

# Tulane University

## Purchasing Policy and Procedures Manual

Effective Date: September 3, 2019

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Number: 1.0 Purchasing Mission and Authority

1.1 PURCHASING POLICY Effective Date: May 1, 2018

In accordance with the authority delegated to the Director of Materials Management by the Board of Administrators of the Tulane Educational Fund, through the President, the Senior Vice President and Chief Operating Officer, and the Vice President for Finance all purchases, irrespective of sources of funds, will be governed by the following policies:

It shall be the procurement policy of the University to obtain all supplies, equipment and services at the lowest cost to the University that is consistent with quality, service and availability of the items at the time of purchase. In conforming to this policy, the capability, capacity and performance of the vendor historically may be considered and

weighed in the decision process. Competitive bids will be solicited whenever possible and practical.

## 1.2 MISSION AND OBJECTIVES Effective Date: May 1, 2018

One of the functions of the Materials Management Department is the organization and administration of centralized purchasing services for all departments of the University. Performing these services in accordance with sound and prudent business practices, the department seeks to realize for the University the maximum value for every dollar expended.

The Materials Management Department, governed by the policies as delegated by the Board of Administrators, President, Senior Vice President and Chief Operating Officer, and Vice President for Finance, is responsible for the following:

1. Obtaining competitive bids when required and whenever possible to obtain maximum value from the expenditures of University funds.
2. Maintaining liaison with the vendors that service the University.
3. Coordinating the procurement of goods and services for the academic, administrative, and research activities of the University.
4. Developing sources of supply to assure that the University departments have an adequate number of vendors from which to obtain goods and services.
5. Performing administrative duties to assure delivery of promised goods and services, prompt payment of invoices, and assistance with the return of damaged or incorrect items.
6. Monitoring federal governmental regulations to insure that purchase transactions made under federal contracts and grants are in compliance with those regulations.
7. Assisting in the meeting of small business and other procurement goals.

## 1.3 AUTHORITY FOR PROCUREMENT Effective Date: May 1, 2018

Tulane University's Department of Materials Management is a division under the Vice President for Finance. The Board of Administrators and the President of the University have delegated certain of the responsibilities for the administration of procurement policies and procedures to the Director of Materials Management.

This authority to make purchases from university funds for services or materials is conveyed to Materials Management by the signature of the departmental administrator on the requisition or the electronic forwarding of an online requisition to Materials Management. Approval to spend budgeted funds may be subject to prior approval of Sponsored Projects. Due to the nature of certain procurements, transactions occur at the University outside the scope and responsibility of the Department of Materials Management's procedures. A non-inclusive list of such transactions is contracts for new construction/renovations, purchase of merchandise for re-sale and Library books. Such transactions, though Materials Management may be involved in the encumbrance of funds for payment, are guided procedurally by the responsible areas.

#### 1.4 PURCHASING DEPARTMENT ORGANIZATION Effective Date: May 22, 2008

The Department of Materials Management at Tulane has two office locations to better serve the University:

##### **Uptown Campus**

8333 Maple Street  
New Orleans, LA 70118

(504) 865-5211

##### **Health Sciences Center**

1430 Tulane Avenue Room 1110  
New Orleans, LA 70112

Mailing Address:  
1430 Tulane Avenue EP-16  
New Orleans, LA 70112

(504) 988-5104

The Uptown and Health Sciences Center offices are responsible for the procurement of supplies and equipment used on all campuses of the University. A non-comprehensive list of items purchased through these offices includes: maintenance supplies, printing, vehicles, office equipment, computers, office supplies, athletic equipment, furniture, maintenance contracts, leases, and moving services.

Materials Management is also responsible for the procurement of supply and equipment items in support of the research and clinical laboratories of the University. Examples of the categories of products purchased include: medical and surgical supplies, medical and laboratory equipment, laboratory supplies, scientific supplies and equipment, and compressed gases.

The Health Sciences Center office also manages the Health Sciences Center Storeroom and Linen Room located in the Hutchinson Memorial Building at 1430 Tulane Ave. and the Central Receiving operation located in the J. Bennett Johnston Building at 333 S. Liberty St.

#### 1.5 PURCHASING FUNCTIONS Effective Date: January 10, 2003

Depending upon the University's requirement, Materials Management may perform the following functions as needed:

1. Prepare purchasing policies and procedures
2. Assist in audits and reviews
3. Evaluate performance of vendors
4. Prepare reports for management
5. Conduct training programs
6. Identify cost reduction opportunities
7. Conduct market and trend studies
8. Conduct price/cost analysis
9. Investigate supply sources
10. Participate in development of specifications and standards
11. Maintain specifications, standards, and purchasing history records
12. Determine the correct purchasing method to fulfill requirements at the lowest acquisition cost
13. Prepare and issue requests for bids
14. Analyze quotations and/or bids
15. Evaluate and select suppliers
16. Participate in shared/group purchasing

17. Schedule purchases and deliveries
18. Determine mode of transportation and carrier
19. Interview sales representatives
20. Maintain vendor records
21. Negotiate contracts
22. Write and issue contractual arrangements (such as purchase orders, open-end agreements, blanket and standing orders, equipment leases and rental arrangements)
23. Develop legal conditions and special terms of contracts
24. Reconcile invoices referred by accounting (not in agreement for payment)
25. Negotiate adjustments with suppliers
26. Negotiate contract changes
27. Prepare and issue change orders
28. Release requisition and purchase order commitments and encumbrances
29. Terminate contracts

#### 1.6 ISSUING OFFICE FOR UNIVERSITY Effective Date: January 10, 2003

The Department of Materials Management shall be the point of origin at Tulane University for all information pertaining to on-going and future procurements. The Materials Management Office should issue all competitive bid quotations, Requests for Proposals, contract documents, purchase orders and purchase order changes, and correspondence relating to any of the above documents or projects. This policy is designed to accomplish several positive goals simultaneously:

1. The bid/proposal documents will be uniform in their organization and content, complete with terms and conditions of the solicitation that vendors must agree to before returning their offers.
2. Because of the static organization of the bid documents, Tulane increases the clarity of its needs in the eyes of its vendors and the offers received from vendors should be correspondingly organized in a manner easier for the University to evaluate.

