

CLAFLIN UNIVERSITY

Division of Administration

Purchasing Office



PROCUREMENT OF GOODS AND SERVICES MANUAL (Policy #100.02)

Responsible Administrator: Vice President for Administration

Responsible Office: Auxiliary Services

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Introduction

The purpose of this manual is to provide guidance on the purchase of goods and services at Claflin University. The University has adopted a centralized purchasing system which requires that the acquisition of all goods and services be channeled through the Purchasing Department.

All persons who have been delegated the authority to commit University funds through the purchasing function must adhere to the processes contained in this manual. In addition, the University expects that any individual making purchases on behalf of the University will follow the principles referenced in this manual.

The policies and procedures outlined in this manual are applicable to all units of Claflin University and any employee who procures goods and/or services on behalf of the University.

This manual rescinds all prior manuals regarding the procurement of goods and services. As such, this manual will remain effective until amended or replaced.

Alert for University Management

Only authorized purchases and authorized contracts will be honored by Claflin University. Unauthorized purchases and unauthorized contracts will not be honored by the University.

Authorized Purchases

Only the President, Provost and appropriate vice president are authorized to obligate Claflin University for indebtedness. Any individual making unauthorized purchases may encounter a personal obligation to the vendor. The University will assume no liability of payment for goods and/or services that were obtained without official approval.

Authorized Purchases

In addition, only the University President (the Provost, in the absence of the President) or the Vice President of Fiscal Affairs, have the authority to bind the University to a contract. The University will assume no liability for payment of a contract which has not been authorized by the President (the Provost, in the absence of the President) or the Vice President of Fiscal Affairs.

Definitions

Bid	A request for competitive quotation or proposal from a qualified vendor for the purpose of issuing a Purchase Order and contract for the procurement of goods and services.
Contract	A written, legally binding agreement between Claflin University and an external supplier.
Goods	Tangible property for sale, lease, or rental.
Procurement Agent	An individual who is part of the procurement organization at Claflin University and who has been given transaction authority by the head of procurement to negotiate authorize and execute purchases on behalf of the University.
Professional Services	An individual or entity engaged to perform services, commonly referred to as consultant, freelancer, contractor, etc.
Purchase Order	An official and binding document issued to a vendor authorizing the expenditure of fund for goods and services.
Service	An activity in which labor is the major factor and not merely incidental to the production, acquisition, and/or delivery of a good.
Spend	An act of using funds to purchase goods or services, or the funds spent by a unit through its procurement processes.
Unit	A department, program, research center, office or other operating unit.
Vendor	An individual or organization that provides specified and agreed upon goods and/or services to the University.

Principles

Ethical and Legal Considerations in Procurement	The University must comply with applicable laws regarding procurement in its operation. Individuals making purchases on behalf of Claflin University must adhere to specific practices in bidding, purchasing, and paying for goods and services with University funds.
Conflict of Interest	The University expects its faculty and staff to avoid any real or potential conflict when procuring goods or services on its behalf, i.e., purchase from a spouse or another member of the immediate family.
Unauthorized Purchases	Only the President, Provost and appropriate vice president are authorized to obligate Claflin University for indebtedness. Any individual making unauthorized purchases may encounter a personal obligation to the vendor. The University will assume no liability for payment for goods or services that were obtained without official approval.
Unauthorized Contracts	In addition, only the University President (the Provost, in the absence of the President) or the Vice President of Fiscal Affairs, have the authority to bind the University to a contract. The University will assume no liability for payment of a contract which has not been authorized by the President (the Provost, in the absence of the President) or the Vice President of Fiscal Affairs.
Vendor Selection	The vendor selection process at Claflin University must identify the best, most qualified and/or suitable vendor to meet the needs of the University, while complying with all applicable laws and regulations. Vendor selection and approval are managed by the Purchasing Office. In most cases, vendors are preselected based on campus input, screening, and negotiations that have already been conducted, resulting in preferred supplier agreements. Where such agreements exist, units must procure goods and services from these preferred suppliers regardless of dollar amount or procurement method. In limited cases, an appropriate justification and an alternative method of selection may be specifically authorized by a procurement agent. Otherwise, where the

purchase exceeds the formal bid amount limit of \$10,000.01, individuals must identify a vendor through competitive bidding.

