

LAKE SUPERIOR STATE UNIVERSITY PROCEDURES MANUAL

Administrative Policy

Section: Business and Support Operations

Section Number: 3.20.7

Subject: Purchasing Policy

Date of Present Issue:
6/25/2025

Date of Previous Issues:
6/24

Purpose:

The purpose of this policy is to establish uniform purchasing practices for acquiring goods and services in a manner that ensures compliance with applicable laws, maximizes value to the University, promotes fair competition, and supports the mission of Lake Superior State University (LSSU).

Policy Statement:

All purchases of goods and services must:

- Comply with applicable state and federal regulations
- Be consistent with University objectives and budgetary constraints
- Be authorized and documented appropriately
- Promote open and fair competition where feasible
- Be conducted ethically, avoiding conflicts of interest

Scope:

This policy applies to all departments, faculty, staff, and individuals authorized to make purchases on behalf of LSSU, regardless of funding source (state, federal, grant, auxiliary, or gift funds).

Definitions:

- Purchase Order: A formal document issued by the University authorizing a vendor to deliver goods or services at specified prices and terms.
- Purchase Requisition: A formal request submitted by a department to initiate a purchase through the Purchasing Department.
- Bid (or quotation): A written offer submitted by a vendor in response to a request to supply goods or services at specified prices and terms.
- Contract: A legally binding agreement between the University and a supplier for the provision of goods or services.
- Sole Source: A purchase where only one supplier is capable of providing the required good or service, due to unique qualifications or availability.
- Emergency Purchase: A purchase made when there is an immediate threat to public health, safety, or University operations, requiring prompt action without standard competitive procedures.

Procedures:

See [LSSU Purchasing Procedures](#) for further guidance on all policy topics addressed below.

1. Purchasing Thresholds and Requirements

Purchase Amount	Required Action
\$0 – \$499	Departmental discretion; obtain receipt
\$500 – \$4,999	Must follow general purchasing procedures.
\$5,000 – \$24,999	Competitive written bid at the discretion of the Purchasing Department; verbal or telephone bids will be accepted when time constraints do not permit written bids; VP approval is required.
\$25,000 and Over	Sealed written bid process; bids are to be returned in envelopes furnished and so marked at the date and time noted on the request; no sealed bid can be accepted if received after the due date and time; exceptions can only be made with the VP of Finance approval.
\$50,000 and Over	President approval required.
\$250,000 and Over	Board of Trustees approval required, with the exception of emergency and grant agreement purchases; the Board may from time to time authorize the President to execute contracts for pending matters within a pre-determined maximum dollar amount.

The University does not recognize contracts signed by University employees as binding on the University unless the employee who signed the contract has duly delegated signatory authority. University employees who sign contracts purporting to bind the University without authority properly delegated under these Procedures may be personally subject to liability and legal action, and may also be subject to University disciplinary action.

2. Bidding and Vendor Selection

The selection of a vendor is the responsibility of the Purchasing Department.

- The Purchasing Department shall not in any way discriminate against any vendor because of race, creed, age, sex, or national origin, nor shall the university continue to patronize vendors known to practice any forms of discrimination.
- Competitive bids and sealed bids are required for purchases over \$5,000 and \$25,000 respectively.
- Exceptions to the bidding requirements can be found with the purchasing procedures.

3. Sole Source

- Permitted only when a product or service is unique and only available from one vendor.
- Sole source purchase requests 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 Senior Management official is required prior to action by Purchasing. Sole source request forms are available in the Purchasing Office or online.

4. Emergencies

In the event of a campus emergency where the Incident Management operations have been activated, the purchasing manager, or designee, is authorized to make any and all purchases requested by the Incident Commander, appointed by the President or highest ranking member of the Senior Management Team, without further approval.

- Purchases requested under these conditions are deemed to have an immediate health and safety priority and to delay such purchases in order to comply with normal purchasing approval restrictions may have detrimental consequences.
- Purchases reimbursable through insurance reserves will follow the noted emergency purchasing protocol.

5. Grants

All grant purchases will follow the resolution “Authorization for Future Grant Agreements” adopted at the Board of Trustees meeting on May 7th, 2021. *“The Board authorizes LSSU’s President, or, in his/her absence, the Provost and Vice President of Academic Affairs, to execute, deliver, and bind LSSU to grant agreements. In accordance with this resolution, LSSU will fulfill the requirements of any and all agreements gifting or granting funds to LSSU.”*

6. Insurance

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.

7. Receipt of Merchandise

The University Receiving Department is responsible for the following:

- Immediately checking all merchandise for hidden damage or lack of agreement with specifications. If damages are found, the Receiving Department contacts the shipping carrier for inspection of damage.
- Reporting any problems with received merchandise to Purchasing within two (2) business days.
- Directing merchandise to be delivered to requesting departments.
 1. The requesting department will examine shipment for damages, failure to comply with specifications or discrepancies in order.
 2. The requesting department will report any problems to Purchasing within two (2) business days of receipt.

Neither the Receiving Department, nor the Campus Mailroom, will be used for the receipt of personal mail. If personal mail or packages are received, the Receiving Department / Campus Mailroom personnel will refuse delivery and materials will be returned to shipper.

8. Disposal of University Property

The Purchasing Department shall be responsible for the orderly disposal of surplus, obsolete, or worn out equipment.

9. Payment of Merchandise or Service

Payment for goods or services will not be made until they have been satisfactorily received. **As a general rule, prepayments are not encouraged, but may be authorized by Purchasing in certain cases where the business reason is justified as a requirement for future services.**

10. Purchasing Cards (P-Cards)

Use of P-Cards must follow the LSSU P-Card Policy. P-Cards are intended for small-dollar purchases and are subject to transaction limits and monthly audits.

11. 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. Refer to the LSSU Purchasing Procedures for any exceptions that may apply to this policy.

12. Conflict of Interest

University employees involved in purchasing decisions must avoid real or perceived conflicts of interest and must not participate in decisions where a financial or personal interest exists.

13. Record Retention

All purchasing records must be retained for at least 7 years (or per federal guidelines for sponsored funds) and be available for audit.

14. Compliance

Violations of this policy may result in disciplinary action, up to and including termination, and may require reimbursement of unauthorized expenditures.

Responsibilities:

- Purchasing Department: Oversees purchasing operations, vendor selection, bid solicitations, contract management, and compliance.
- Department Heads: Ensure budget availability, approve purchase requisitions, and maintain internal controls.
- Purchasing Cardholders: Adhere to purchasing card policies and transaction limits.
- All Employees: Must not split purchases to bypass thresholds or use unauthorized vendors.

Review Cycle:

This policy will be reviewed biennial (every two years) or on an as needed basis by the Purchasing Department in coordination with the VP of Finance, Controller, and any other relevant stakeholders.