



## Loyola University Chicago Purchasing Policy

The Loyola University Chicago Purchasing Policy comprises four component parts as detailed below: (1) Purchasing, (2) Competition, (3) Conflict of Interest & Buying Ethics, and (4) Small Business Utilization (Disadvantaged, Women-Owned, Veteran-Owned, Service Disabled Veteran-owned and HUBZone Business Enterprises).

### (1) Purchasing

At Loyola University Chicago, most purchasing actions are conducted by a decentralized purchasing authority. Purchasing activities include obligations for ethical behavior, compliance with government regulations, proper transaction documentation and fiscal responsibility. The Purchasing Department mission is to assist departmental Users (those who have influence into the acquisition decision-making process) in fulfilling these obligations, as well as to ensure consistent purchasing practices across the university.

### Policy Statement

The goal of purchasing policies and procedures is to provide reasonably priced, high-quality goods and services to end users while preserving organizational, financial and civic accountability.

- Buyers and Users should familiarize themselves with Loyola University Chicago policies and procedures relevant to their purchasing activities.
- Buyers must complete Procurement Card training and sign all applicable forms, statements and certifications before making a purchase with the Procard.
- The Loyola Purchasing Department has developed a Pre-Qualified Supplier Program utilizing suppliers who have demonstrated the ability to offer competitive market pricing and added value to Loyola. Pre-Qualified Suppliers can be used, at any dollar level, with the review and approval of Sponsored Program Accounting when spending grant funds over certain dollar levels. Buyers are highly encouraged to purchase goods and services from Pre-Qualified Suppliers. The Pre-Qualified Supplier Directory can be found on the Loyola Procard website. The website can be updated at any time depending upon deletions/additions to the Pre-Qualified Supplier base.
- The use of non -- Pre-Qualified suppliers is allowed, but requires individual buyers and users to provide accurate, adequate and complete supporting documentation for any transaction equal to or exceeding the Competitive Threshold of \$5,000 for federally funded transactions. Purchases equal to or exceeding this amount require the establishment of competition - this would include a quote/proposal, a controlled bid (implemented and controlled by Loyola), source justification, and a price analysis.

- The **Purchasing Checklist and Bid Summary Form** can be utilized to obtain supporting documentation for purchases.
- Buyers should use the purchasing tool (i.e. Loyola Procard, Lawson Purchase Order, or Loyola Check Requisition) most appropriate for the purchase.
- Buyers and users should utilize suppliers and service providers that make use, to practicable extent, of materials and services that support Loyola University Chicago's environmental mission and goals of reducing, reusing and recycling.

## **Buyer's Responsibilities**

- Buyers are highly encouraged to purchase goods and services from Pre-Qualified Suppliers. The use of non-Pre-Qualified Suppliers for expenditures above the Competitive Threshold must be documented in accordance with Loyola University Chicago requirements and government regulations. The Buyer "Actions Matrix and the Purchasing Checklist and Bid Summary Form can assist the buyer with this task. These forms are found on the Loyola Purchasing website. Choose the appropriate purchasing tool (i.e. Loyola Procard Card, Lawson Purchase Order, Loyola Check Requisition, and Web-based ordering, etc.) for the transaction.
- Reconcile Loyola Procard transactions before each download to the General Ledger (2 times per month).
- The user of a Loyola Procard (Purchasing Department Buyer or Department Procard holder) must re-allocate Procard expenses to the appropriate department budget account or grant account as appropriate and necessary. For additional information on Sponsored Program Accounting's " Cost Transfer Policy" for grant funds, please access the following link:  
<http://www.luc.edu/spa/pdfs/Cost%20Transfer%20Policy.pdf>
- Maintain security of purchasing cards and related card numbers and expiration dates, including immediately reporting a lost or stolen card.

## **Purchasing Department Responsibilities**

- Provide appropriate training and documentation.
- Provide a Purchasing Manual — the Loyola Purchasing Manual can be found on the Loyola Purchasing website.
- The manual describes policies and procedures in detail, including guidelines for using purchasing tools and for committing Loyola University Chicago and government funds.
- Establish and maintain a Pre-Qualified Supplier Program that identifies qualified suppliers, provides a competitive atmosphere, analyzes bids and proposals, and documents Pre-Qualified Supplier agreements, including terms and conditions, discount pricing, product or service quality, delivery performance, and government certifications.
- Regularly reevaluate Pre-Qualified Suppliers for performance, price adherence and customer satisfaction. This will be done by the Purchasing Department with the assistance of the departmental requesters of products/services and they will contact the appropriate supplier(s) to discuss and resolve any issues.
- Provide purchasing tools for committing and forms for documenting all purchasing transactions.
- Offer assistance in the proper finalization of any purchase.
- Resolve supplier - customer problems and disputes.
- Approve federally funded transactions equal to or exceeding the established threshold with non-Pre-Qualified Suppliers prior to commitment to the supplier.

