

Case Western Reserve University Procurement Policy—Full Revision

TABLE OF CONTENTS

1. Purpose	16. Personal purchases
2. Procurement services responsibilities	17. Pricing agreements
3. Bids and quotations	18. Printing
4. Contract Review and Execution Procedures	19. Purchase orders
5. Independent Contractors	20. Purchase requisition
6. Capital equipment	21. Radioactive material ordering procedure
7. Controlled substances and pharmaceuticals	22. Sustainable purchases
8. Emergency orders—outside vendor orders	23. Repairs—shipment back to a vendor for repairs
9. Expediting	24. Return for credit or exchange
10. Gifts and gratuities—University guidelines for acceptance	25. Small, disadvantaged, and women-owned business enterprises
11. Heavy equipment moving	26. Taxes and exemptions
12. International Orders	27. Vendor relations—standards of conduct
13. Leases and rentals	28. Warranties
14. Maintenance contracts	29. Federally sponsored projects
15. University packages—outbound for mailing purposes only	

1. Purpose

The primary function of Procurement and Distribution Services (procurement services) is to assist and support the University in pursuit of education and research in a manner that encourages responsible stewardship of resources. The department is committed to assisting the University community with the timely and cost-effective procurement of quality goods and services while complying with government and University regulations.

2. Procurement services responsibilities

Procurement services is responsible for assisting in the selection of preferred vendors, negotiation of prices, and assurance of quality and delivery for commodity goods and services for most University areas*. At the request of individual departments, procurement services will develop standards and specifications for non-commodity goods and services. Procurement services also issues purchase orders and administers the procurement card suite and applicable policy.

Procurement services works to ensure that the University complies with all applicable federal, state, and local regulations and University policies, and that it abides by appropriate ethical considerations. Its purchasing files are subject to audit by University auditors and federal agencies and must include proper documentation (e.g., purchase orders, contract negotiations, bid awards, sole- and single-source justifications, etc.).

By becoming familiar with the information that follows, users will assist procurement services in fulfilling its responsibilities and help ensure they receive quality service. Additional information regarding procurement guidelines for federal grants and contracts can be found in OMB Circular A110 at <http://www.whitehouse.gov/omb/circulars/a110/a110.html>.

For more detailed information regarding purchasing procedures, please see <http://campusservices.case.edu/PDSHome.aspx>.

*Procurement services does not have responsibility for the following areas:

- The purchase, sale, or lease of real estate;
- The design, construction, or alteration of plant facilities;
- All living animals and animal parts, which are handled by the Animal Resource Center; and
- Personal purchases.

3. Bids and Quotations

Users will obtain comparable price quotations on all purchased items whenever practical. This is accomplished through negotiated pricing agreements, soliciting requests for proposal, and formal

bidding procedures. Requests to vendors are conducted in a manner that provides open and free competition to the maximum extent possible.

All vendor bids and quotations are evaluated on the basis of product quality, technical compliance with specifications, total cost, and the vendor's acceptance of the University's terms and conditions. Any and all bids and quotations may be rejected when it is in the University's best interest to do so. Prices secured on bids and quotations are considered confidential and should not be discussed with vendors by University personnel.

Determination of Price Reasonableness (for additional information, please see: "Short and Easy Guide to Methods Used to Determine Cost Reasonableness" (Office of Naval Research) https://www.acquisition.gov/far/current/html/Subpart%206_1.html#wp1087648)

Users are expected to determine that the price paid is fair, reasonable, and in the best interests of the University. For all purchases of goods, equipment, and most services greater than or equal to \$25,000, formal competitive bidding, in conjunction with Procurement Services, is the established method for determining price reasonableness. At least two quotes are necessary for purchases of goods and services between \$5000 and \$24,999. Although one quote is acceptable for purchases under \$5000, users are encouraged to secure multiple quotes to procure the best value.

Formal Competitive Bidding

All purchase requisitions for goods, equipment, and services with an aggregate value of \$25,000 or more are required to be bid competitively except when otherwise specified by:

- federal, state or local regulations
- an existing contractual obligation
- circumstances identified in Section 4.

Users should seek bids from at least three sources; more are acceptable. Users are responsible for obtaining these bids, and should ensure the bids are based on a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description should not contain features that unnecessarily restrict competition. In highly technical equipment purchases the user is strongly encouraged to solicit the involvement of other offices such as the Office of General Counsel, Procurement Services and other appropriate experts.

It is Procurement Services' responsibility to ensure price quotations obtained are from qualified vendors in the procurement of goods, equipment and services, and that such items as transit insurance, warranties, installation, transportation, etc. are adequately covered. Procurement Services is responsible for determining that prudent procurement practices are followed and documented. Procurement Services will retain all such corroborating documentation.

Procurement Services will make a vendor award based on the criteria listed above and any other relevant factors. *The University reserves the right to reject any bid.* If the user chooses not to select the lowest-cost bidder, the user must provide written justification for the decision to Procurement Services. Procurement Services will assure that the documentation required to support the vendor selection is proper and complete.

Procurement Services will issue a purchase order to the selected vendor and notify unsuccessful bidders.

