs or the person

authorized by the Dean shall serve as the convener and chairperson.

- b. In principle, the Panel meets at least once every month to deliberate procurement projects.
- c. Procurement projects that use the University's funds (including matching grants offered by the University) and at the same time have an estimated value in excess of NT\$50,000 or that use external funding and have an estimated value in excess of NT\$100,000 shall be submitted to the Panel for deliberation. The supplier(s) concerned may be invited to attend the meeting if the Panel considers it necessary.

Article 17

Functional authorities for procurement approval are as follows:

- 1. Procurement projects that use the University's funds (including matching grants offered by the University) 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 the person authorized by him/her for approval.
- 2. For procurement projects which use external funding:
 - a. If the tender awarding value does not exceed NT\$50,000, the Dean of 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 the person authorized by him/her 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 being submitted to the President or the person authorized by him/her for ratification.

Article 18

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

Article 19

Based on the procurement value, the Section 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 an 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 grant amount accounts for at least half of the procurement value and also reaches the threshold for publication.
 5. In one 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 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 an 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 procurement is bought from another institution, and an 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 the person authorized by him/her 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 tenders has expired;

- e. where the overall campus planning shall be taken into consideration to decide the subject of 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 institutions, 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 the person authorized by him/her.

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 Section with specifications, standards, drawings, and the budget as the 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 the person authorized by him/her for ratification.

The time for setting an estimate for procurement as referred to in the preceding paragraph shall be determined in accordance with 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 at a reasonable price.

Article 22 Pursuant to the Government Procurement Act and the Regulations for Priority Procurement of Eco-Products, preference may be given to a product that 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 Section 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 the person authorized by him/her, no payment shall be made by the University if a requesting unit does not follow the procedure mentioned herein to conduct a procurement project.

Chapter 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 concerning any change in the subject of a 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 aforesaid 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 the person authorized by him/her for approval. The Section shall then proceed to negotiations over the price and contract terms and conditions.

Article 26 A supplier may request contractual changes if the subject of procurement gets involved in one 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;
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 concerning a comparison with 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 that has similar or better specifications, functions, or benefits instead. The supplier, however, is not permitted 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 aforesaid 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 one 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 then 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 Section. 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 contract 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 Section, 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 a breach of contract by a supplier, the staff member 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 submit an explanatory statement.

After reviewing the breach of contract, the Committee will put the supplier on a watch list or categorize it as a debarred supplier based on the severity of the breach, and then submit a supplier appraisal form to the President or the person authorized by him/her for approval.

Chapter 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 less than NT\$100,000 if the procurement project uses external funding.
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 Section for further processing, the form shall be submitted to the second-level administrative head of the requesting unit (or the person authorized by him/her), the first-level administrative head of the requesting unit (or the person authorized by him/her), the Secretary-General (or the person authorized by him/her), and finally to the vice president in charge of the corresponding administrative line function (or the person authorized by him/her) 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 Acceptance Inspections of Goods and Services at I-Shou University.
5. The requesting unit shall submit the signed urgent purchase requisition

form and the proof of delivery along with an application form for expense reimbursement to apply for reimbursement of an urgent purchase requisition.

Article 31 Matters not mentioned herein, if any, shall be subject to the Government Procurement Act, the Enforcement Rules of the Government Procurement Act, and other 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 case of any disputes or misunderstandings regarding the interpretation of the language or terms of the Regulations, the Chinese language version shall prevail.