

Lake Superior State University

Section: Business and Support Operations

Section Number: 3.20.7

Subject: Purchasing Procedures

Date: March 27, 2017

Purchasing Department Team

The Purchasing Department serves the requests of the entire University. Our department strives to provide value-added service in the procurement process, with the purpose that acquisitions will be available at the proper time and place, and in the quantity, quality and price consistent with the needs of the University. Please contact Purchasing if you have any questions or require additional information regarding the University purchasing policy and procedures. Visit the Purchasing Department's web page at www.lssu.edu/purchasing for other relevant information and downloading related forms.

The Purchasing Department is responsible for the acquisition of all materials, supplies and services costing more than \$1,000, with the following exceptions:

1. Books, pamphlets and periodicals for the library (2.5.5)
2. Campus Shoppe merchandise for resale or consumption (3.20.3)
3. Professional consulting services
4. Utilities
5. Food Services supplies and other auxiliary services for resale or consumption
6. Space rentals (hotels, temporary classrooms, etc.)
7. Advertising
8. Real estate
9. Local purchases of \$50 or less should be made from petty cash funds (3.7.8)

The Purchasing Department is responsible for the orderly disposal of surplus, obsolete and worn out equipment.

Purchase Requisition

A purchase requisition is the departmental request to purchase equipment, materials, supplies and certain services. Requisitions shall be created online in the Banner System. The requesting department will provide complete, concise detail of items including (i) manufacturer's name, (ii) model number, (iii) specifications, and if possible (iv) manufacturer information.

An approved purchase requisition authorizes the Purchasing Department to buy goods and services against a specific University budget, or where applicable, a grant.

Requisitions for items available through Central Stores should be submitted directly to Central Stores.

Budget Approval of Requisitions

The appropriate Vice President authorized to commit monies from the designated fund(s) and cost center(s) must approve all requisitions.

The President must approve requisitions in excess of \$50,000.

All contracts entered into by the President on behalf of the University with a conglomerate amount of \$250,000 or more shall require the Board of Trustees approval prior to purchase. The Board may from time to time authorize the President to execute contracts for pending matters within a pre-determined maximum dollar amount.

Purchase Order

A Purchase Order is the contract between the University and the vendor. The Purchasing Department will process an approved Requisition to a Purchase Order after vendor sourcing, seeking alternate items if available/acceptable, price negotiations and/or soliciting competitive bids when required.

Departmental funds will be charged to the appropriate budgets(s). Purchase orders are kept on file in the Purchasing Department for a retention period of 6 years.

Purchasing Card Options

The University Purchasing Card program provides departments or specific individuals with a credit card to make timely acquisitions and improve efficiencies. All charges are billed directly to the University. This card shall be used for business purposes only, and will have some merchant, service and budget controls.

It is the Cardholders responsibility to seek competition and the best value within the parameters of quality and delivery. When making a p-card purchase, it is recommended that the Cardholder check as many sources as reasonable to assure optimal price, quality and delivery. Please reference the [LSSU P-Card Employee Manual](#), or you can call the Purchasing Department for additional information.

Bidding and Source Selection

Vendor selection is the responsibility of the Purchasing Department. The selection shall not discriminate against any vendor because of race, creed, age, sex or national origin. Departments may request vendors to demonstrate equipment or materials on campus; however prior approval from the Purchasing Manager must be obtained.

Purchases of \$1,000 to \$4,999 will be at the discretion of the Purchasing Department through the competitive bid process. Price checks will be periodically made, and competitive situations may result in written bid procedure being utilized. Approval by the appropriate Vice President is required prior to action by Purchasing.

Purchases over \$5,000 up to \$25,000 will require the solicitation of written bids, and submitted in accordance with instructions and not later than the due date and time specified. Verbal or telephone bids will be accepted when time constraints do not permit written bids. When a quotation is not awarded for the lowest quotation, a complete statement of justification for an alternate selection will be recorded and maintained with the written bid documents located in the Purchasing Department.

Purchases over \$25,000 shall be preceded by the sealed bid process. Exceptions to this policy can only be made with the written approval of the Vice President of Finance. The following may be used instead of competitive bidding:

- Education and institutional cooperative contracts
- General services administration contracts
- State of Michigan contracts
- Other group purchase contracts
- Proprietary purchases and emergency orders
- Items previously bid in the current fiscal year and on file

Bids are to be returned in envelopes furnished and so marked. The bid request will state the day and time due. At that time, the bids are publicly opened. No sealed bids can be accepted if received after the specified date and time. Unsuccessful bidders may appeal the decision of the Purchasing Department.