Exemptions from Formal Competitive Bidding

- **Strategic Vendor Partnerships, Preferred Vendor Agreements, and Pricing Agreements.** Goods and services purchased under University Strategic Vendor Partnerships, Preferred Vendor Agreements, and Pricing Agreements in excess of \$25,000 may be exempt from Formal Competitive Bidding. If it is determined by Procurement Services that alternate vendors may supply the identical product at a more competitive value, additional bids/quotes may be requested. Strategic Vendor Partnerships have been competitively bid and offer a full line of products along with value-added services (i.e. online ordering, direct delivery, summary billing). Preferred Vendor Agreements are competitively bid or negotiated agreements which lock in competitive pricing for a select group of products or services. Pricing Agreements cover a wide range of products and services. These agreements may be negotiated by the University or made available to the University through one of several Group Purchasing organizations of which the University is a member.
- **Sole- and Single-Source Purchases.** Users must occasionally make a purchase involving a single or sole source vendor. Such purchases must be accompanied by a Single/Sole Source Justification Form (<http://campusservices.case.edu/PDS/Procurement.aspx>) when submitted to Procurement Services.

All federally sponsored grants and contracts require some form of written competitive bid or an acceptable Single/Sole Source Justification Form if bidding is to be waived.

Definitions:

- Sole-Source Vendor: The vendor is the only known vendor in the world of the goods or services requested.
 - Single-Source Vendor: The item may be available from multiple vendors, but only the requested vendor is acceptable for reasons including, but not necessarily limited to: repair, or replacement parts; equipment must be compatible with other equipment currently in use; supplementary components of the same manufacturer; unique features or performance essential to the intended application; compliance with the University's standard programs; necessary to meet physical design.
- **Professional, Consulting, and Creative Services.**
Several creative service categories and/or professional services including consulting and services related to creative design, architectural services, legal services, and financial services may be exempt from formal competitive bidding requirements. The requirements applied to these service categories are as follow:
 1. Singular projects with less than \$ 5,000 total cost- No formal bidding requirement. However obtainment of two price quotes is always recommended.

2. Singular projects with total cost from \$5,000-\$25,000- No formal bidding requirement but cost reasonableness justification must be provided to support the purchase. See section #3 of this policy for methods of establishing cost reasonableness.
3. Singular engagements with a total cost that exceeds \$25,000- The sponsoring management center must submit justification to include the Dean's approval or the CFO if UGEN related for the selection of the service provider to the designated office for approval. Submittals should be routed using the Professional Services Bid Exemption Approval Form (<http://campusservices.case.edu/PDS/Procurement.aspx>). Designated offices for each category are as follows :
 - Architectural Services- Senior VP for Administration
 - Creative Design(Print & Web) – VP for University Relations
 - Legal Services-Vice President and General Counsel
 - Financial & Accounting Services- Senior VP Finance-CFO
 - Consulting Agreements for non-creative services (management consulting, technical, engineering services) which exceed \$25,000 in value require submittal of justification to the (Senior VP for Administration)

Once approval is granted, the entire packet to include the purchase requisition, final quotation, and contract will be forwarded by the designate in Campus Services to the Office to Procurement Services. Procurement Services will serve as the intake and expeditor for the processing of the related contract and will issue the PO in accordance with Purchasing Policy. See Contract and Procurement Process flowchart at <http://campusservices.case.edu/PDS/Procurement.aspx>

- Multiple projects within an exempted service category with an aggregate value of over \$25,000 schedule to be provided within a 12 month period- Bidding exemption is voided and a formal RFP process must be undertaken to support vendor selection.

No commencement of work or ordering of goods is authorized or shall constitute a commitment of the University until one of the above required PO's has been issued. Procurement and Distribution Services will not process payments without a properly executed Purchase Order.

4. Contract Review and Execution Procedures

This procedure describes both the responsibilities and authority of those individuals authorized to sign Procurement related contracts on behalf of the University. For purposes of this procedure, a

contract is defined as an agreement in which the University is one of the parties and which will legally bind the University to rights and/or obligations and/or financial liability. It includes but is not limited to real estate and personal property purchase and sale documents, affiliation agreements, construction contracts, licensing agreements, equipment maintenance agreements, patent rights, royalties and independent contractor agreements.

It is the role of Procurement Services to provide a business review of all of the above types of contracts to ensure that this policy (Purchasing) and other related policies are followed. Legal review is provided by Procurement Services in coordination with the Office of General Counsel.

Contracts shall not be executed nor obligations assumed by the University until all steps have been completed per this and other related Business Policies. This includes, but is not limited to, Competitive Bidding (See #3), and Business Policies at <http://www.case.edu/bizpolicies/policies.html>

The types of contracts Procurement Services serves to facilitate include:

- Maintenance Contracts for scientific equipment, office equipment and other miscellaneous equipment.
- Equipment and material purchases, rentals, leases and/or financing agreements.
- Licensing Agreements.
- Independent Contractor Agreements
- Templated Routine Agreements
- Space Rental Agreements
- Catering Agreements
- Group Travel Agreements
- Templated Artist Agreements

Execution/Requests for Approval

The following information must be submitted with the PeopleSoft requisition to Procurement Services prior to the initiation of services or purchase of material that includes a contract:

- Bids (See #3 Bids and Quotations)
- Approved requisition in PeopleSoft (<http://www.case.edu/projects/erp/learning/finguides.html>)
- If applicable, Professional Services Bid Exemption Approval
- If an Independent Contractor, a concise explanation of the business reason(s) for deciding to engage a professional or consulting firm, including:
 - The reason why regular or temporary University employees cannot reasonably perform the necessary services;
 - The specified period of the engagement; and
 - The nature and estimated amount of out-of-pocket/travel expenses to be paid by the University;
- Contract to be routed for signatures by Procurement Services

- Supplier Form if new vendor to PeopleSoft. See Supplier Form at <http://campusservices.case.edu/forms.aspx>
- W9. See IRS W9 at <http://campusservices.case.edu/forms.aspx>

Procurement Services will ensure that all Procurement related contracts are forwarded for legal review if applicable for the purchase of goods or service. Procurement Services also will route approved contract for signature to two (2) Officers of the University or their designees. See Signature Delegation and Policy at <http://www.case.edu/president/counsel/forms.html>.

