

# **SEATTLE UNIVERSITY**

## **POLICY MANUAL FOR PURCHASING OF GOODS & SERVICES**

March 2009

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## **FOREWORD**

In order for the university to maintain its financial integrity, it is imperative that it continually strives for economic purchases in every area of its operation.

The primary responsibility of the Purchasing Department is to provide for the purchase of equipment, materials and services with the objective that they will be available at the proper time, location, price, and quality consistent with the needs of the university. The balancing of these four factors is critical. Within this structure, the Office of Information Technology performs the assessment of consulting for end user purchase of all items to be supported by their department (i.e. software, hardware and assorted electronics).

To achieve the overall objective and to facilitate the procurement process for University personnel the responsibilities, authorization guidelines and controls set forth in this policy, and related policies and procedures apply to *all* university employees.

## **POLICY STATEMENT**

Property to which the university takes title or services to be performed in the university's name should be requested, authorized, received and paid in accordance with stated university policies and procedures.

Commitments for goods or services for which Seattle University is financially responsible must be authorized through university procedures or as defined by other specific policy.

Individuals making unauthorized commitments or purchases risk personal liability for any incurred expenses.

## **ENVIRONMENTAL PURCHASING POLICY**

Seattle University is committed to sustainability – a framework for making decisions that integrates human, environmental and economic needs as a whole system. To support the university's commitment, it is the purchasing department's goal to include environmental considerations in securing products and services as well as the advocacy for all end users to practice environmentally preferable purchasing.

### **Definition**

Environmental purchasing is defined as the practice of purchasing products and services that reduce our harmful impact on the environment and all species that depend on the environment. Environmentally preferable products and services take life cycle issues into account, as well as sustainable practices. In U.S. Government Executive Order 13101, environmentally preferable products and services are defined as, "products or services that have a lesser impact on human health and environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service."

### **Goals and Procedures**

When purchasing a product or service, the purchasing department will evaluate environmentally preferable attributes equally along with quality, price and availability. It is further recommended that all purchases conducted by university employees for their department follow the same guidelines choosing products and services that provide the most environmental attributes. As with all purchasing decisions, however, these guidelines should not be executed at the expense of product performance, availability or reasonable cost. The following is a list of environmental attributes:

Biobased	Free of harmful chemicals (including but not limited to: carcinogens, CFCs, lead, mercury, PBTs, VOCs)
Biodegradable or compostable	Produced in the Pacific Northwest
Durable	Low life cycle costs
Energy and water-efficient	Recyclable, reusable, refillable, repairable
EnergyStar Rated	Made of recycled-content
Environmental impact of transportation	

Reduced greenhouse emissions  
Reduced packaging  
Refurbished

Made from rapidly renewable materials  
Zero or low toxicity  
Upgradeable

*Definitions of all these attributes can be found on [www.seattleu.edu/facilities](http://www.seattleu.edu/facilities), click on Purchasing.*

## **DEFINITIONS**

In order to help you better understand the Purchasing department and the terms that will appear throughout this document, we have defined some of the words we feel need clarification. If you would like additional explanations or would like us to clarify specific examples, please feel free to contact us.

**Service:** Service has many meanings depending on the action or need of the requesting department. Some examples may be: (a) performance of professional duties, (b) to do maintenance or repair work on or for.

**Bid Verbally:** Three vendors are called and asked for pricing over the phone. No written documentation from the vendor is required.

**Written Bids:** Three or more vendors who supply the product are contacted and asked for the pricing that is confirmed in writing on the vendor's letterhead. These may be faxed, hand delivered or mailed, depending on the lead time needed for the product.

**Supported:** The phrase "supported software" indicates that the university's Information Technology department will provide information, make recommendations, and provide assistance to customers who use the product. Three levels of assistance are defined: full support, limited support and no support. Within these categories, specific policies may be defined on a product-by-product basis.

**Full Support:** For products that are fully supported, Information Technology provides training, technical assistance, needs analysis, and troubleshooting related to all or most of the products' functions. Fully supported software is software that Information Technology has tested, become familiar with, and has established sufficient support resources that our staff can answer a reasonable percentage of end-user questions. Fully supported hardware includes the computer itself and those components that Information Technology has tested, become familiar with, and has established a means of repairing or replacing. Information Technology will repair fully supported hardware at no cost to the end-user; however, Information Technology does not pay for hardware upgrades.