All items will be purchased on an "or equal" basis unless valid reason(s) have been received in writing for the purchase of proprietary items, which shall be retained in the Purchasing Department.

Grant Awards

Before a purchase order is issued with grant monies coming from the federal or state government, or another agency or entity, purchasing buyers will consult the government's Excluded Parties List (<https://www.sam.gov>) to determine the eligibility of the proposed vendor.

To comply with Federal Acquisition Regulations, the following certification is required on purchase orders involving grants:

"By accepting this purchase order and fulfilling the terms and conditions of this order, the Supplier warrants that neither the Supplier, nor, to the best of the Supplier's knowledge, Supplier personnel, is presently debarred, proposed for debarment, suspended or declared ineligible for covered transactions by any federal agency or department. The Supplier also certifies that, within the past three years, the Supplier, nor, to the best of the Supplier's knowledge, Supplier personnel, has/have not been convicted of or had civil judgement rendered against him/her for a fraudulent contract or transaction, violation of federal or state antitrust laws, or the commission of embezzlement, theft, forgery, bribery, falsifying or destroying records, receiving stolen property, or making false statements."

Purchases of goods and services under a grant award that provide for purchasing policies and procedures which differ from University purchasing policies and procedures may also apply.

Emergencies

It is inevitable that emergencies will arise. Please contact the Purchasing Department if you encounter a situation where goods and/or services are required immediately. The Purchasing Department will help you of the proper action to take to remedy the situation.

Insurance Requirements

All vendors and/or individuals performing work or services on University property must carry insurance coverage satisfactory to the University. The proof of insurance certificates will be submitted to the Purchasing Department, where the certificates will be filed and monitored as being current.

Sole Source Purchases

Sole source purchases in excess of \$5,000 must be justified objectively and must be supported with detailed documentation supporting justification. A quotation should be requested from the sole source vendor in accordance with standard purchasing procedures. Approval by the appropriate Vice President is required prior to action by the Purchasing Department.

Receipt of Merchandise

The Receiving Department will accept delivery of goods to the University, where receiving personnel will inspect and verify for any hidden damage or lack of agreement to specifications of the purchase order. Should improprieties be found, the Receiving Department shall report the problems to the Purchasing Department within 2 business days.

The Receiving Department is responsible for the timely delivery of orders to the University departments. University departments shall examine the order for damage or inconsistencies, and will report improprieties to the Purchasing Department within 2 business days of receipt of order.

Return of Merchandise

Any return of merchandise back to a vendor must be coordinated between the University department and the Purchasing Department. All return shipments must be accompanied by a [Request to Ship Form](#) completed by the requesting department.

The requesting department must forward the Request to Ship Form to the Purchasing Department for approval, and deliver the return to the Central Receiving dock.

Property Disposal

The Purchasing Department shall be responsible for the orderly disposal of surplus, obsolete and worn out equipment. All items acquired by the University, regardless of the department fund, are generally considered property of the University and subject to the disposal procedures. Contact the Purchasing Department for requests to dispose of property and appropriate disposal advice.

Ethics

The Purchasing Department shall demonstrate a highly developed sense of professional ethics to protect their own and the University's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for the university community, the University endorses the National Association of Educational Procurement (NAEP) Code of Ethics.

Gifts and Gratuities

University employees are prohibited from receiving any financial interest or personal gain which may influence or affect University purchasing decisions. Any such attempt may lead to disqualification of a vendor. It is preferred that incentives take the form of quality service or price considerations. Under no circumstance shall an employee accept a gift or gratuity where prohibited by law, policy or regulation, or where the appearance of impropriety may occur.

Exceptions to gifts and gratuities that may be received by employees:

- Calendars, desk novelties or similar advertising items of less than \$25 in value
- Textbooks, recorded media, software or similar work-related items where there is no charge to the University
- Reasonably priced meals are acceptable when University business is conducted

Any other exceptions or questions shall be reviewed by the President or Vice President of Finance to deem if special circumstances exist to warrant the acceptance or rejection of a gift or gratuity.