Once all of the required documentation has been submitted, reviewed, and approved by the Procurement representative, a Purchase Order (PO) and the executed contract will be issued to the vendor from Procurement Services. In all cases, a PO will not be issued until the signed/executed contract is received back from the vendor..

Procurement Services assumes the responsibility of this routing in the execution of the related Purchase Order. The only exception to this policy is NIH subcontracts, which may be signed by one officer or designee.

Any contract for the purchase of goods and services which requires external financing of any kind must be approved and signed by the Chief Financial Officer or the President.

No Procurement contractual document will be signed without prior review and approval of the Procurement and Distribution and/or the Office of General Counsel in coordination with Procurement Services.

Users holding signature authority on behalf of the University can be found at <http://www.case.edu/president/counsel/Documents/2009-2010signaturedelegationlist.pdf>

To expedite the contract review and approval process, users should provide all required documentation.. Users also should provide as much lead time as possible before the actual date the contract must be approved and clearly indicate any deadlines involved.

5. Independent Contractors

The University seeks to use its regular and temporary employees to the maximum extent possible for the performance of work on behalf of the University. Outside professional service providers, independent contractors, or consultants (e.g., consultants or professionals in IT, public relations, law firms, accounting firms, marketing, and design/architecture firms) should be used only when services cannot be provided adequately by regular or temporary employees.

Definition An Independent Contractor is a person or business who performs services for another person or entity under an express or implied agreement and who is not subject to the other's control, or right to control, the manner and means of performing the services (ie-not as an employee). One who engages an independent contractor is not liable to others for the acts or omissions of the independent contractor.

See <http://www.irs.gov/taxtopics/tc762.html> for more information.

Standard terms and legal review

All agreements involving independent contractors, consultants, or outside professional services must be in writing. The University's standard templated agreement includes terms and conditions that have been reviewed by University administration, including the Office of General Counsel. This form of agreement should be used whenever possible. This standard agreement form can be used whether the other party is considered an independent contractor, consultant, or outside professional service provider.

Standard/templated Independent Contractor Agreements are generated by Procurement Services. Employees may request a standard Independent Contractor Agreement be generated by entering required information at:

<http://campusservices.case.edu/PDSHome/Procurement/Contracts/IndependentContractorForm.aspx> along with an approved requisition in PeopleSoft. Once the requested information is entered into the form and a requisition routed to Purchasing via PeopleSoft, an agreement is created and mailed to the independent contractor, consultant, or outside professional along with a Supplier Form and an IRS W9 form. When all of the required signatures and forms are returned from the Independent Contractor, consultant, or outside professional to Purchasing, the vendor will be entered into the PeopleSoft database so that a Purchase Order may be issued.

Approval process

Standard consulting agreement generated by procurement services

Because these agreements use standard approved terms, they do not require an additional separate review by the Office of General Counsel. Price reasonableness must still be established. See Section 3 "Bids and Quotations".

The outside professional or consultant cannot begin work until the proper approval is obtained and both the University and outside professional or consultant have signed a valid agreement. A properly executed Purchase Order (PO) must also be in place prior to the commencement of services.

Non-standard agreements (Vendor provided contract)

Any Procurement agreements other than those generated by Procurement Services require legal review by Procurement Services in coordination by the Office of General Counsel. Procurement Services will coordinate this review with OGC to expedite the execution of the contract.

The outside professional, consultant, or service provider cannot begin work until the proper approval is obtained and both the University and outside professional or consultant have signed a valid agreement. A properly executed Purchase Order (PO) must also be in place prior to the commencement of services.

For more information regarding the application, review and execution process, please see <http://campusservices.case.edu/PDS/Procurement.aspx>

Violation of this policy may result in disciplinary action and/or appropriate sanctions in accordance with the provisions of the applicable policies (e.g., within the Faculty Handbook <http://www.case.edu/president/facsen/frames/handbook.htm> or human resources regulations <http://blog.case.edu/human-resources>).

6. Capital equipment

The University defines capital equipment as all major equipment, furniture, and fixtures with an acquisition cost of \$5,000 or more and a useful life of at least two years. In addition, component pieces that less than \$5,000 but are part of a larger system will be capitalized.

Capital equipment purchases are subject to the purchase workflow process. Purchases of capital equipment of more than \$25,000 are subject to the purchase workflow approval process and the competitive bidding process.

The Equipment Accounting Department (<http://www.case.edu/finadmin/controller/equipment/>) is responsible for recording and monitoring all capital equipment purchases. Equipment accounting will verify the purchase requisition for proper expense classification prior to order placement and will contact the requesting department if a change of expense class must be made.