3. The Department of Materials Management is established as the centralized clearinghouse for vendor questions or inquiries regarding specific projects or universal questions concerning procurement activities at the University.

4. The control of purchasing information having some legal and/or procedural ramifications on the University is placed with individuals who routinely handle such matters.

#### 1.7 PUBLIC RELATIONS Effective Date: January 10, 2003

The Department of Materials Management maintains regular contact with many individuals and companies seeking to initiate or expand business relations with the University. The professional manner in which these contacts are managed reflects on the entire University. University employees who come in contact with vendor representatives should be constantly aware of the perceived image and reputation it has with the vendor community and others with whom Materials Management interacts.

The attributes listed below are essential for all employees to be aware of in their communications with vendors of the University.

##### *Fairness*

The University's reputation for dealing in a fair manner must always be upheld and promoted by treatment of all vendors equally in a competitive environment. Without compromising to University's interests, we must work with the vendor community cooperatively in order for our needs to be met the most efficiently and effectively.

##### *Integrity*

Employees must, at all times, maintain their integrity and that of the University by observing strict truthfulness in every transaction, respecting the confidence of each vendor and refraining from any personal obligation to a vendor.

##### *Courtesy*

The University's business cannot be conducted in a satisfactory manner unless all relationships, regardless of personal feeling, are maintained in a courteous and polite manner. This statement does not suggest that any employee should be less than firm in representing the University's interest. There can be no excuse for discourtesy even in the most difficult vendor relationships.

Number: 2.0 Purchasing Forms

## 2.1 UNIVERSITY REQUISITIONS Effective Date: May 1, 2018

Departments must use the online SciQuest application to initiate a requisition using either one of the catalogs or the appropriate non-catalog form to describe the supplies, equipment or services that they need to purchase. In addition to description of the needed items or services, these forms contain delivery requirements and locations, budget charge accounts and natural accounts, and approval signatures or authorizations necessary to establish a purchase order.

These forms should be used for any type of supplies, certain services and disposable equipment. The approval path of this form prior to its receipt in Materials Management may vary from department to department and/or school to school. To avoid delays, we recommend that you familiarize yourself with the procedure for approval of requisitions in your area. Refer to the user's training guide for guidance on preparing requisitions.

## 2.2 UNIVERSITY PURCHASE ORDERS Effective Date: May 1, 2018

A Purchase Order is a contractual document that, once sent and accepted by a vendor, binds performance of both parties to the transaction. There is only one purchase order form used in the University. It is generated out of the SciQuest application and may be used in various manners, depending on the type of purchase made and the frequency of the department's recurring need for some items.

A Purchase Order is prepared by Materials Management in SciQuest from an appropriately authorized Requisition form for all orders over \$2500 for catalog items and all non-catalog items. Once prepared, copies are distributed to the vendor and appropriate departments as required.

The most common use of a Purchase Order form is for the one-time purchase of any goods or services required by the requisitioning department. When used in this manner, it is referred to as a Regular Purchase Order.

When a department has frequent, recurring needs for a variety of incidental items, the Purchase Order form may be used as a Blanket Order. This type of order has a definitive expiration date and dollar amount for each transaction but does not constrain the number of items to be purchased from a single vendor. Such orders generally apply constant discount percentages across a breadth of products. See Section 4.3 for details.

### 2.2.1 PURCHASE ORDER CHANGES Effective Date: May 1, 2018

Requests for cancellation or modification of Purchase Orders must be submitted to the Materials Management department using the change order form found in the SciQuest application. No changes to the purchase order amounts will be made without this

documentation, except when the amount of the change falls within the narrow tolerances allowed for Materials Management adjustment.

When the situation requires it, an official notification will be sent to the vendor in the form of a revised Purchase Order.

#### 2.2.2 ACKNOWLEDGMENT Effective Date: January 10, 2003

Purchase orders that are issued without a prior vendor quotation are contingent upon the acknowledgment and acceptance of the supplier. This is accomplished either by written acknowledgment of acceptance and projected shipping dates, or shipment of the order. This acknowledgment constitutes a legal contract between the two parties and confirms the supplier's acceptance of the buyer's terms and conditions.

When delivery dates and/or exact product shipments are critical to the successful conclusion of any project, confirmation of purchase order requirements should always be requested from the vendor. The acknowledgment/confirmation should be filed with the purchase order for reference.

### Number: 3.0 Equipment Purchases

#### 3.1 CAPITAL PURCHASES Effective Date: January 10, 2003

Tulane University's capitalization threshold is \$2500. Items with an extended unit cost equal to or exceeding this amount are added to the university's property records and should be charged to the 8200 series of natural accounts reserved for capital equipment. Items with extended unit costs below \$2500 that work together to form a single unit with a cost equal to or exceeding the capitalization threshold should also be charged to the 8200 series of natural accounts. These items are tagged and maintained on a TAMS asset database by the Department of [Property Management](#).

