PURCHASING POLICY AND PROCEDURE

75-101

APPROVAL: Signature on file with HR

DATE: June 15, 2015

PURPOSE

This general order states ATSU policy and procedure relative to the ATSU purchasing function.

The ATSU purchasing department will, as the centralized purchasing and requisition office, provide all purchasing and coordination/distribution services for ATSU and administer the purchasing function for all supplies and equipment including, but not limited to, those supplies and equipment found on the Expense Object Code Listing (located at http://www.atsu.edu/employeeforms/pdfs/Expense%20Object%20Codes%20Listing.pdf).

The purchasing department shall be responsible for: 1) establishing procedures to ensure quality goods and services are obtained at the lowest reasonable cost, 2) ensuring that goods and services are competitively selected (i.e., competitive selection may incorporate multiple criteria of purchase award, with awards made based on the bidder whose proposal provides the best value, use of a preferred vendor list, and cooperative contracts), 3) providing oversight to avoid acquisition of unnecessary or duplicative items, 4) avoiding and/or disclosing all identified conflicts of interest in the selection of vendors/service providers (see ATSU Policy No. 10-212: Conflict of Interest), and 5) maintaining all purchase-related documentation that identifies, at a minimum, the rationale for the method of purchase/procurement, selection/rejection of vendor/contractor, and basis for price.

POLICY

Requisitions and Other Transactions

A. Micro purchases not exceeding $3,000
   1. Definition: Micro purchase is defined as the acquisition of supplies, equipment, or services which do not exceed $3,000. To the extent possible, micro purchases should be distributed equitably among qualified suppliers.
   2. Acquisition procedure: Equipment and supplies not exceeding $3,000 may be acquired through submission of a Purchase Order Request (POR) or the use of a voucher. Micro purchases may be awarded without soliciting multiple competitive quotations if the price is considered reasonable. Price list/quote is required.
   3. Required approvals: academic department chair or non-academic department head. When it makes good purchasing sense, purchasing authority has been delegated to each department for those transactions not exceeding $3,000. The department may initiate a micro purchase upon completion of appropriate paperwork and required approvals.

B. Small purchases more than $3,000 and up to $150,000
   1. Definition: Small purchase is defined as being greater than $3,000 and up to $150,000.
   2. Acquisition procedure: Equipment and supplies costing more than $3,000 and up to $150,000 are acquired through the submission of a POR. Small purchases must have at least two price or rate quotations accompanying the required POR.
3. Required approvals: academic department chair or non-academic department head, and academic dean or President’s Staff member. Purchasing authority has been delegated to director of purchasing and purchasing staff.

C. Capital equipment $5,000 or more
   1. Definition: Capital equipment is defined as tangible personal property having a useful life of more than one year and a per-unit cost of $5,000 or more (see ATSU Policy No. 50-200: Fixed Asset and Capital Purchase Policy).
   2. Acquisition procedure: Capital equipment costing $5,000 or more is acquired through submission of a POR. Capital equipment purchases must have at least two price or rate quotations accompanying the required POR.
   3. Required approvals: Capital equipment requests costing $5,000 or more must be approved by the academic department chair and dean, or the non-academic department head and President’s Staff member. Capital equipment PORs will be shared with the Controller’s Office upon submission to the purchasing department to ensure the specific request is included in the approved capital budget. The assistant vice president for finance will assist when the request falls outside the approved capital budget. Purchasing authority has been delegated to the director of purchasing and purchasing staff.

D. Sole source purchases
   1. Sole source purchasing is allowed in certain instances. Instances that necessitate sole source purchasing include the need to purchase items: 1) performing a certain function for which no other items are known to exist; 2) with new patents or uniqueness that may limit purchase availability; 3) for standardization purposes (e.g., research integrity); and 4) in emergency situations.

   Justification for specifying such items is extremely important and must be documented. Allowable justifications for sole source purchases include, but are not limited to, the following:
   a. Supplier is the only source for the commodity or they may operate in a limited competitive market where the manufacturer only authorizes one dealer for its products in each sales area.
   b. Supplier could have a patented design or feature or merely be the closest producer from a transportation standpoint.
   c. Supplier may have a higher quality product, have better engineering support, or have the best production capacity for the buyer’s needs.
   d. Supplier is the only supplier willing to deal with small volume.

   Other justifications may include superior customer service, low reject rates, favorable payment terms, or a good delivery track record.