7. Controlled substances and pharmaceuticals

Procurement services is responsible for maintaining a file of all controlled substances ordered for the University requiring a federal drug enforcement administration (DEA) license and Ohio State Board of Pharmacy license.

Any department wishing to purchase controlled substances must complete an authorized requisition online using PeopleSoft eProcurement (<http://www.case.edu/projects/erp/learning/FAQ/epro.pdf> or <http://www.case.edu/projects/erp/finance>). Once the requisition is approved, it will go to the appropriate buyer for processing.

Each purchase requisition must have the following information:

- Description—Catalog number, name of the item, and strength of the substance required (e.g., 5mg/1ml)

- Category—CONTROLLED SUB or PHARMACEUTICALS
 - Quantity,
 - Unit of Measure,
 - Unit Price, and
 - Due Date.
- All controlled substances that require DEA licensing are ordered under the Animal Resource Center's DEA controlled substances registration certificate and Ohio State Board of Pharmacy license. University Health Services and the School of Dental Medicine are exceptions to this rule and maintain their own certifications. Therefore, orders are shipped directly to their facilities.
- The buyer identifies DEA items and has said items shipped directly to the Animal Resource Center. Once the items arrive, animal resource personnel notify departments to arrange order pick-up.
- Investigators conducting research on behalf of Case Western Reserve who require DEA Schedule I controlled substances are required to obtain individual DEA and State of Ohio licensing. Contact the local Drug Enforcement Administration Office for further information at:

DEA/Detroit Division
431 Howard Street
Detroit , MI 48226
Phone: (313) 234-4000.

8. Emergency orders—outside vendor orders

When a department faces an emergency that requires a purchase order, they should generate the purchase requisition indicating both the due date and a “rush” notation in the comment section. Users also should call the procurement services customer care team <http://campusservices.case.edu/PDS/AboutUs/StaffDirectory.aspx> to inform the buyer of the emergency and that a requisition is forthcoming.

9. Expediting

PeopleSoft eProcurement (<http://www.case.edu/projects/erp/finance>) allows departments to track their orders from purchase requisition creation through the issuance of the purchase order. Users experiencing excessive delay in receipt of materials and have confirmed that a purchase order number has been issued, can either contact the vendor directly or call the appropriate buyer <http://campusservices.case.edu/PDS/AboutUs/StaffDirectory.aspx> to determine the order's status.

10. Gifts and gratuities—University guidelines for acceptance

University personnel should be aware that offers of gratitude from vendors can compromise or be seen to compromise objective judgment in product or service selection. An individual conflict of interest exists when a member of the University obtains a gift or financial benefit that might

adversely affect or appear to affect the individual's judgment in carrying out University responsibilities. Accordingly, it is University policy to observe the highest standards of business ethics and to shield the employee, the University, and the vendor from any suggestion or appearance of conflict of interest. All members of the University community should consult and be familiar with the University's full conflict of interest policy at <http://www.case.edu/president/counsel/Documents/Contract%20review%20policy%20and%20approval%20form%20FINAL%20DEC%202007.pdf>.

No employee shall permit any real or perceived influence by vendors that could conflict with the best interest of the University or prejudice the University's reputation. Expenditures of University funds to vendors shall not by intention benefit any person officially connected with the University.

Tangible gifts or gratuities shall not be accepted where their value suggests more than a social gesture. Such gifts should be returned with a statement of University policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars, and holiday candy are acceptable.

Association with vendor representatives at modest business meals or business organization meetings is occasionally necessary and is neither questionable nor unethical, provided the individual keeps him- or herself free of obligation.

Personal loans of money or equipment are not to be accepted from an individual or vendor. Solicitation of vendors for merchandise or certificates to serve as door prizes or favors is normally prohibited. Those seeking an exception should provide a written explanation of their reasons to the senior vice president/chief financial officer.

11. Heavy equipment moving

The University is not equipped to receive and deliver heavy equipment and supplies through Central Receiving and Package Delivery. Therefore, procurement services directs heavy and/or oversized items to a contracted outside moving company or the University movers for delivery directly to the originating department.

Procurement services has the responsibility for determining where incoming goods are to be shipped at the time of order placement with the vendor. If an outside mover is used, the purchase order will be noted accordingly.

Procurement services will notify the movers of an incoming shipment. Delivery arrangements will be made directly between the movers and the originating department. All packing materials will be disposed of by the contracted mover at the time of delivery. All costs incurred are the responsibility of the originating department.

If a buyer is unable to establish weight and dimensions at the time of order placement and the order cannot be properly received at the time of delivery, the University's Central Receiving Department has the authority to redirect the incoming shipment to the attention of the mover.

12. International orders

Procurement services processes all international orders based on properly executed purchase requisitions.

Incoming orders are cleared through customs, based on the following procedures:

- The package carrier will notify the University's customs broker that a package has arrived and will forward the paperwork to the broker for processing.
- The customs broker will contact procurement services of the arrived package.
- Procurement services will notify the user department.
- If the value of the order does not exceed \$1,000 the department has the option to clear the package themselves or allow the University's customs broker to clear the package.
- If the value of the order exceeds \$1,000 the package must be cleared by the University's customs broker.

Customs brokers' fees and duty costs are the responsibility of the user department.

When ordering from an international vendor, please take into consideration the cost of freight, broker's fees, and approximately nine to 12 percent in duty.