### Number: 4.0 Purchase Order Types

#### 4.1 STANDARD PURCHASE ORDERS Effective Date: January 10, 2003

Standard purchase orders are purchase orders used to procure goods or services from a single vendor on a single occurrence basis. In general payment is made to the vendor upon shipment and acceptance of the goods or performance of the service in accordance with the terms and conditions of the purchase order.



#### 4.2 AGREEMENT ORDERS Effective Date: January 10, 2003

Agreement orders are purchase orders used to procure maintenance services for equipment. These services are purchased when in-house expertise does not exist to maintain the equipment in proper working order or when it is deemed more cost-efficient to contract with an outside third party to perform the service requirement.

Agreement orders are initiated using a regular requisition. Any vendor maintenance agreements requiring institutional signature should be attached to the requisition for review and execution by the Director of Materials Management. Any request for maintenance service should receive prior review and approval from proper personnel within the department before forwarding to Materials Management.

Agreement orders are generally established for one year, or portion thereof, and generally renewed each July 1st for the new fiscal year or on the renewal date of a grant or contract. Materials Management will provide instructions on the annual renewal process.

#### 4.3 BLANKET ORDERS Effective Date: May 1, 2018

When repeated purchases of the same type of supply item are made by one department from the same vendor, the Materials Management Department may suggest the establishment of a single order covering multiple purchases. Referred to as a "blanket" order, such orders may be established for up to one fiscal year or one grant year. This allows materials to be shipped upon individual requests from the using department against the single purchase order number.

The blanket order often enables the University to obtain a lower contracted price, reduces administrative costs by eliminating multiple requisitions, and puts the user directly in touch with the source of supply.

The original requisition to establish a blanket order should contain specific information regarding vendor products, total dollar amount, timeframe, and authorized users. Only shipping dates are omitted.

Blanket orders must be renewed either annually on July 1st of the new fiscal year or on the renewal date of a grant or contract.

By the nature of its intended use, a large number of transactions may occur between a department and a vendor using the same blanket purchase order. It is important that the department to whom the blanket purchase order is assigned monitor the purchases on a monthly basis to insure the accuracy of vendor invoices and payment against them.

#### 4.4 LEASE/LEASE PURCHASE/RENTAL ORDERS Effective Date: January 10, 2003

A lease is an agreement conveying the right to use property for a specified time and for a specific amount of money. In a true lease, the property being used remains the sole property of the lessor (vendor), and the lessee (University) builds no equity in the leased property. A lease/purchase agreement allows the lessee to build equity and purchase the property from the lessor for a nominal amount at the completion of the lease.

All forms of Lease, Lease Purchase, or Rental Agreements for the procurement of goods or services must be signed by the Director of Materials Management subject to signature authority limits. The University may contract for leasing services. Contact Materials Management for information on our current provider and rate factors.

Regardless of the time period covered by such agreements, a formal Tulane University Purchase Order must be issued. The original copy of the Lease Agreement should accompany the requisition sent to Materials Management. Prior to accepting the Lease Agreement as submitted by the requisitioning department, an analysis will be conducted by Materials Management to determine the economic soundness of whether the item or service should be a lease, lease-purchase or rental.

#### 4.5 EMERGENCY ORDERS Effective Date: May 1, 2018

Emergency situations, for purposes of this policy, shall be defined as any situation which, if not corrected immediately, includes the following:

1. Would result in a hazard to persons or property
2. Could result in damage to buildings or facilities
3. Would result in a violation of law, statute or ordinance established by governmental or other regulatory agencies, or in any other fashion, if not acted upon
4. Would be seriously detrimental to the interest of the University

Failure to anticipate an operating need is not, of itself, considered a bona fide emergency.

To initiate an emergency purchase, the authorized person in the department may call the Materials Management Department for assistance. He/she must state the nature of the emergency, vendor's name and address, the material required, the account number to be charged, and the estimated cost. This must be followed-up with a confirming requisition sent to the Materials Management Department, utilizing the normal approval channel, within three (3) days of the date the purchase order was given. In addition to the information normally required for processing, this requisition must also note the purchase order number issued by Materials Management, the date issued, and the words "Confirmation Only, Do Not Duplicate" as a note to buyer on the form.

Since this procedure is for true emergencies and Materials Management has an obligation to insure that companies performing emergency services are promptly paid, Departments abusing this procedure may be prohibited from requesting emergency purchase orders.

## Number: 5.0 Competitive Bidding

### 5.1 SOLICITATION OF BIDS AND QUOTATIONS Effective Date: January 10, 2003

It is the policy of Tulane University to obtain competitive bids and quotations where possible on all products and services used by the University. All bids and quotations received will be evaluated on the basis of quality, service and price, and award will be made in the best interest of the University. Any or all bids may be rejected when it is in Tulane University's best interest to do so.

The bidding or negotiating process is indicated where the value and/or nature of the item/service warrants it and the item/service can be obtained from more than one source. Unless approved for sole source procurement or otherwise covered under existing contracts, all requisitioned items/services totaling \$25,000 or more individually, or as a system including multiple components, will be handled by formal written competition.

In establishing University procedures, Tulane must comply with government procurement regulations, which require that certain procedural formalities be observed. As a result, certain procurements may require prior approvals below this bidding threshold before proceeding.

Positive efforts shall be made by Tulane University to utilize women-owned, minority-owned, disadvantaged, and small business sources that are able to provide products and services of required quality on a timely basis at competitive prices.

#### Formal Bidding

Formal written solicitations will be utilized where circumstances indicate this method to be in Tulane University's best interest. Invitations for Bids should be sent to at least three qualified vendors, when available, who are capable and willing to perform the tasks specified. Sealed bids will be utilized when required by law, government contractual requirements, or Tulane University procurement management decision.