A vendor request form is found on page 16.

Sole Source Sole source means that a single vendor is uniquely qualified to meet the University's procurement objective. To be considered a sole source and therefore exempt from the bid process, one of the following conditions must be met:

- The actual product or service needed is the only one that will meet the University's need/requirement and it can only be purchased from one source.
- The product or service must match or be compatible with current equipment or services.
- The product needed is specifically required for use in conjunction with a grant or contract.
- Professional or artistic services.
- An unusual or compelling urgency exists.

If the needs of the University meet one of the above criteria, the University can either negotiate with the vendor directly (**ONLY** to obtain a quote) or can request that the Purchasing Office negotiate with the vendor on the University's behalf. The **sole source justification form**, which can be obtained from the Purchasing Office, must be completed for purchases of \$10,000.01 or more and attached to the requisition. The justification form must have all required signatures prior to completing a requisition.

Bidding Procedures Departments should anticipate their needs far enough in advance to allow time to process the request. The Purchasing Office must be allowed time to solicit quotes from qualified vendors. The following are minimum time allowance:

1. Small purchases from \$500.00 to \$10,000.00 may be accomplished 3-5 business days without competition, if prices are determined to be "fair and reasonable", by the Purchasing Office.

2. Purchases from \$10,000.01 to \$50,000.00 require a minimum of 5-7 business days and three written quotes from three (3) qualified vendors.
3. Purchases from \$50,000.01 to \$75,000.00 require a minimum of 7-10 business days and three written quotes from three (3) qualified vendors.
4. Purchases exceeding \$75,000 will require a formal sealed 45-60 day bid by the Purchasing Office. (Exception to this requirement may be granted by the Vice President of Fiscal Affairs.)

The splitting of orders to avoid minimum purchase levels result in audit issues and less than effective procurement activity. The splitting of orders to avoid the required quote/bid methodology is not permissible. If a department has a requirement at a certain dollar level, the appropriate actions are required.

Environmentally Preferred Procurement	Claflin University will be environmentally responsible by identifying sustainable products and services, processes, and procedures.
Supplier Diversity	Claflin University will promote the development of significant and mutually beneficial business relationships with diverse and local suppliers.
Relationship with Suppliers	Claflin University will maintain a high standard of business ethics and conduct when interacting with suppliers.
Payment Methods	Unless permission is given otherwise from the President (the Provost, in the absence of the President) and the Vice President of Fiscal Affairs, all requests for goods and/or services must have an approved Purchase Order from the Purchasing Office before an order is placed. A check request is allowed: however, the Purchasing Office will determine when a check is necessary.

Reimbursement Out-of-pocket reimbursement is designed for meals, travel, entertainment (generally hosted meals) and occasional, incidental expenses. All requests for reimbursements must be submitted to the Purchasing Office via the e-requisition system. Supporting documentation, such as receipts, may be attached to the e-requisition, see the “Best (Recommended) Practices” on p. 15 of this manual.

(Please note that except for student travel, request for reimbursement are submitted to the Office of Fiscal Affairs via A Travel Reimbursement Form. Request for student travel and other requests such as those for out-of-pocket expenses are submitted via e-requisition.)

Contracts The only individuals who are authorized to legally bind the University to a contract are the President (the Provost, in the absence of the President) or the Vice President of Fiscal Affairs.

Professional Services Professional services involve those provided by an individual or entity who commonly engages in consulting, freelancing, contracting, etc.

Individuals must use the University’s Professional Services Form when requesting these services. Before services begin, the form must be signed by the appropriate Vice President, the Vice President of Fiscal Affairs and the President. *(Additional signatures may be required when spending federal funds.)* In addition, if applicable, a contract must be signed by the individual(s) providing the service, and the University President (the Provost, in the absence of the President) or the Vice President of Fiscal Affairs.

Emergency Purchases When an emergency situation occurs, an authorized procurement agent may make a commitment to a vendor without a formal Purchase Order. Emergency Procurements may be performed when a situation or condition occurs which creates a threat to public health, welfare, or safety such as may arise by reasons of floods, epidemics, riots, storms, equipment failures or fire loss. The existence of such conditions must create an immediate and serious need for supplies, services or construction that cannot be met through the normal procurement methods and would seriously threaten:

Principles Continued-

1. The function of the University;
2. The preservation or protection of property; or
3. The health or safety of any person.