In some cases, items can be received duty-free upon application. If qualified, application approval may take up to 12 weeks. Please contact procurement services prior to generating the purchase requisition to discuss qualifications.

Please be aware that International Vendors require a W8 (not the W9 for domestic vendors) along with the Supplier Form. The IRS mandates that although a copy may be submitted to begin the process, Procurement and Distribution Services must receive the original and signed W8 within the first 30 days of issuance of the PO. In addition, an original and executed W8 must be supplied annually to Procurement and Distribution Services per IRS guidelines. See <http://campusservices.case.edu/forms.aspx> for the IRS W8 form.

13. Leases and rentals

The vast majority of the University's equipment and personal property is purchased outright. In some cases, however, procurement services may recommend leasing. In those circumstances, procurement services will first recommend the use of the University's internal lease program (<http://campusservices.case.edu/PDSHome/Procurement/InternalLeaseProgram.aspx>).

Procurement services decides whether to recommend leasing or renting rather than outright purchase on a case-by-case basis. Relevant factors include purchase price, maintenance/service

costs, life expectancy of equipment, duration of need for equipment, obsolescence, cash flow, prevailing interest rates, and funding source.

Procurement services works with users to obtain the most advantageous leasing or rental arrangement available. An external lease will be formalized with the issuance of a purchase order.

When considering a lease or rental agreement, users should consider:

- Advantages of owning the equipment or personal property from day one, such as avoiding paying personal property tax;
- Options at the end of the lease;
- The application of any lease/rental credits toward a purchase at the end of the agreement period;
- The right to cancel prior to the end of the term and any penalties involved; and
- Insurance responsibility during the term of the agreement.

Procurement services can provide assistance for those considering vendors for such leases and rentals. Users are encouraged to contact the office for guidance when contemplating these arrangements.

Leases and rental agreements are contracts and as such are subject to prior business review by procurement services, legal review by the Office of General Counsel and approval in accordance with the contract approval policy

(<http://www.case.edu/president/counsel/Documents/Contract%20review%20policy%20and%20approval%20form%20FINAL%20DEC%202007.pdf>).

Equipment may be financed using various types of lease or rental transactions. Users initiate lease and rental agreements with a properly authorized purchase requisition. These transactions are subject to requirements for competitive bidding.

Users leasing or renting equipment or personal property should budget into their account the annual funds necessary to cover the appropriate number of lease/rental payments. In the case of a research account, the home department's account will be charged for the remaining term of the contract if the research account specified in the contract is discontinued and no valid replacement account is specified.

14. Maintenance contracts

Users establish maintenance contracts with vendors to provide uninterrupted preventative and/or remedial maintenance for all types of equipment at a predetermined cost. A purchase requisition is required to initiate all maintenance contracts and should be submitted to procurement services with the vendor's maintenance contract form, if it is available.

The following information should be indicated on the purchase requisition in addition to the standard required information:

- Type of equipment to be covered, including brand, model, and serial number;
- Period of time to be covered; and
- Location of each piece of equipment.

Maintenance contracts are subject to prior business review by procurement services, legal review by the Office of General Counsel and approval in accordance with the contract approval policy (<http://case.edu/events/ccc/>)

A purchase order will be issued upon receipt of the fully authorized contract. Copies of maintenance contracts processed through procurement services are kept on file. Any questions concerning terms and conditions should be referred to the contract coordinator.

It is the user's responsibility to notify procurement services regarding intentions to renew or cancel.

Users are responsible for ensuring that service on the equipment is performed in accordance with the terms of the maintenance contract. In the event that service is not rendered or is not satisfactory, the user should notify procurement services immediately, in writing, and include reference to the purchase order number.

15. University packages—outbound for mailing purposes only

Users requiring packages to be shipped for mailing purposes must complete a purchase requisition.

In addition to the standard information, the following information should be indicated on the purchase requisition:

- Contents of package(s);
- Complete shipping address—no P.O. boxes;
- Number of cartons being shipped;
- Account number to be charged; and
- Whether the department wants the contents insured. If so, the value must be provided.

Please note that if more than one package is being shipped, the value of each package must be indicated.

All items must be properly packed and each package completely sealed and labeled for shipment. Neither procurement services nor shipping will assume the responsibility for poorly packed material that results in damage.

If the user requires the material be picked up, he or she must send the requisition to procurement services, noting on it the building and room number from which the packages are to be picked up. Procurement services will generate a pickup order and send it to package delivery. The purchase requisition number should be noted in the upper right-hand corner of each package before pickup.

Users wishing to bring the material directly for shipment should take the package(s) to shipping/receiving, located on the first floor of the Service Building (<http://www.case.edu/visit/map/flash/>) The purchase requisition should be attached to the package, and the purchase requisition number should be noted in the upper right-hand corner of the package(s).

This service is for University business only. Personal items cannot be sent or transacted using University funds. The University Bookstore and U.S. postal substation offer mailing services for personal packages.

16. Personal purchases

Procurement services does not enter into any negotiation or become involved in any transaction for purchases of a personal nature for University faculty, staff, or students.

Procurement services may question requisitioned items that seem to be of a personal nature or an inappropriate expense against University funds.

Vendors are under no obligation to offer discounts to individuals and do so with the understanding that their offer places the University under no obligation to do business with them, except within strict business practices.