After bids are received and evaluated, the contract will be awarded to the vendor presenting the best combination of price, delivery, capacity to perform, and quality of service. Materials Management reserves the right to disqualify any or all bids and to make award decisions on factors other than price exclusively.

#### Solicitation and Documentation

Bids may be solicited either orally (and subsequently documented) or in writing. In either case, the documentation will become part of the Materials Management Department permanent file.

Solicitation of competitive quotations is the responsibility of Materials Management and shall be based on a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features that unduly restrict competition. It is recognized and encouraged that highly technical equipment purchases will require the direct participation of the requisitioner, and possibly others, such as department administrators, University counsel, engineers, etc. to insure that the item purchased is as the requisitioner requires, and that such items as transit insurance, warranties, installation, transportation, etc., are adequately covered. Materials Management will be responsible for determining that prudent procurement practices are followed and documented. All such documentation will be retained in the Materials Management files.

#### Sole Source Exceptions

When it appears impractical to obtain competition or when it appears certain that substitutes are not acceptable, purchase of a product or service may be justified to be made from a particular vendor only. In such cases, a full explanation from the requisitioning department, covering the reason or reasons for such restriction, is required. The reasons should not include justification as to why or whether the requisitioner needs the item(s) to be purchased. Instead, it should document why one supplier is requested or required over others. Such justifications may include, but are not necessarily limited to: (1) repair or replacement parts; (2) supplementary components of the same manufacturers; (3) as necessary to meet physical design; (4) to comply with the University's standards programs; and (5) as embodying specific characteristics essential to the proposed application not found in items of other manufacturer. (See "Sole Source Procurement", Section 5.3)

#### Proprietary Information

Tulane University holds all cost and price data, including bid information furnished to the University by others (suppliers), as private information. This information (cost, price and bid information) is not to be divulged. The only exceptions are those required by law, government contractual requirements, and release of such private information as deemed to be in Tulane University's best interests. (See "Confidentiality of Quotations", Section 5.4)

### 5.2 COMPETITIVE BIDDING Effective Date: January 10, 2003

To insure that the resources of the University are protected and maximized, and to encourage participation in the University's procurement process by a variety of vendors, competitive bidding between and among suppliers should be used whenever possible.

There will be circumstances when competitive bidding is not possible or advisable. Examples of such situations would be:

1. Emergency situations endangering the health and safety of faculty/staff, students or third parties
2. Proprietary or single source items
3. Individual items and/or total requisitions of less than \$2500.00

Competitive bidding may be conducted in three ways, primarily determined by the estimated dollar value of the project:

1. Informal bids may be used at the discretion of Materials Management for items estimated to cost more than \$2500 but less than \$25,000. Written confirmation of verbal bids should be requested and received from vendors. On the basis of historical vendor costing and performance, Materials Management may deem it more cost effective and efficient to confirm and award some low dollar purchases without the competitive bid process. Documentation of such action will be retained with the purchase records.

2. Written quotations shall be obtained for all items estimated to cost \$25,000 or more where clear specifications are available for comparative standards. Exceptions to this process shall be documented. Such documentation is subject to review and approval of Materials Management before processing.

3. Requests for Proposals may be issued for projects of any practical dollar amount where subjective service or skill levels are an important component to a timely and successful completion of the project.

While Materials Management encourages participation by as many vendors as possible in the competitive process, three bids are desired given the following: time restraints, potential vendors exist, and there is an opportunity for significant cost savings. Any exception to three participating vendors should be documented by Materials Management.

All competitive bid documentation, where feasible, will be filed in Materials Management with the originating requisition and the resulting purchase order.

### 5.3 SOLE SOURCE PROCUREMENT Effective Date: January 10, 2003

From time to time, situations arise where there is only one unique vendor for certain products or services. Such situations require supporting documentation explaining the exceptional circumstances of the purchase.

Explanations/justifications shall be completed when departments are requesting purchase without competition of equipment or services costing \$2500 or more individually or in aggregate per requisition. In the absence of such justification, Materials Management will proceed with usual and customary procurement practices.

Instances when sole source designation is applicable include the following:

- Property or services can be obtained only from one firm or individual
- Competitive bidding is precluded because of the existence of patent rights, copyrights, secret processes, control of raw materials or similar circumstances.
- Procurement of electric power or energy, gas, water or other utility services where it would not be practical to allow other suppliers to provide such services.
- Procurement of technical services in connection with the assembly, installation or servicing of equipment of a highly technical or specialized nature.
- Procurement of parts or components to be used as replacements in support of equipment specifically designed by a particular manufacturer.
- Procurement involves construction where a contractor is already at work on the site and it would not be practical to engage another contractor.
- Procurement where only a single vendor in a market has the capacity to provide and/or maintain the equipment being purchased.
- Procurement of compatible additions to existing equipment where a differing manufacturer's equipment would be impractical for the specific need.

The Materials Management Department has final responsibility in determining whether an item should be handled in this manner.

#### 5.4 CONFIDENTIALITY OF QUOTATIONS Effective Date: January 10, 2003

Price quotations and/or resulting prices through negotiation arrived at between vendors and Tulane University are considered confidential and shall not be revealed to any other vendor or unauthorized person. Not only is it unethical to discuss one vendor's pricing and/or proposal with other vendors, it may affect future negotiations with all vendors on the basis of lack of trust in the University.