**Limited Support:** At this level, Information Services will provide assistance only when the product is used according to guidelines defined by Information Technology. No assistance will be provided for customers using these products outside of the scope defined by Information Technology. Assistance for users of the products may be limited to a fixed amount of time,

may be scheduled after all other trouble calls, and may be limited to returning a computer to working order by removing the product in question. Costs related to the repair or maintenance of hardware and software under limited support are the responsibility of the end-user department.

**Non-Support:** Information Technology will provide no assistance to customers using unsupported products. No attempts will be made to resolve problems encountered using unsupported software, even if the program is installed on a supported computer. Supported software will get “limited support” (see above) when installed on an unsupported computer system. Even though work-arounds may exist for problems, unsupported hardware or software configurations will get no assistance, training, or troubleshooting. In some circumstances, unsupported hardware or software may also be restricted from the campus network. If the use of an unsupported piece of hardware or software has a substantial potential to disrupt the work of other users it may be removed from the network. All costs related to the repair or maintenance of unsupported hardware and software is the responsibility of the end-user department.

## **BASIC PURCHASING PRINCIPLES**

***ETHICAL STANDARDS*** – University policy prohibits the Purchasing Office from entering into purchase agreements for personal purchases on behalf of employees. Goods and services purchased remain the property of the university until consumed or disposed of by public sale or through Surplus Property procedures.

***STANDARDS OF CONDUCT*** – Conflicts of interest in conducting university business with vendors and firms in which university employees have ownership or control is deemed present if the employee and/or his or her spouse or dependent children own ten percent or more of the assets of a business. This applies particularly to university employees involved in procurement and/or university functions determining what is to be procured, determining needs for items to be purchased, receiving directly or indirectly rebates or discounts from such firms for giving them university business, etc. Whenever an apparent conflict of interest is suggested or identified, immediate disclosure by the university employee involved should be reported to the Vice President for Finance and Administration and the employee involved should disqualify him/herself from the particular transaction. Annually, department heads should review this matter with appropriate personnel to ensure understanding and compliance.

The concept of trust underlies the university procurement and inventory control. The conduct of all personnel involved in procurement and related activities must be proper and must also give the appearance of propriety, impartiality, fairness, and integrity of university policies, procedures and practices.

Gifts in any form for personal use with a fair market value over \$150.00 should not be solicited or accepted by university employees from current or potential concessionaires, vendors or suppliers except with approval by the University President.

Solicitation of any gifts for the university is handled solely by and through University Advancement.

Any improper influence from a vendor for the purpose of inducing, or tending to induce, favorable consideration on any procurement action, on a basis other than the merits of the situation, could be cause for rejection or cancellation after acceptance of the bid and/or disqualification of the bidder/vendor on future university procurement.

***USE OF UNIVERSITY ASSETS*** – University policy limits the use of university supplies and equipment (assets) either on or off campus to official activities and function of the university. Departments must keep a current record of property located off-campus in the form of descriptions, inventory identification numbers, period of time and location of property taken off-campus, and the person(s) accountable for the property. Insurance considerations and reduction of asset value to the university prohibit the use of university assets for personal use without the proper documentation and/or written authorization by the appropriate member of the Executive Team.

**SALESPERSON/VENDOR** – Negotiations with vendors for goods or services are to be coordinated through the Purchasing Department. Vendors who have not previously conducted business with the university should be directed to contact the purchasing staff prior to making sales calls on campus so that they may be placed on the approved vendor list. Vendors that add competition and the opportunity for cost reductions will be added. Representatives of existing approved companies soliciting business should be referred to the Purchasing Department so that information regarding the vendor may be verified and updated. This enables the Purchasing Department to keep catalogs and other vendor information sources current and better serve the university.

## **ROLE OF THE PURCHASING DEPARTMENT**

The role of the Purchasing Department is to assist departments, faculty, and staff in making procurement decisions that meet the end-user's needs, while taking into consideration the university as a whole and maintaining the best interests of Seattle University.

The primary responsibility of the Purchasing Department is to find the source for the product needed by the departments, at the lowest price consistent with desired quality, and to assure that the products or services arrive in a timely manner. If there are problems or discrepancies, the Purchasing Department should always be notified and will assist in resolving the problems with the supplier.

Although the Purchasing Department may, on occasion, change the vendor listed by the end-user, the Purchasing Department will contact the end-user to discuss any such changes. Vendors are primarily changed for two reasons: greater discount for the same product and/or better quality for the same price given by other vendors.