17. Pricing agreements

Procurement services negotiates pricing agreements with selected vendors to obtain more competitive prices, price protection, and to reduce the administrative costs of purchasing these goods. These agreements usually cover a one-year period.

Procurement services initiates pricing agreements when it is in the University's best interest to do so. Procurement services regularly evaluates existing pricing agreements to maximize cost savings. This practice insures competitiveness among vendors, allows new vendors to participate, and addresses market trends and economic changes that may occur with particular commodities.

The University is a member of several group purchasing programs and receives the benefits of their negotiated agreements with various vendors. Procurement services utilizes these agreements whenever feasible to obtain the best total cost for the University. In some cases, however, the price from a non-group vendor is less and the product is equal to that offered by the group contract vendor. In those instances, users should consider purchasing from the non-group

contract vendor, provided the University has made no commitment to the group purchasing program prior to the awarding of the contract. Prices from group purchasing agreements are never to be used to secure improved pricing from vendors outside the group.

Pricing agreements affect source selection by procurement services and are treated as confidential information. As is the case with all bids, prices and terms are not disclosed to competitors.

18. Printing

A range of strategic printing solutions are offered to the University community that streamline and simplify the process of print (off-set), procurement, and production and also reduce costs.

Standard University items—business cards, letterhead, envelopes, mailing labels, etc.

Printing services offers online ordering (<http://www.case.edu/finadmin/auxserv/printsrv/print.html>) of standard University items that allows instant proof approval. The office has negotiated reduced fees with vendors, and users are encouraged to explore the cost-effectiveness of this option.

Non-standard items

Users can utilize another online system (http://members.printable.com/cwruniversity/case_printing_services/) to submit print jobs and obtain competitive bids as required by University purchasing policy. Clients can request a quote online, which will then go out to the preferred print vendor list for bid.

Preferred vendors

Relying on feedback from users and evaluation of cost efficiency, the University has developed a list of approved vendors (<http://www.case.edu/finadmin/auxserv/printsrv/preferredprinterlist2.pdf>). This list is reviewed regularly to ensure the University's needs are supported.

19. Purchase orders

Purchase orders are used for various types of special requests for goods and services. A buyer in procurement services processes the purchase order based on the category of the pre-approved electronic requisition submitted. Users shall not purchase nor commit to purchase items or services prior to the issuance of the purchase order.

Once a requisition is approved and budget checked, a purchase order is issued. The information supplied by the buyer—such as price confirmation, method of shipment, expected delivery date, and any special terms or notations—will be forwarded to the vendor.

The purchase order is a legally binding obligation when accepted by a vendor. Acceptance may be evidenced by written notification or a delivery of goods conforming to the terms of the contract. The purchase order also is binding on the University and may be changed or canceled by procurement services only in accordance with the terms of the order.

20. Purchase requisition

A purchase requisition is the official University document used to initiate a purchase order with all outside vendors (<http://www.case.edu/projects/erp/finance> or <http://www.case.edu/projects/erp/learning/FAQ/epro.pdf>). A properly completed and executed eProcurement requisition electronically submitted to procurement services authorizes the department to process the requisition and issue a purchase order. A properly completed requisition includes budget checking.

When considering pending needs, users should also be aware of the time involved in generating a purchase requisition, obtaining necessary approvals, processing, procurement, and delivery. Advanced planning can ensure needs are met before they become particularly urgent.

Procurement services has the authority to ask reconsideration of source, specifications, and/or quantities if, in its judgment, the interest of the University can be better served. Procurement services also has the responsibility to ensure that the University abides by all applicable federal, state, and local regulations and University policies, and that it abides by appropriate ethical considerations. Procurement services reserves the right to purchase from a source other than the one suggested after consultation with the requesting department. The purchase requisition number should never be given to a vendor in place of a purchase order number. Vendors will only be paid for their goods and services if they reference a valid purchase order number. Failure to follow these guidelines may result in delay of the order and delay in payment to the vendor on your behalf.

21. Radioactive material ordering procedure

The Office of Radiation Safety (<http://case.edu/finadmin/does/web/RadSafety/Radsafety.htm>) has established the following procedures when ordering radioactive material.

All radioactive material will be ordered using the University purchase requisition, including replacement orders and no-charge samples. Each purchase requisition must have the following information:

- Isotope;
- Quantity and unit of isotope ordered (e.g., 1x250 uCi);
- Inventory of isotope on hand in the laboratory; and
- Signature of authorized user or authorized alternate.

When complete, the purchase requisition will be routed electronically in PeopleSoft for all necessary approvals. Please note that purchase requisitions for radioactive materials require

approval from radiation safety. The radiation safety office has a 3 p.m. deadline for processing radioactive requisitions due the following business day. Approved requisitions forwarded to the procurement services are processed until 4 pm. Requisitions received after 4 p.m. are not guaranteed for next-day delivery. Upon approval by the Office of Radiation Safety, the purchase requisition is electronically routed to the procurement services for processing.

Purchase requisitions for radioactive material to be delivered to MetroHealth Medical Center or V.A. Medical Center do not require the approval of the University's Office of Radiation Safety. However, these purchase requisitions do require the approval of the respective institution's radiation safety office. Contact the radiation safety office at those locations for instructions.

22. Sustainable purchases

Preference should be given to products and services that conserve natural resources and protect the environment to the extent practicable and economically feasible. Purchase of products that are ENERGY STAR certified in all areas for which such ratings exist is required.