#### 5.5 LATE BIDS OR QUOTATIONS Effective Date: January 10, 2003

It is the responsibility of all vendors to ensure that their quotations are received in the Materials Management Department no later than the appointed hour and date for submission as stated on the University bid request or Request for Proposal document. Unless there are extenuating circumstances acceptable to the Materials Management Department or it is deemed to be in the best interests of the University to do so, late bids will not be opened nor considered. There is no public opening of bids at the University.

All bids will be dated and time stamped to assure that they are received by the requested date and time on the bid document.

#### 5.6 ERRORS IN BIDS OR QUOTATIONS Effective Date: January 10, 2003

Vendors are responsible for the accuracy of their quoted prices. In the event of a discrepancy between a unit price and its extension, the unit price will govern. Quotations may be amended or withdrawn by the bidder up to the bid submission deadline, after which, in the event of an error, bids may not be amended, but may be withdrawn. After an order is issued, no bid may be withdrawn or amended without penalty to the vendor, unless the Materials Management Department considers the change to be in the best interest of the University.

#### 5.7 VENDOR DIVERSITY Effective Date: January 10, 2003

Tulane University is committed to the principle of diversity and equal opportunity in all of its endeavors and applies this principle in its procurement activity with the objective of encouraging participation by qualified vendors categorized as small, disadvantaged, minority or women-owned enterprises. The University believes that strengthening and expanding its vendor base in these business classifications not only may contribute to lowering our operational costs in providing education and research, but also contributes to the overall health of the greater business community within which we exist. It is a practice of the University to actively solicit and identify qualified small, disadvantaged, minority or women-owned businesses and to provide and promote equal opportunities for such vendors within the University structure in order to promote vendor diversity.

In order to better meet the Vendor Diversity goal, the University's Materials Management Department, under the direction of its Director, coordinates the efforts of the University in the following ways:

1. Provides listings of small, disadvantaged, minority and women-owned businesses to the departments of the University.
2. Participates with local and regional minority purchasing organizations during seasonal opportunity fairs to not only share information regarding the University projects, but also to identify new potential vendors for participation in those projects.

3. Arranges meetings with groups of minority vendors and others to acquaint them with the best methods of approaching University customers, our policies and procedures and pertinent current opportunities for business at the University.

4. Creates periodic reports to monitor the volume of business done with small, disadvantaged, minority and women-owned businesses and discusses activity levels with the entire buying staff to promote understanding and business development.

Through these activities and the support of administrators throughout the University, Tulane recognizes the economic and social benefits derived by promoting equal opportunity for the small, disadvantaged, minority or women-owned businesses community.

#### 5.8 TERMS AND CONDITIONS Effective Date: January 10, 2003

When contracts are awarded to outside vendors, Materials Management provides the vendor with certain terms and conditions that form our expectations for their performance under the contracts, and that provide remedies to the University in the event of vendor non-performance. The terms and conditions are general in nature and should not be confused with the product or service specifications set forth in the bid document. Vendors are expected to adhere to both the contract specifications and the terms and conditions governing their work.

Number: 6.0 Vendors

#### 6.1 VENDOR SELECTION Effective Date: January 10, 2003

Vendors are screened, interviewed, and selected on the basis of their capacity to serve the needs of the University in the most economical and efficient manner possible. Pricing strategy, product line breadth, quality, and services offered are considered in their selection.

Vendors must comply with all applicable insurance license requirements and governmental legislation in order to conduct business with the University.

The Materials Management Department will maintain a list of all persons and firms who wish to bid on University purchases. Invitations to bid will be solicited from those vendors whom the Materials Management Department determines will stimulate competitive bidding and have proven they meet high standards of quality, service, and delivery. Not all vendors will receive an opportunity to bid on all projects due to the size of our vendor database.



In addition, the Materials Management Department will maintain, update, and promulgate a Small Business, Women-Owned Business, and Minority-Owned Business Vendor List to be used to promote greater procurement activity within these business groups.

University personnel desiring information regarding vendor representatives should contact the Materials Management Department for assistance.

#### 6.2 VENDOR QUALIFICATIONS Effective Date: January 10, 2003

All vendors doing business with the University are monitored as to how well they perform their contractual obligations. References are checked and interviews conducted to determine their qualifications as bidders.

Each competing supplier is evaluated on the quality and price of their products or services and their capacity to provide service to the University. Factors in this evaluation include meeting required specifications, comparative prices quoted on like items, prompt submittal of data, response to inquiries, delivery performance, special service rendered, and other intangibles.

University departments are encouraged to provide information to the Materials Management Department on the performance of vendors and their satisfaction or dissatisfaction with vendor activities for use in future procurement decisions.

#### 6.3 SOLICITATION BY SALES REPRESENTATIVE Effective Date: January 10, 2003

Permission to detail or attempt to sell within the University must be obtained through the Materials Management Department. Materials Management will assist vendors in establishing appointments with potential users for discussion of their product line as necessary. It is the responsibility of the vendors to keep Materials Management informed of their activity on campus and the prospect for sale of their product to any particular user in the University.

In order for new products to be properly demonstrated, Materials Management should be contacted and a determination made as to where this product may be demonstrated in the University. Materials Management may suggest the individual who should be contacted, or it may determine that it is not suitable for demonstration within the University.

#### 6.4 DEMONSTRATION OF SAMPLE MATERIAL Effective Date: January 10, 2003

University employees wishing to see samples or have equipment demonstrated on campus should contact the Materials Management Department for assistance.

Should the department wish the equipment to remain in the department for trial and evaluation, this action should be supported by an executed "No Charge" requisition issued by the requesting department referencing the equipment retained at \$0 total dollars and the words "No Charge" on the face of the requisition. If a procurement decision is recommended following the evaluation period, requisition funding must be submitted by the requisitioning department in accordance with normal University procurement policy and procedure. No other representations should be made to vendors whose items are to be evaluated.