Procedures

Any request(s) for goods and/or services must be made via e-requisition to the Purchasing Office. The e-requisition must include the following:

- The requestor's name;
- The vendor's name;
- The account number from which funds should be taken (The account used must be applicable for the items being requested. For example, a travel account code should not be used to purchase office supplies);
- The approval track ID;
- The date the order is needed, if applicable;
- The quantity of items and /or services being requested;
- The cost of items and/or services; and
- A list of the items you wish to purchase providing sufficient information for correct identification (i.e., a manufacturer's name, model or catalog number, size, color, etc.).

Requisition for Printing Services

Submit this requisition with one copy of the material to be printed to the Print Shop 10 days before the job is required. If the materials cannot be produced in the Print Shop, the Print Shop manager will provide documentation for outsourcing the job. When a galley is required, it is the responsibility of the using department to correct and approve the proof.

Excessive delay in approving the proof will delay the delivery schedule of the finished product:

- Prepare the copy and arrange it as near as possible to what is wanted in the finished project.
- It is the responsibility of the using department to select paper stock, ink color, type style, format and other requirements to produce a finished product.

Stationery Printing

All stationery used in the University's standardized format is reproduced by the Print Shop.

Assuming that all supporting documentation has been received by the Purchasing Office, upon review of the e-requisition by the Purchasing Office, it is converted into a Purchase

Order and sent to the vendor for procurement of goods and/or services. Upon approval of the requisition a Purchase Order is typically obtained in three to five days.

Open Purchase Order

An open purchase order is an agreement whose purpose is to make the acquisition of small-dollar-value products more convenient for users. It allows use of a single order number for an entire period (usually 6-months or 12-months) and selected users to deal directly with a supplier. This type of agreement is usually made between the vendor and the authorized procurement agent to cover products whose needs are immediate and whose use is sporadic and unpredictable. The supplier will be instructed according to the following:

- Only a limited number of employees are authorized to purchase under the open purchase order. The supplier is responsible for verifying the identities of those who can purchase under the open purchase order.
- **Under no circumstances is the value of the open purchase order to be spread over more than the given period of time.**
- A pricing agreement must be negotiated with each supplier for whom an open purchase order is issued.

The formal Purchase Order issued to the local supplier should contain the following information:

1. The time period (beginning and ending date);
2. Items or categories of items to be covered;
3. Prices and/or pricing agreement(s);
4. Terms of sale;
5. Individuals who are authorized to place an order against the Purchase Order; and
6. The dollar amount that is not to be exceeded under the open purchase order.

Change Order

Any adjustment requested by a user department or vendor to a Purchase Order after it has been sent to the vendor are made by the use of a "Change Order". Adjustments may be necessary due to:

- Change in quantity.
- Price increase of commodities.
- Any other changes to a Purchase Order.

Absolutely no exchange or credit to orders should or will be made without the approval of the Purchasing Office. Only after approval by the Office, will a “revised” purchase order be sent to the vendor.

IT Planning and Purchases

When divisions and/or departments are considering adding or enhancing technology to improve operations, the first step is to consult with the Department of Information Technology Services which should be involved in the initial planning process. This is to ensure, at a minimum, compatibility of the proposed technology with existing systems and equipment and the cost effectiveness of the proposed additions. The planning process should be documented through minutes of meetings and other communication as appropriate. The next step is the initiation of the purchasing process which includes the Department of Information Technology in the approval track to ensure adherence to decisions related to the purchase.

Inspection of Merchandise

Merchandise received should be inspected immediately by the user department upon receipt of shipment.

- When an order is incomplete, damaged, incorrect or inoperative, the pertinent information should be reported in writing to the Purchasing Office.
- All returned goods are to be authorized by the Purchasing Office.
- When the merchandise is received, the receiving report must be signed by the customer at the time of delivery. Shipping and Receiving will then forward all receiving reports to Accounts Payable.

Central Shipping and Receiving

All commodities purchased by Claflin University should be delivered to the Central Receiving Department. Some items that require installation are delivered to the user’s department. However, prior notification will be necessary. Any damage of goods must be reported to the Purchasing Office immediately. The user department must inspect and sign the receiving report at the time of delivery.

