



Policy: Purchasing Procedures	Policy Number: II-8
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I. POLICY STATEMENT: John Carroll University (the University) closely monitors the purchases of services and goods. The procedures stated in this policy should be followed; applicable deviations are permitted only in situations where it is necessary to meet extenuating circumstances with the approval of the division head only. It is the responsibility of each department head to be certain that all employees comply with this policy.

II. PURPOSE: It is the University's policy to spend the funds entrusted to it in a cost-effective manner subject to the terms and conditions of donors, grantors and government agencies. The University's best interests are served when a transaction results in the lowest overall cost to the University. The intent of this policy is to obtain equipment, goods and services at the lowest [Total Cost of Ownership](#). This may be accomplished through the solicitation of competitive bids, contracts, and establishment of [Preferred Vendor](#) relationships. Business is awarded to vendors who offer the best value consistent with [Total Cost of Ownership](#) while maintaining our desired characteristics as described for [Preferred Vendors](#).

III. SCOPE: All John Carroll University employees.

IV. DEFINITIONS:

A. Contract: An agreement in which the University is one of the parties and which will legally bind the University to rights and/or obligations.

B. Purchase Requisition: A written request for a purchase generated by a department to notify the Controller's Office of equipment, goods, or services it needs to order, their quantity, and the timeframe

C. Purchase Order: A written commitment between the University and a vendor for equipment, goods and services. It is typically initiated by a [Purchase Requisition](#).

D. Total Cost of Ownership: All direct and indirect costs associated with a purchase such as acquisition cost, quality, service, availability, functionality, reliability, delivery and disposal costs as well as alignment with the University's Mission and ethical standards (e.g. Fair Trade, sustainability practices, etc.).

E. Preferred Vendors: A vendor with whom the University has negotiated an agreement that could include price discounts, exchange of information (such as anticipated needs, price changes, etc.), simplified ordering methods, set delivery programs, specialized customer service requirements, and billing/payment methods. These vendors generally have an established relationship with the University; are familiar with University facilities, policies and procedures; and have excellent reputations. Preferred Vendors are reviewed on a periodic basis unless long-term contractual agreements have been established. Desired characteristics of a Preferred Vendor may include:

1. Alignment with the University's Mission and ethical standards (e.g. Fair Trade, sustainability practices, etc.)
2. A vendor with whom the University makes frequent purchases;
3. Frequent, transparent communication;
4. Sharing of best-practices;
5. Investment in continuous improvement;
6. Active collaboration including co-identification of improvement opportunities;
7. Optimization of entire supply chain;
8. Best in class service;
9. New project "right of first refusal" provided product/service and price objectives meet project requirements;
10. Candidates for early supplier involvement in new projects and initiatives;
11. Quality;
12. Lower overall cost;
13. Streamlined ordering processes; and/or
14. Agree to the University's Terms and Conditions of Purchases.

F. Hazardous and Controlled Substances: Equipment and goods for which clearance must be obtained from the Director of Regulatory Affairs and Risk Management before any hazardous and/or controlled substances can be purchased. Once these items are approved, these items can be re-ordered without subsequent approval. These items include:

1. Radioactive and/or hazardous materials unless they have been approved through the department head and reviewed with the Director of Regulatory Affairs and Risk Management;
2. Controlled substances unless they have been approved through the department head and reviewed with the Director of Regulatory Affairs and Risk Management; and/or
3. Any chemical listed on the State Emergency Response Commission's (SERC's) Extremely Hazardous Substance List.
https://epa.ohio.gov/Portals/27/serc/SERC_EHS_List.pdf

V. PROCEDURES:

A. DELEGATION OF PURCHASING AUTHORITY- The Controller may initiate and oversee purchasing needs with certain individuals within departments in specific cases involving routine procurement, subject to standardized procedures set by the Controller's

Office. Such individuals must follow the purchasing guidelines developed for their department and assume full responsibility for making purchasing transactions in accordance with established policies.