   2. Acquisition procedure: The acquisition procedure for a sole source purchase corresponds to the type of goods/services and amount of purchase (i.e., sole source micro purchase follows the same acquisition procedure as requests for micro purchase, sole source purchase capital equipment follows the same acquisition procedure as requests for capital equipment, etc.).

   3. Required approvals: The required approvals for a sole source situation correspond to the type of goods/services and amount to be reimbursed (i.e., reimbursement for micro purchases follows the same approval procedure as requests for micro purchase, reimbursement for capital equipment follows the same approval procedure as requests for capital equipment, etc.).

E. Reimbursements
   1. ATSU employees are discouraged from paying for University-related purchases with personal accounts. Use of personal accounts for University-related purchases should be minimally and infrequently used. Planned, routine, and major purchases of equipment and supplies should be sourced through the Purchasing Department, according to policy/procedure.

   2. Definition: A reimbursement arises when the University agrees to pay an employee an amount of money equal to the amount that person spent on University related and approved purchases. A reimbursement requires the original receipt/invoice from the vendor. A reimbursement results in a vendor/payee relationship between the employee and the University.
3. Acquisition procedure: The acquisition procedure for a reimbursement situation corresponds to the type of goods/services and amount to be reimbursed (i.e., reimbursement for micro purchases follows the same acquisition procedure as requests for micro purchase, reimbursement for capital equipment follows the same acquisition procedure as requests for capital equipment, etc.).

4. Required approvals: The required approvals for a reimbursement situation correspond to the type of goods/services and amount to be reimbursed (i.e., reimbursement for micro purchases follows the same approval procedure as requests for micro purchase, reimbursement for capital equipment follows the same approval procedure as requests for capital equipment, etc.).

F. Sealed bids and competitive proposal use is generally limited to procurement of construction and competitive contracts for services. Procurement under federal awards necessitating sealed bids and competitive proposals is subject to certain administrative requirements. See ATSU Financial Management Plan for Administration of Grants and Contracts (located at http://www.atsu.edu/employeeforms), ATSU Policy No. 10-204: Contract Review and Approval Procedure, and the Uniform Administrative Guidance 200.320 (c-d) for more information.

G. Procedure

All purchases and requisitions must follow ATSU policy and be completed via the approved purchasing system. Purchases and requisitions not completed in compliance with ATSU policy and procedures may not be honored. All required information and approvals are required prior to authorization of payment. Purchase requests can be initiated on a price estimate, if necessary.

1. Requester originates a POR prior to completing order. POR is completed in its entirety including department code, object code, description, and price, or when necessary, a price estimate.

2. Requester secures appropriate documentation (i.e., a price quote, price list, etc.) based on purchase type/amount.

3. Requester secures appropriate approvals based on purchase type/amount.

4. Requester submits completed and approved POR to purchasing department for processing.

5. The purchasing department initiates the purchase by placing the order(s) for goods/services.

6. Goods/services are received. Recipient of goods/services is responsible for reconciling packing slip with goods/services received.

7. Requester must notify purchasing department that goods/services were satisfactorily received and send packing slip/receipt of goods documentation for reconciliation with original POR.

8. Upon receipt of the final invoice from the vendor, the purchasing department will perform final confirmation/reconciliation of packing slip, POR, and invoice.

9. Purchasing department submits final approved invoice to ATSU’s accounts payable clerk for payment.
Complete Purchase Order Request Form

- Include department code, object code, description, and price estimate on Purchase Order Request form
- Secure documentation/quote(s)
- Secure appropriate approvals

Process Purchase

- Submit Purchase Order Request form to purchasing department for processing
- Purchasing department places order for goods and/or services

Goods/Services Received

- Reconcile packing slip with goods/services received and original Purchase Order Request form
- Submit packing slip/documentation of satisfactory delivery to purchasing department

Final Processing

- Purchasing department receives invoice
- Purchasing department reconciles packing slip/documentation of satisfactory delivery services with invoice and Purchase Order Request form
- Purchasing department submits final approved invoice to accounts payable clerk for payment
RESPONSIBILITY

A. It is the responsibility of all employees initiating a POR to follow policy/procedure and avoid/disclose conflicts of interest in purchasing.

B. It is the responsibility of all department heads/directors to enforce adherence to department budget and ATSU purchasing policy/procedure and avoid/disclose conflicts of interest in purchasing.

C. The director of purchasing and purchasing staff are responsible for maintaining ATSU purchasing policy/procedure and upholding the best interests of the University, including avoidance of conflict of interest in purchasing.