Vendors should always work through the Materials Management department to clarify their opportunities.

Vendors are to provide their own insurance coverage for any material left at the University.

Number: 7.0 Ethics

7.1 ETHICS Effective Date: May 22, 2008

While purchasing is perceived to be a structured process, the decisions often require personal judgment and experience gained through personal contacts and relationships. The Materials Management Department is responsible for the conservation and wise expenditure of University funds. Moreover, Materials Management is custodian of the University's reputation for courtesy and fair dealing with vendors. For these reasons, a high ethical standard of conduct is essential. This position is a matter of being above suspicion of unethical behavior, as well as acting ethically. All University personnel share the responsibility for fair and ethical treatment of vendor representatives with whom they come in contact. Such consideration, among other issues, is reflected in the requirements of "Conflict of Interest" in the Tulane Staff Handbook.

The following Code of Ethics has been formulated by the National Association of Educational Procurement (NAEP) and is practiced by the Materials Management Department at Tulane:

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 promotional gifts of more than nominal value.
4. Grant all competitive vendors equal consideration insofar as state or federal statute and institutional policy permit.

5. Conduct business with potential 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 purposes.
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 purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and co-operate with NAEP members and promote a spirit of unity and a keen interest in professional growth among them.

## 7.2 CONFLICT OF INTEREST Effective Date: May 1, 2018

The University as a general rule does not enter into purchasing contracts with students, faculty, staff, or members of their immediate families. An acquisition from a business in which an employee has an interest is prohibited unless full disclosure of the background facts is presented in writing to the Materials Management Department. Interest is deemed present if:

1. The employee and/or his/her spouse or dependent children (including stepchildren) own five percent or greater interest in any of the assets of a business entity or trust, or
2. The employee or a member of his/her family is in a decision-making capacity that would involve the use of a product sold by the company owned by them.

Situations that are not specifically covered by the University policy, such as a one-time purchase from an employee who is not in business, shall be judged using the following criteria:

1. Purchase of the item is in Tulane's best interest; quality and price are comparable to that of other vendors.

2. The employee cannot participate in the decision whether the University will buy from him/her.

3. Neither the employee who wishes to purchase, nor the employee who is selling, have the authority to set the price that the University will pay for the material/services. The buyer will obtain or verify the selling price from a qualified source.

The full Tulane University Conflict of Interest Policy can be found on the General Counsel homepage at: <http://www2.tulane.edu/counsel/upload/COI-Policy-Revised-and-Approved-on-4-13-2015.pdf>

### 7.3 GIFTS AND GRATUITIES Effective Date: January 10, 2003

It is the policy of the Materials Management Department, as well as other related personnel of Tulane University, to accept no gifts of other than nominal value or those normally associated with promotional campaigns of the individual vendors. In no case should the gift exceed \$25.00 in estimated value.

### 7.4 PERSONAL PURCHASES Effective Date: January 10, 2003

University policy permits the Materials Management Department to assist full-time paid faculty and staff by purchasing for them appliances, furniture, and other high cost items where substantial savings can be realized. Faculty and staff should call Materials Management for assistance and instructions. Purchases against personal accounts are payable in advance by check or money order. Personal purchases are taxable. University policy does not permit routine small order buying of convenience items where savings realized are negligible. For-personal-use purchases from wholesalers and distributors are subject to terms very different from those of retailers. Most purchases are final and are not subject to adjustment or return for credit, except for defective material or workmanship. Repair services are often not provided and the purchaser must make his own arrangements. The individual must assume these risks, just as the University does for its official purchases. The Department of Materials Management will not assume any responsibility in the event an item cannot be returned, serviced, or exchanged. Delivery of a personal purchase is the responsibility of the individual, not the University.

## Number: 8.0 Surplus Property

### 8.1 SURPLUS PROPERTY POLICY Effective Date: January 10, 2003

For items purchased with University funds or funds from any external source, the management, control, and use of such equipment extends to its final disposition. For those property items that are no longer needed by the initial procuring department, it is University policy to manage the redistribution or disposition of the surplus items centrally through the Property Management department.

## Number: 9.0 Fiscal Interfaces

### 9.1 ACCOUNT NUMBERS Effective Date: January 10, 2003

The Office of Accounting for the University is responsible for establishing account numbers that represent the source of funds (department or function). Account numbers may represent also the type of revenue or expense to be transacted.

Each department is assigned an account number(s) in order to detail and control expenditure activity for their area(s) of responsibility. All requisitions must carry the complete account number to be charged in order that required approvals may be obtained prior to its receipt in Materials Management and for proper encumbrance and payment once the procurement process is complete.

### 9.2 FUND SOURCE Effective Date: January 10, 2003

All funds deposited with Tulane University, regardless of source, are University funds and must be handled in accordance with University policy.

### 9.3 INVOICE APPROVAL Effective Date: May 1, 2018

All invoices should be received centrally by the Accounts Payable Department. If a computerized match within set tolerances is obtained with the purchase order and corresponding invoice, the invoice is scheduled for payment in accordance with the most economical pay date. Should there be a problem regarding the item or services received under the purchase order, Accounts Payable is to be notified by the receiving department to withhold payment. Materials Management may be contacted by the department to assist in reconciling the problem.

Since the credit standing of the University is dependent upon its ability to pay its obligations on time, communications between the requesting department, Materials Management and Accounts Payable must be done in a timely manner.

### 9.4 CANCELLATION OF ENCUMBRANCES Effective Date: January 10, 2003

The elimination of small residual encumbrances is the responsibility of the Materials Management Department.