If you have questions during the course of placing an order, please do not hesitate to call the Purchasing Department (x.2639) for assistance.

## **COST CENTER MANAGER**

Each cost center (budgetary unit/department) has a person designated as the cost center manager who has responsibility for the financial management of the cost center within the approved budget. Besides the regular current fund, the university also has many restricted funds (gift funds, grants and other restricted funds). Each of these funds also has a person designated as the manager, with financial management responsibilities.

The following are some of the key responsibilities of the cost center/fund manager:

- 1) To expend funds only within budget:

The university has budget guidelines for all cost centers and restricted funds. It is the cost center/fund manager's responsibility to know what the guidelines are and to only spend funds under their control.

Question regarding guidelines can be directed to your supervisor and/or the Controller's Office.

- 2) To obtain approval for budget adjustments.
- 3) To approve all charges made to the cost center or fund:

It is the responsibility of the cost center manager to approve and sign for all expenditures made to the cost center, whether on a purchase requisition or a check request form. Some responsibilities may be delegated to administrative support personnel. Any delegation should be reviewed regularly and an authorization signature form, listing the limits of this person's authority (in dollar amounts), must be on file in both the Controller's Office and the Purchasing Department. A new form must be completed upon any change of personnel or request form services may be delayed.

If you have any questions regarding the records of your cost center's authorized signer, please contact the Controller's Office.

## **REQUIRED SIGNATURES**

Purchase requisitions sent to the Purchasing Department require at least one signature (cost center/fund manager). Many requisitions require multiple signatures.

Purchase requisitions over \$5,000.00, including appropriate taxes, require budget review and approval by the Assistant Vice President for Finance and Administration.

Multiple purchase requisitions from the same budget/department totaling over \$5,000.00, including appropriate taxes, may, at the Purchasing Department's discretion, require budget approval of the Assistant Vice President for Finance and Administration.

## **WHEN IS A PURCHASE ORDER REQUIRED?**

We encourage you to call the Purchasing Department whenever you are making a purchase. Some vendors will require a Purchase Order no matter what the dollar amount and the Purchasing staff can assist you in the purchase. All purchases *over* \$500.00 must be made with a purchase order.

## **BIDS/REQUESTS FOR PROPOSAL (R.F.P.'s)**

To ensure we receive the best price for our dollars, items over \$500.00 will be bid out verbally. Normally items over \$5,000.00 will have a R.F.P completed. This ensures we have a complete and valid legal contractual agreement for the purchase. The following procedures are included for your convenience. For further clarification, please contact the Controller's Office.

### **PURCHASE REQUISITIONS**

Purchase requisition forms are available through the Purchasing Department website or pre-formatted on software through Information Technology (due to the variety of versions of Lotus and Excel currently being used on campus). Purchasing will only accept an original of the standard Seattle University form (i.e. no faxes or emailed copies).

ALL purchase requisitions require the following:

1. Date – Date the requisition form is completed.
2. Organization – Department responsible for funding.
3. Del to – Bldg. – Room – Building where the delivery is to be made. (Where you want the order delivered.)
4. For (Faculty/Staff Member) – Individual who will use the product.
5. Date needed – **ASAP** is not a date. The Purchasing Department will make every effort to get your order to you on or before the date you request. Please note: delivery for supplies usually take 2 days, computer equipment 2-3 weeks, and furniture 6-8 weeks. When the date needed space is marked ASAP or left blank the Purchasing Department will choose a reasonable date by which the product may arrive.
6. Item – Please be as specific as possible and include stock numbers or manufacturer numbers if you have them.
7. Quantity – Along with the total number of items you need, please add the unit description: each, dozen, gallon, case, etc.
8. Unit Price – Price per unit. If you do not have pricing please call the Purchasing Department and we can assist you. Dollar amounts are required before the cost center manager can authorize the expenditure.
9. Total Price – Quantity x Unit Price
10. Budget Number – Purchase requisitions without a budget number will be returned to the sender. This area is noted as “fund-org-account”
11. Tax – 9%
12. Freight charges, if applicable.
13. Total
14. *Authorized signature* – Purchase Requisitions without an authorized signature will be returned to the sender.
15. *Budget Approval for Purchases Greater than \$5,000.00* – If a Purchase requisition for over \$5,000.00 is received without the Assistant Vice President for Finance and

Administration's (AVPFA) signature, Purchasing will forward the requisition to Administration 117. Please allow sufficient time, 2-4 days, for processing.