1. Such authority will be given in writing and may be withdrawn at any time.
2. When delegation is granted, the guidelines developed may include:
 - a) Specific functions granted, i.e., right to request quotations, tabulate and evaluate bids, make awards;
 - b) Specific items or types of items to be purchased;
 - c) Methods of taking bids (sealed or telephone bids);
 - d) Number of bids required;
 - e) Approval to determine qualified bidders; and/or
 - f) Reports required by Controller's Office.

B. Any purchases of equipment, goods, and services that require the University to enter into a [Contract](#) require adherence to the Contract Approval and Signatory Policy.

C. No personal purchases are permitted, either via [Purchase Order](#), check request, or a University-sponsored credit card. In addition, no employee may use the University's name or present themselves as an agent of the University when making personal purchases. However, the Controller's Office will encourage the University's vendors to extend any "favorable pricing" directly to Faculty and Staff.

D. The procedure employees should follow for selection and approval will be dependent upon the estimated cost of the purchase.

E. The following items require a [Purchase Order](#) regardless of their cost, unless these items are obtained through a [Preferred Vendor](#) or with prior consent from the Controller:

1. Office Supplies
2. Printing
3. Housekeeping Supplies
4. Furniture
5. Equipment Purchases
6. Equipment or Facilities Rental
7. Software & Computer Equipment
8. [Hazardous or Controlled Substances](#)
9. Renovations and Facility Upgrades
10. [TECHNOLOGY PURCHASES](#): Technology purchases must be facilitated through the Information Technology Services (ITS) department or purchased with explicit ITS approval according to the Technology Purchasing Addendum to this policy. This includes but is not limited to computers, computer software and/or implementation services, cloud-based software services, computer accessories, and TVs/Displays.

F. Miscellaneous purchases from vendors with a cost of less than \$5,000 should be made with the University Purchasing Card ("P-Card") whenever possible.

1. Use of P-Card should eliminate the need for a sales tax exemption form or expense reimbursement request.
2. The Purchasing Policy supersedes any conflicting statements set forth in the P-card policy, except those related to prohibited purchases and minimum spending limits.
3. If a P-card cannot be used to complete the purchase or if the vendor does not accept the P-card as evidence of our tax exempt purchasing status, please contact the Controller's Office for a Sales Tax Exemption Form. Present this form when you complete your purchase and your purchase will not include sales tax.

G. A purchase required for equipment, goods, and services with a total cost of more than \$5,000, requires a [Purchase Requisition](#) and should be coordinated with the Controller's Office, unless they are made through a [Preferred Vendor](#) or with a vendor with whom the University has a [Contract](#). The Controller's Office will assist the department to determine the best method for payment and invoice processing.

1. The University utilizes a Modified Centralized Purchasing System via Banner for the acquisition of its equipment, goods, and services. Under this system, all items are procured through the Controller's Office or one of its authorized agents.
2. Preparation of a [Purchase Requisition](#)- The person(s) responsible for initiating a purchase of over \$5,000 within a department should prepare a [Purchase Requisition](#) (EZ Requisition or Banner On-Line Requisition). The [Purchase Requisition](#) should include:
 - a) Date Prepared & Date Required (if important)
 - b) Recipient's Name
 - c) Department's Name
 - d) Authorized Signature (Department Head, Dean and/or Vice President)
 - e) All relevant Budget Numbers, an Organization Code, plus any Activity Codes (if desired)
 - f) Vendor Name (if known or if one is preferred)
 - g) Address, Phone, Email & Fax (if it is a company that the University currently is not doing business with)
 - h) Quantity, Description, & Cost of Item (including model and/or catalog number)
 - i) Proper Approval
3. Depending on the item or dollar amount, the Vice President of Finance and Administration may need to approve the [Purchase Requisition](#) as well as the Department Head. Once the form is completed, forward the original copy to the Controller's Office and retain a duplicate copy for your records.
4. If the purchase transaction is an emergency (Rush), an EZ/Quick Purchase Requisition can be hand delivered to the Controller's Office. If a Banner Requisition has been created on-line, the requisition number should be noted and call placed to the Controller's Office referencing that requisition number. Every effort will be made to process "Rush" [Purchase Requisitions](#) immediately. If, for any reason, the buyer has difficulty meeting the time requirement, the Controller's Office will contact the requester.
5. Exceptions to completing a [Purchase Requisition](#) fall under one of the following:
 - a) A purchase made under the P-card policies
 - b) Contractual services under which terms and/or hourly rates are clearly

listed

- c) Use of [Employee Travel Expense Reports](#)
- d) Purchase of items with a total cost less than \$5,000 (unless required)
- e) Utility Expenses
- f) [Hazardous and Controlled Substances](#) (once approved by Director of Regulatory Affairs and Risk Management)