The department should request cancellation of such balances by providing Materials Management with a copy of the departmental report, indicating the purchase order balance that should be deleted. Electronic report versions are preferred. After reviewing the request, Materials Management will close the purchase order, thereby removing the encumbrance.

#### 9.5 REQUESTS FOR PAYMENT Effective Date: May 1, 2018

Departments should not use Requests for Payments or the Concur application to purchase equipment, supplies, and services ordinarily obtained through the purchase order system.

The SciQuest application check request form should be used to request payment of items such as cash awards and honoraria for non-Tulane faculty and staff, subscriptions, registration fees, and other such items.

Additional restrictions and limitations regarding the use of this form may apply and vary among the various Schools and other units of the University. Departments should become knowledgeable about the policies within their organizational unit before handling procurements and/or reimbursements using this form.

#### 9.6 TRAVEL EXPENSES Effective Date: May 1, 2018

Purchase orders are not to be used to pay for employee travel expenses. Occasions may arise where conferences attended by University employees will allow pre-payment of registration fees only with a purchase order.

The Materials Management Department will make that determination on a case-by-case basis. If approved by Materials Management, the department should forward a requisition to Materials Management to initiate a purchase order.

#### 9.7 YEAR END CLOSING PROCEDURES Effective Date: May 1, 2018

The University operates on a July 1 - June 30 fiscal year for accounting purposes. In order to insure that departments properly close University current fiscal year purchases, Accounting, will provide a schedule of dates for submission of requisitions and invoices and for completion of purchasing activities prior to the start of the new budget year. This schedule may change slightly from year to year.

In order for an item to be paid with current year funds, it must be ordered and invoiced in the current year. No invoice will be paid without the submission of a requisition by the

department and the establishment of an order by Materials Management to set up a current year encumbrance.

There is no routine carryover of institutional operating budget funds. Budgets on restricted fund grants and contracts with project life continue for their prescribed project dates, fiscal year or otherwise.

## Number: 10.0 Required Prior Approvals

### 10.1 ALTERATIONS TO PLANT FACILITIES Effective Date: January 10, 2003

Requests for alterations or renovations to existing plant facilities must be coordinated through and approved by either Plant Operations, or Facilities Services depending upon campus location. The amount and complexity of the changes and building location will dictate the department through whom the work will be coordinated. The Materials Management Department will work with the coordinating department to obtain the required materials and necessary services to complete the project for the requesting department.

Regardless of the degree of construction that will be required for a project, it is advisable that the requesting department refer to the policies and procedures of Plant Operations or Facilities Services as appropriate, before proceeding with their planning.

### 10.2 ANIMALS Effective Date: January 10, 2003

All purchases of animals must be made under the supervision and assistance of a qualified veterinarian. The Health Sciences Center Vivarium and the Tulane National Primate Research Center are charged with this responsibility and all requisitions for animal purchases must be forwarded or originated by them for placement of orders. The Materials Management Department has made special arrangements to allow Vivarium and TNPRC to make such procurements.

### 10.3 CONTROLLED SUBSTANCES Effective Date: May 1, 2018

Application must be made for licensing to the United States Drug Enforcement Agency by appropriate individuals within a department wishing to buy controlled substances for use in University sponsored projects. Any department wishing to purchase controlled substances must have an individual within the department with a valid DEA permit. Materials Management will use that individual's DEA permit to order their required controlled substances. The DEA number must appear on each purchase order released in order to obtain delivery.

All orders are shipped to the attention of the individual listed on the DEA license number in order to ensure proper record keeping for the DEA.

Additionally, departments of the Tulane National Primate Research Center must have prior approval of Veterinary Medicine before placing a requisition for controlled substances.

#### 10.4 RADIOACTIVE MATERIALS Effective Date: May 1, 2018

Requisitioning departments must have a radioactive license in order to purchase radioactive material. Licenses may be obtained from the Office of Environmental Health and Safety. SciQuest catalogs may not be used to order radioactive materials. Requesting departments must route their SciQuest non-catalog requisitions through OEHS who will then forward approved requisitions to Materials Management. Orders must be shipped through Uptown Receiving or HSC Central Receiving. Once inbound shipments are cleared by OEHS, material can be received by the requesting department.

#### 10.5 HAZARDOUS CHEMICALS AND SAFETY EQUIPMENT Effective Date: May 22, 2008

Hazardous chemicals used at the University are monitored and tracked by the Office of Environmental Health and Safety. To facilitate tracking, hazardous chemicals must be ordered by requisition and not by purchase card. These requisitions for hazardous chemicals and some types of safety equipment are forwarded to OEHS by Materials Management in order to obtain required approval by OEHS prior to purchase.

#### 10.6 PUBLICATIONS Effective Date: January 10, 2003

University Publications must review publications containing the Tulane Logo prior to printing to ensure compliance with Tulane Visual Identity requirements.

#### 10.7 RESTRICTED FUNDS PURCHASES Effective Date: January 10, 2003

Requisitions, using grant account funding, for equipment and supplies, other than lab supplies, require prior approval by the appropriate Grants and Contracts office. Requisitions for equipment over \$2500 require prior approval by the Office of Research.

#### 10.8 ALCOHOLIC BEVERAGES Effective Date: January 10, 2003

University policy states that requisitions for/including the purchase of alcoholic beverages must be accompanied by approval from the appropriate Senior Officer.