16. *Suggested Vendors* – name, address, phone number and fax number. If you do not include this information, your order may be delayed. If you do not have a suggested vendor, please contact the Purchasing Department and we can assist you.
17. *Distribution* – Please forward the original Purchase Requisition along with one copy to the Purchasing Department.

Provided that everything above is completed with the appropriate signatures and information on the Purchase Requisition, the Purchasing Department will make every attempt to ensure the purchase order will be issued and faxed or mailed to the vendor within 24 hours of the time it was received.

## **HOW TO READ A PURCHASE ORDER**

There are 7 main parts of the purchase order of which the end-user should be aware:

1. P.O. Number – The number that is assigned to the order. If there are any problems with the order or payment of the order, please reference this number.
2. Vendor – From whom the merchandise and/or services are to be purchased.
3. Ship To Address – Where the merchandise will be delivered. (This does not always match the department budget that is being charged.)
4. Items & Quantities – What was ordered. Please make sure all items and quantities are correct.
5. Total amount of P.O. – Please make sure this matches the purchase requisition.

## **PURCHASE ORDER**

The department must review all purchase orders, received from the purchasing office, for accuracy. Although the Purchasing Department makes every effort to place all purchase orders based exactly on the purchase requisition, it is the responsibility of the individual departments to verify the accuracy of the purchase order. Please contact the Purchasing Department if any corrections need to be made.

All purchase orders will be created and sent to the vendor based on the information included on the purchase requisition. Two copies of the purchase order will be sent to the department where the merchandise or services will be delivered- the pink copy and the goldenrod copy. When you receive your order in good condition, sign and date the pink copy and forward it, along with the invoice, to the **Controller's Office**. The goldenrod copy is for your department file.

# **INVOICES ACCOMPANIED BY A PURCHASE ORDER AND COMPLETED RECEIVING REPORT**

## **Accounts Payable/Procedure\***

When a purchase order is issued by Seattle University, the purchase has already been approved via the purchase requisition signed by the Cost Center manager.

In order to facilitate the payment process for all University goods and services, an original invoice will be forwarded to the end user's department for approval. Please follow the pre-audit procedures outlined below and return the invoice to the Controller's office with the pink receiving copy of the Purchase Order within 5 days to ensure the university can take an early payment discount.

Upon receipt of the invoice the following pre-audit procedures should be performed by the end user:

1. Obtain the pink copy of the purchase order from purchasing. This is the receiving report.
2. Determine if prices per the invoice agree with prices per the purchase order.
3. Determine that the quantities billed per the invoice agree with the quantities received per receiving report.
4. If discrepancies are noted in step 2 or 3, they must be resolved before authorizing payment.
5. If no discrepancies are found, sign and date the invoice and write or stamp "OK TO PAY" on the face of the invoice and return it with the pink copy of the purchase order to the Controller's office.
6. Other considerations are:
  - a. To avoid duplicate payments *the invoice must be original*. Payment from invoice copies must be approved by the Accounts Payable supervisor.
  - b. Invoice address: Seattle University must be noted in the "BILL TO" portion of the invoice.
  - c. Invoices must be recent. Any invoice over 3 months old must be approved by the Accounts Payable supervisor.
  - d. Payment will not be made from an account statement.

\*From Accounts Payable Procedures available through the Controller's Office.

## **PROPERTY CONTROL**

For inventory purposes, the Purchasing Department should be contacted via e-mail upon the arrival/relocation of any new or existing equipment and/or furniture. This policy ensures accurate tracking of all university fixed assets in order to meet accounting and insurance standards.

## **VEHICLE RENTALS**

Public Safety currently handles vehicle rentals and may be contacted through their web site. Seattle University has a contract with Expedia.com for personal rentals and can be used when traveling. The Purchasing Department can be contacted for help in accessing this account.

## **FINAL NOTE**

Each spring, as we approach the end of the fiscal year, people rush to submit requisitions to the Purchasing Department explaining that “if I don’t spend this money now, I am going to lose it.” Please understand that if you don’t spend the money, we don’t lose it. We save it and reinvest it into units supporting teaching and learning missions of the University.

**NAEB\* CODE OF ETHICS** – The Purchasing office staff abides by this code of ethics:

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purpose.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purpose of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth among them.

\*National Association of Education Buyers