H. Capital purchases costing more than \$10,000

- 1. Budgeted items- A budgeted capital item costing more than \$10,000 needs the approval of the Vice President of the division or Dean of the College requesting the purchase before the order will be placed.
- 2. Non-budgeted items-A non-budgeted capital item costing more than \$10,000 needs the approval of the Vice President of the division or Dean of the College requesting the item and must be reviewed with the Director of Budget & Financial Analysis. The Vice President for Finance and Administration must then approve the request before the order will be placed.

I. Obtain Written Bids or Quotes to verify that the pricing provided by the vendor is competitive:

- 1. A minimum of two (2) written bids or quotations are to be obtained for:
 - a) All non-capital purchases exceeding \$5,000 up to \$10,000
 - b) All capital purchases exceeding \$10,000 up to \$25,000
- 2. A minimum of three (3) written bids or quotations is to be obtained for:
 - a) All non-capital purchases exceeding \$10,000
 - b) All capital purchases exceeding \$25,000
- 3. Competitive quotations may also be solicited for purchases below the established limits, whenever it would best serve the interests of the University.
- 4. Bids or quotes should be submitted with the Purchase Requisition.
- 5. Exceptions to the bidding process are made in situations where no apparent benefit would result to the University. Such exceptions include:
 - a) Existing [Contract](#) or price agreement;
 - b) Single authorized distributor;
 - c) Specialized service that has been confirmed by Controller to require individualized selection of service provider or involvement of insurance provider in selection (i.e. cyber security service provider; specialized environmental services; legal services etc.)
 - d) Duplication of investment (e.g.: die cuts, negatives, plates, etc.); and/or
 - e) Sole-source with justification attached.
- 6. The Controller must approve any exceptions to this procedure. Additionally, a reduced number of bids or quotations are allowed in emergency situations where time is critical. Quotes may be obtained via email or over the telephone; however a

[Purchase Requisition](#) must still be completed and a signed [Purchase Order](#) submitted to the vendor before any payment for service or equipment will be authorized.

7. When bids or quotations are received, evaluation of the lowest [Total Cost of Ownership](#) is determined, and the lowest bidder ordinarily is to be selected. If the lowest bidder is not selected, a list of reasons for the decision must be documented. In the event that the required number of vendors has not been obtained due to a non-response from a solicited vendor, documentation should be maintained with the other bids that a bid was solicited and a response was not received.

VI. [PURCHASE ORDER](#)

A. The University [Purchase Order](#) is a legal [Contract](#) containing terms and conditions providing protection for departments. [Purchase Orders](#) are processed and approved based on the Signatory Policy. The [Purchase Order](#) process provides the necessary information and audit documentation.

B. The process to create a [Purchase Order](#) is to first complete a [Purchase Requisition](#) including the quote information via the electronic form on the Purchase Department website <https://jcu.edu/business-office/purchasing-accounts-payable>. The completed and signed [Purchase Requisition](#) should be sent to the Supervisor of Purchasing. From there a [Purchase Order](#) will be created and sent to the supplier directly from the Controller's Office.

VII. RECEIPT OF EQUIPMENT, GOODS AND SERVICES

A. Vendors with whom purchases are placed must accurately document the University employee's name and department on the packing slip. The employee's name, department, and accounting information should appear on the invoice.

B. Upon receipt of equipment, goods, and services, it should be inspected to verify that it was received in good condition and compare it with the [Purchase Order](#) to ensure that it was received in the correct quantities. Packing slips or other receiving documents should be maintained in the Department until the invoice is received.