## 10.9 COPIER AND PRINTING EQUIPMENT Effective Date: May 1, 2018

Copiers, Network Printers and Multifunction Devices costing over \$1,000 or requiring a service agreement require the prior approval of University Services. University-wide agreements for supplies and services of these devices are managed by University Services. Materials Management will ensure requisitions for this equipment and services are forwarded to University Services in order to obtain approval prior to purchase. Regardless of the device, University Services is available to offer analysis and recommendations appropriate for the expected use.

## 10.10 POSTAGE METERS Effective Date: May 1, 2018

Purchase and rental of Postage Meters requires the prior approval of University Services. All interaction with the US Postal Service is facilitated by University Services.

## Number: 11.0 Miscellaneous

### 11.1 DAMAGES AND SHORTAGES TO ITEMS RECEIVED Effective Date: January 10, 2003

When receiving items from freight companies, the number of packages received should match exactly the number on the common carrier's freight bill. If not, make sure the driver writes the number of packages received on the bill before signing. Inspect all packages for damage to the outside container. Any visual damage should also be noted on the freight bill before signing.

In cases of concealed damage, a report should be made immediately to the delivering carrier. The report should include the following information: Freight Bill Number, Purchase Order Number, date of delivery, vendor, and extent of damage or shortage. In the event of damage, it is essential that you retain all of the original shipping cartons for inspection by a claims adjuster.

Government regulations require the University to file claims within a specific number of days. Failure to comply could result in the claim being disallowed. Notification upon first discovery is recommended, even if the extent of damage has not yet been determined.

Errors in shipping by the vendor causing shortages should be reported to Materials Management immediately by the department. Sufficient detail should be given in the report that will allow negotiation with and resolution of the error by the vendor.

## 11.2 INSURANCE Effective Date: September 3, 2019

The insurance requirements of this section are related to the purchasing of goods and their related services. The required limits of coverage will be determined by the specific contract exposure, and not the price of the contract. Below are the basic insurance requirements for a vendor. These requirements can be changed at the discretion of the Office of Enterprise Risk Services (OERS) based upon the vendor's operations.

Prior to commencement of any work or services on the premises of Tulane University or on behalf of Tulane University, the vendor shall, at its own expense, maintain the following insurance coverages and will present evidence of appropriate insurance coverage to the Office of Enterprise Risk Services.

1. Statutory Workers' Compensation, including Employer Liability coverage with a minimum \$1,000,000 each accident, each disease and in the aggregate covering all of vendors' employees who are engaged in any work under contract.
2. Commercial General Liability insurance coverage, applying to bodily injury, property damage, personal and advertising injury, and contractual liability that shall protect the vendor and any sub-vendor performing work covered by the contract, whether such operations be by the vendor or any sub-vendor, or by anyone directly or indirectly employed by either of them. The limits shall be no less than \$1,000,000 each occurrence and \$2,000,000 general aggregate.
3. Automobile liability insurance with a minimum of \$1,000,000 combined single limit per occurrence. Coverage shall be for any automobile (symbol 1) or for owned, hired, and non-owned automobiles (symbol 7, 8, and 9).
4. Umbrella Liability with a minimum limit of \$1,000,000 per occurrence and in the aggregate on a following form basis to include General Liability and Workers Compensation coverage.
5. Additional Terms and Conditions
  - All policies shall include Additional Insured wording in favor of The Administrators of the Tulane Educational Fund d/b/a Tulane University, its subsidiaries, its affiliates, its officers, agents, employees, volunteers and governing board are hereby named as additional insureds as their interests may appear. Any additional insured endorsement written on a blanket basis, "as required by written contract", will need to include the additional insured wording listed above in the contract, and the contract will need to be executed by both parties prior to the performance of any services.
  - All policies shall include a Waiver of Subrogation in favor of The Administrators of the Tulane Educational Fund, its subsidiaries, its

affiliates, its officers, agents, employees, volunteers and governing board. Any waiver of subrogation endorsement written on a blanket basis, “as required by written contract”, will need to include the waiver of subrogation wording listed above in the contract, and the contract will need to be executed by both parties prior to the performance of any services.

- All policies shall contain primary and non-contributory wording in relation to any policies carried by Tulane.
- All policies shall be endorsed to provide written notice at least 30 days prior to the non-renewal, cancellation or material alteration of coverage to any policy.

In consultation with the using department, the Office of Enterprise Risk Services may waive or alter the suggested coverages as a result of the type work being performed by the vendor.

#### 11.3 RETURNS FOR CREDIT/REFUND Effective Date: January 10, 2003

When a vendor has shipped items as specified on a purchase order, they have legally complied with their part of the contract and are under no obligation to accept for credit/refund any of those delivered as specified. Acceptance of a return by a vendor is not automatic, and if accepted, a restocking fee of 5% - 25% of the original item cost is sometimes charged by the vendor. This charge will have to be borne by the requisitioning department.

When an item is received from a vendor that is not as specified on the purchase order, contact should be made by the department and/or Materials Management to that vendor requesting a Return Authorization Number. A label with the Return Authorization Number and other identifying information should be placed on the outside of the package to be returned for easy identification when received by the vendor. No item should be returned without prior authorization from the vendor.

Requests for the return of supplies and equipment for adjustment or credit must be coordinated through the Materials Management Department. The appropriate Returned Goods form must be completed and forwarded to Materials Management to effect a return.

#### 11.4 UNIVERSITY BUSINESS ENTERPRISES Effective Date: January 10, 2003

The University departments are encouraged to support the activities of the enterprises of the University. This non-inclusive list includes the Bookstore, Computer Store, Printing Services, Document Imaging and Photography, Health Sciences Center Storeroom and Food Services.

When items and/or services to be procured are available from any of the university enterprises

and these items and/or services are comparable in quantity, quality and price, these enterprises should be given preference in order placement.