23. Repairs—shipment back to a vendor for repairs

A purchase requisition is required to initiate all repair orders, except warranty repairs. Warranty repair orders must reference the original purchase order number. In addition to the standard required information, the requisition must contain the following information:

- Description of equipment—including brand, model, and serial number;
- Estimated cost of repair or warranty information;
- Purchase order number that the item was originally purchased against, if available;
- Number of cartons being shipped to the vendor;
- Complete shipping address—no P.O. boxes;
- Weight of package, if known; and
- Whether the department wants the equipment insured; if so, the value must be provided.

Please note that if more than one package is being shipped, the value of each package must be indicated.

All items must be properly packed and each package completely sealed and labeled for shipment. Neither procurement services nor shipping will assume the responsibility for poorly packed material that results in damage.

Some vendors require that a repair authorization number be assigned to the repair prior to shipping. Procurement services will obtain the proper authorization, if required. If the department has obtained the number, please so indicate on the purchase requisition.

If the department requires the material to be picked up, the purchase requisition must be sent to procurement services, noting on the purchase requisition the building and room number from which the package(s) will be picked up. A pickup order will be generated, following a pickup

number, and faxed to the department in which copies will be forwarded to the Package Delivery Department for pick up. The purchase requisition and pickup numbers should be noted in the upper right-hand corner of each package.

Departments wishing to bring the material directly to receiving for shipment should take the package(s) to shipping/receiving, located on the first floor of the Service Building or Cedar Avenue Service Center's mail center. A copy of the purchase requisition should be attached to the package and the purchase requisition, and pickup numbers should be noted in the upper right-hand corner of the package(s), along with any applicable repair authorization number. Procurement services will not assume the responsibility for packages with incorrect shipping addresses, improper labeling of contents, incorrect contact person, etc.

24. Return for credit or exchange

Occasionally a department must return materials for credit or exchange. Procurement services coordinates the following types of returns:

- Incorrect items being returned in exchange for correct item;
- Defective or damaged items;
- Over shipments;
- Excess material ordered by the department;
- Material as received is not acceptable; and
- Goods are no longer required.

The requesting department should contact procurement services with the following information: original purchase order number, vendor name, items and quantities of materials to be returned, and reason for return.

If necessary, procurement services will make the necessary arrangements with the vendor and obtain a return goods authorization number, if required. Procurement services will contact the requesting department to arrange for the return of the material from the department after the proper return authorization has been received from the vendor. Do not bring materials to shipping/receiving until procurement services has approved the return.

Any restocking charges due will be the responsibility of the requesting department. Additionally, some vendors do not accept returns if fault lies with the ordering department. Proper planning of needs when generating orders can avoid costly and unnecessary returns. The vendor or freight company will assume responsibility for damage charges if, after a thorough investigation, it is deemed that merchandise was received damaged or defective.

All items must be properly packed and each package completely sealed and labeled for shipment. Neither procurement services nor shipping will assume the responsibility for poorly packed material that results in damage. If the original purchase was from the University Bookstore (<http://case.bncollege.com/webapp/wcs/stores/servlet/BNCBHomePage?storeId=16053&catalogId=10001&langId=-1>), the Department of Printing Services or

(<http://www.case.edu/finadmin/auxserv/printsrv/print.html>) Printing Central Stores, the return should be initiated by directly contacting the respective department.

25. Small, disadvantaged, and women-owned business enterprises

The U.S. government (Public Law 95-507) requires that small business enterprises and small, disadvantaged, and women-owned business enterprises have the maximum practicable opportunity to participate in the performance of contracts let by any federal agency. Precise and current definitions can be found at <http://www.sba.gov>.

The University also wishes to provide the opportunity to minority and women-owned business enterprises to become suppliers for the University. Procurement services seeks to meet these objectives through normal bidding and procurement procedures conducted in a manner that provides, to the maximum extent possible, open and free competition that does not give one vendor a competitive advantage over other vendors.

It is the policy of the University that, in acquiring goods and services, we maintain an environment that promotes increased and improved quality of the overall participation of a widely diverse group of business enterprises. The University is committed to providing the opportunity to minority and women-owned business enterprises to become suppliers for the University.

Procurement services seeks to meet these objectives through normal bidding and procurement procedures conducted in a manner that provides, to the maximum extent possible, open and free competition that does not give one vendor a competitive advantage over other vendors. It is strongly encouraged that our strategic partners expand business opportunities and enhance economic growth for diverse groups.

Please note that Case Western Reserve, acting in good faith, may rely on representations by vendors regarding their status.

Procurement services commits to:

- Be knowledgeable about the importance of supplier diversity in daily activities;
- Interact with various public and private agencies and/or organizations dedicated to the identification and introduction of small, small disadvantaged business concerns, and small women-owned business concerns;
- Interact with the University's Department of Research Administration and the appropriate federal regulatory agencies;
- Provide the opportunity to minority- and women-owned business enterprises to become sources of supply for the University and, to the degree possible, provide assistance to such businesses to qualify them for bidding or assist them in supporting the University's needs;
- Maintain appropriate records of such business dealing;

- Strategize to sensitize staff regarding importance of diversity goals and assist users in attainment; and
- Develop and communicate diversity spending from procurement sources on a quarterly basis to departments and schools.