C. A [Purchase Order](#) number or copy of a [Purchase Order](#) must accompany all invoices presented to the University for Payment; otherwise that invoice will not be paid (except for [Preferred Vendors](#) utilizing Summary Billing). Invoices are initially received, sorted, and routed from the Controller's Office to the ordering Departments unless they are Summary "Statement" Bills.

VIII. INVOICE PROCESSING

A. Upon receipt of the invoice, the packing slip or itemized statement should be compared to the invoiced charges. Departments confirm that the equipment, goods, or services were correctly received and that the invoice is accurate. If it matches correctly, the invoice should be approved by the employee who received the merchandise or service and their supervisor or budget manager and forwarded to Accounts Payable for processing.

B. Unsatisfactory Equipment or Goods If the items received are not in good condition, incorrect quantities have been sent, or the invoice is incorrect, notify the vendor. If satisfactorily settlement can be made, do so and notify the Controller's Office regarding the outcome. If the proposed settlement is not satisfactory, notify the Controller's Office, which will then coordinate the settlement.

CROSS REFERENCE

[Conflict of Interest policy](#)

[Contract Approval and Signatory Authority Policy](#)

[P-Card Policy](#)

[Signatory Policy](#)

[Tax Exemption Form- Ohio](#)

[University Policies, including Sponsored Research Purchasing and Cost Management Policies \(https://jcu.edu/university-committees/university-policies\)](#)

Addendum A: Purchases of Technology

STATEMENT REGARDING PURCHASES OF TECHNOLOGY- Information Technology Service (ITS) is charged with supporting University-owned computer hardware, software and peripherals in ways that meet the University's strategic priorities and support the mission of the University. ITS is responsible for maintaining the University network, servers, workstations, and peripherals, and maintaining quality at reasonable costs. This addendum establishes standards, guidelines, and procedures for the purchase of University technologies regardless of the funding source.

PURPOSE: To ensure that all purchased technologies are sustainable, compatible with existing systems, and can be efficiently supported. ITS has numerous agreements with hardware, software, network, and telecommunication vendors, service agencies, multimedia companies, software developers and others.

PROCEDURES: All technology related purchases must go through the ITS Department, regardless of the funding source, this includes but is not limited to:

1. Computers and servers of any form factor
2. Peripheral equipment (e.g. printers, scanners, etc.)
3. Software both enterprise and end-user
4. Cloud based software services
5. Technology services and consulting (i.e.
6. Network devices
7. AV equipment including displays, televisions, projection equipment, and control systems
8. Electronic access control and surveillance equipment including door hardware and software systems
9. Environmental monitoring equipment
10. All associated maintenance [Contracts](#)

Standardization allows the university to efficiently select and manage technology, obtain better technology pricing, reduce maintenance costs and increase access to training and assistance.

Centralized purchasing of technology hardware, software, and services ensure:

1. Compatibility with campus network environment
2. Compliance with campus technology security policies
3. Appropriate cybersecurity review for sensitive data protection
4. Suitability based on assessment
5. Licensing compliance for software
6. Hardware and software that can be efficiently supported
7. Availability of sufficient resources (including initial and recurring costs)
8. Compliance with campus technology policies such as one computing device per user

These standards are re-evaluated periodically based on common needs, vendor offerings, cost, reliability, supportability, quality, sustainability, compliance with recycling policies and timeliness of

vendor response.

Purchase of non-standard technology components must be justified with the ITS Department. The University will not reimburse or support the purchase of any technology related item, unless that purchase was made through and/or with approval of the Chief Information Officer or the University Committee on Technology.

The University is committed to sustainability and ensuring the technology utilized by the University is energy efficient and made through environmentally responsible methods. The University strives to purchase computers, monitors and laptops that are EnergyStar certified and/or rated EPEAT silver or higher whenever possible. To learn more about the EPEAT computer rating system visit <http://www.epeat.net/>.

The University Committee on Technology and its sub-committees are equipped to deal with exceptions to this policy. Further information may be found on the University Committee on Technology website.