Reporting Surplus Property

University departments should periodically review their inventory levels of equipment and other tangible assets to determine whether excess stock is on hand. In the event such conditions exist, user departments shall write a memorandum to the Director of Auxiliary Services specifying the items which are no longer in use. The Director of Auxiliary Services should consult with applicable University personnel to determine other factors which should be considered in designating items for surplus property. For example, the Director may need to consult with Sponsored Programs Office staff for items purchased with grant funds.

- The Vice President of Administration and the Vice President of Fiscal Affairs should consult and agree upon the items to be designated as surplus property.
- Upon direction from the Vice President of Administration, the Director of Auxiliary Services shall be responsible for the disposition of all surplus property for Claflin University.
- The Director of Auxiliary Services shall dispose of University property in the best interest of Claflin University and wherever practical disposition shall be made in private sales.
- Subject to the approval of the Vice President of Administration, the Director of Auxiliary Services shall determine the manner of disposition of all property, (e.g. transfer to other departments, sales to third parties, trade-ins).

Transfer to Other Departments

If surplus items are still operable and not obsolete, they should be transferred to other departments who need them. To accomplish this, the Purchasing Office will periodically circulate to all departments a listing of surplus property. Should a department have a need for any of the items listed; the Purchasing Office will arrange a property transfer to the requesting department.

Trade-ins

If a user department needs to purchase an item to replace obsolete equipment and the surplus property cannot be used by another

department; the Purchasing Office will explore the possibility of a trade-in, where it deems appropriate. If trade-ins are accepted on a particular equipment item, which the user department desires to replace, the bid solicitation or evidence of other procurement due diligence will require prices with and without trade-ins and indicate that an award may be made on either basis. In doing so, the best trade-in offers can be evaluated against the expected sale price for the obsolete item.

**Sales to Outside
Parties**

If neither a transfer nor a trade-in is feasible, the Purchasing Office will determine if it should sell the property by private sale or by newspaper advertisement.

Best (Recommended) Practices

The practices detailed below have consistently proven to be efficient in purchasing at Claflin University. As such, when possible, these practices are recommended.

1. If you use recurring vendors (i.e., Claflin University, Motor Pool, Sodexo Food Services, LeBleu, etc.), you may wish to use an open purchase order for those vendors. By requesting an open PO, you are encumbering the funds for the entire fiscal year and as invoices are received, they are sent directly to Accounts Payable without requiring you to submit another requisition. This process will reduce the number of requisitions that you need to submit, as well as help you to better monitor your budget. The following link details the open order process: <S:\Procurement\How To Create An Open PO-Revised.pdf>.
2. If you need to attach documentation to an e-requisition, you may wish to use the attachment feature in Jenzabar. This feature allows you to attach supporting documentation directly to the e-requisition. The process results in reduced processing time, and reduced printing and paper costs. The following link illustrates how to use the attachment feature <S:\Procurement\Creating an e-requisition.pdf>.



Clafin University

400 Magnolia Street
Orangeburg, SC 29115

NEW VENDOR REQUEST FORM (Please print or type)

TYPE OF REQUEST			
<input type="checkbox"/> New	<input type="checkbox"/> Change (list reason below)	<input type="checkbox"/> New address	
Vendor Name (as it would appear on invoices)			
Street Address			
City	State	Zip	Accept Purchase Orders?
Customer Service Phone (Toll Free)		Fax Number to send Purchase Orders to	
Sales Representative / Primary Contact			
Description of Services			
Remit to Address			
City	State	Zip	
Payment Terms (if other than Net 30 Days)			
<p>***** W-9 forms are required for all vendors*****</p> <p><i>New Vendor requests will not be processed without W-9.</i></p> <p><i>This form must be completed for all vendor requests.</i></p> <p><i>A valid W-9 form must be on file prior to payment.</i></p> <p>All vendors are required to have an authorized purchase order prior to rendering services or delivering goods to the university.</p>			
Reserved for Business Office Use Only			
Processed by:		Date:	
Vendor Type:			
Assigned Vendor Number:			

Note: Please complete and return to: Purchasing Department, Clafin University, 400 Magnolia Street, Orangeburg, SC, 29115 or fax to: (803) 535-5391.

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