Responsibilities

This procedure specifies the principle functions of the user departments and the procurement services that are directed toward identifying small, small disadvantaged, and women-owned business enterprises. These tasks are primarily clerical and, in general, consist of preparing and maintaining records and files (Federal contracts subject to the Small Business Subcontracting Plan, Public Law 95-507).

Departments purchasing against a federal contract account—contracts over \$500,000—will process an authorized purchase requisition stamped “Public Law 95-507 Applies, Small/Minority Sources Preferred.” This stamp is available from the Department of Research Administration.

Procurement services will assist principal investigators and research administrators with developing a small business subcontracting plan that will identify requirements for meeting federal subcontracting spending goals. The appropriate buyer will, whenever possible, source the product to identify qualified vendors. Suggested sources include:

- Purchasing vendors list coded by vendor type (see below);
- Vendor suggested by the requisitioner;
- Source publications; and
- Organizations referenced here.

The customer care team and the contract analyst have responsibility to maintain the vendor type list and can be consulted by the buyers for resource purposes. Vendor government classifications listed in PeopleSoft are as follows:

Diverse Group Descriptions

DBE	Disadvantaged
HBC	Historically Black Colleges, Univ & Minority Inst
HUB	Historically Under Utilized Business, Small Bus
LDAPA	Large, Disadvantaged, Asian Pacific American
LDB	Large, Disadvantaged
LDBA	Large, Disadvantaged, Black American
LDHA	Large, Disadvantaged, Hispanic American
LDNA	Large, Disadvantaged, Native American
LDSAA	Large, Disadvantaged Subcontinent-Asian American
LM	Large, Minority

<u>LMW</u>	<u>Large, Minority, Women-Owned</u>
<u>LN</u>	<u>Large, Non-Minority</u>
<u>LNW</u>	<u>Large, Non-Minority, Women Owned</u>
<u>SDAPA</u>	<u>Small, Disadvantaged, Asian Pacific American</u>
<u>SDB</u>	<u>Small, Disadvantaged</u>
<u>SDBA</u>	<u>Small, Disadvantaged, Black American</u>
<u>SDHA</u>	<u>Small, Disadvantaged, Hispanic American</u>
<u>SDNA</u>	<u>Small, Disadvantaged, Native American</u>
<u>SDSAA</u>	<u>Small, Disadvantaged, Subcontinent-Asian American</u>
<u>SDV</u>	<u>Service-Disabled Veteran-Owned Small Bus., Concern</u>
<u>SM</u>	<u>Small, Minority</u>
<u>SMW</u>	<u>Small, Minority, Women</u>
<u>SN</u>	<u>Small, Non-Minority</u>
<u>SNW</u>	<u>Small, Non-Minority, Women-Owned</u>
<u>VOB</u>	<u>Veteran-Owned Small Business, Concerns</u>

The buyer will verify the vendor type with the selected vendor, if it is not known, and note the code number on the purchase requisition for record purposes. Copies of the purchase requisition will be given to the customer care team to ensure that each appropriate vendor is correctly coded in the PeopleSoft system.

The assistant director of strategic sourcing is responsible for the periodic reporting to the appropriate government agencies. As such, a report is run in PeopleSoft that shows total dollars spent with vendors in each of these categories by department account number for the time period specified. This information is utilized for the reporting requirements noted below:

- Mandatory electronic submission of individual subcontracting reports (ISRs) and summary subcontracting reports (SSRs) under the eSRS; and
- Ensure that its subcontractors agree to submit ISRs and SSRs at all tiers, in eSRS.

Reporting Period	Type of Report Due	Due Date
Oct. 1 – Mar. 31	ISR (formerly the SF 294)	Apr. 30
Apr. 1 – Sept. 30	ISR (formerly the SF 294)	Oct. 30
Oct. 1 – Sept. 30	SSR (formerly the SF 295)	Oct. 30
Subcontract Completion	ISR (formerly the SF 294)	30 days after completion

26. Taxes and exemptions

Case Western Reserve is an Ohio nonprofit corporation and exempt from sales and use tax and from federal income tax as an organization described in section 501(C)(3) of the Internal Revenue Code. The University's federal tax identification number is 34-1018992.

Procurement Services provides certificates of exemption to vendors upon request.

27. Vendor relations—standards of conduct

All interactions involving vendors should be conducted at the highest level of personal and institutional integrity and fairness.

University employees should recognize real or perceived conflicts of interest in conducting University business with vendors and firms in which they, a family member, or member of their household, have a financial interest and should avoid these situations. This applies particularly to University employees engaged in procurement, financial affairs, those handling or approving funds, and persons involved in determining what is to be procured. University employees must be familiar with the University's conflict of interest policy. University employees should disqualify themselves from procurement decisions in which they have a conflict of interest.

Whenever an apparent conflict of interest is suggested or identified, employees should report the conflict of interest, pursuant to the University's conflict of interest policy.

28. Warranties

Many purchased items are delivered with manufacturer warranty cards or certificates. It is the users' responsibility to complete the card and return it to the vendor immediately for proper certification.

All warranty information should be retained by the originating department for future reference. In the event that repair service is required during the warranty period, the warranty information should be included on the purchase requisition that is processed to procurement services.

29. Federally sponsored projects

Please refer first to the Office of Sponsored Projects Accounting (http://ora.ra.cwru.edu/ospa/PreAward_Services/index_postaward.cfm) regarding purchases made with funding received through a federal grant.