- Operate within the guidelines of the Loyola Contract Policy. The link to the policy is on the Purchasing Department web site.
- All documentation generated and or received by the Purchasing Department will be electronically stored for future reference for a period of seven years.

## **(2) Competition**

Loyola University Chicago is required under the Office of Management and Budget's Circular A110 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations" and by Federal Acquisition Regulations (FARs) to establish a competitive environment for the purchase of goods and services. The use of competitive bidding also makes good business sense. Purchasing Department policies and procedures on competitive bidding ensure that Loyola Buyers process transactions in a uniform manner consistent with federal requirements and good business practice.

### **Policy Statement**

Loyola University Chicago makes every effort to maximize competitive procurement opportunities by soliciting competitive bids and proposals for goods and services prior to issuing or awarding credit card commitments, purchase orders, Loyola Check Requisitions, web-based orders or contractual documents.

- The Competitive Threshold for Loyola University has been set at \$5,000. Purchases equal to or exceeding this amount require the establishment of competition - this would include a quote/proposal, a controlled bid (implemented and controlled by Loyola), source justification, and a price analysis. Buyers and Users are required (where competitive vendors can be identified) to solicit competitive bids and proposals at and above the Competitive Threshold, and to make the purchase from the lowest evaluated responsible supplier. All non-competitive acquisitions at or above the Competitive Threshold must be adequately and appropriately justified and documented. Supplier bids, quotations and proposal information are generally considered confidential and should not be disclosed or discussed with other suppliers.
- Suppliers listed in the Pre-Qualified Supplier Directory are audited regularly to insure that price, service, quality and delivery are being maintained at desired levels. For purchases under \$100,000, no further bidding or documentation action need be taken by Buyers or Users purchasing goods and/or services from Pre-Qualified Suppliers.
- Decisions on purchases should be based on the supplier's compliance with Loyola University specifications, terms and conditions, price, delivery and capacity to perform. Loyola University business should be awarded in the best interest of Loyola based on the merits of the competition. Unsolicited proposals may be considered as long as they are in the best interest of Loyola University Chicago.
- Loyola University Chicago does not engage in or submit to the practice of reciprocity in any purchase transaction.

## **Buyer's Responsibilities**

- Buyers are encouraged to purchase goods and services from Preferred Suppliers. The use of non-Preferred Suppliers for expenditures above the Competitive Threshold of \$5,000 must be documented in accordance with Loyola University requirements and government regulations (ref: Buyer Actions Matrix found on the Loyola Purchasing website).
- Complete transaction process to insure products are ordered and received by the internal customer in a timely manner.
- Choose the appropriate purchasing tool (Loyola ProCard, Lawson Purchase Order, Web-based ordering, and Loyola Check Requisitions) for the transaction.
- Reconcile Loyola ProCard transactions monthly, as needed.
- Re-allocate Loyola ProCard expenses, as appropriate and necessary.

## **Purchasing Responsibilities**

- Provide appropriate training and documentation to establish a competitive environment for the University and selected suppliers.
- Provide a Purchasing Manual that describes policies and procedures in detail, including guidelines for competitive bidding.
- Establish and maintain a Pre-Qualified Supplier Program that identifies qualified suppliers, provides a competitive atmosphere, analyzes bids and proposals, including terms and conditions, discount pricing, product or service quality, delivery performance and government certifications.
- Regularly reevaluate Pre-Qualified Suppliers for performance, price adherence and customer satisfaction.
- Audit selected transactions for competitive bidding compliance and documentation.
- Offer assistance in the proper finalization of any purchase.
- Resolve supplier - customer problems and disputes related to competitive bidding.

### **(3) Conflict of Interest and Buying Ethics**

Faculty and staff who have purchasing or purchase approval authority (collectively "Buyers and Users") must be aware of the standards of ethical behavior that apply to their purchasing activities. They must avoid unethical conduct and conflicts of interest in purchasing goods and services. The first and most important line of defense against conflicts of interest or commitment must be the university members themselves. The university has relied and shall continue to rely on the good judgment, professional commitment and moral ethics of the university members to protect themselves and the university from conflicts of interest and commitment. The University's Conflict of Interest Policy and related Disclosure requirements can be viewed on the Human Resources website at the following link: [http://www.luc.edu/hr/policy\\_conflictinterest.shtml](http://www.luc.edu/hr/policy_conflictinterest.shtml)

## **Code of Ethics**

Loyola University Chicago subscribes to the intent of the National Association of Educational Procurement (NAEP) Code of Ethics. This Code states that Buyers will:

- Give first consideration to the objectives and policies of their institution.
- Strive to obtain the maximum value for each dollar of expenditure.
- Decline personal gifts or gratuities in accordance with Policy.
- Grant competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty in sales representation, whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
- 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.
- Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business activities.
- Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
- Foster fair, ethical and legal trade practices.
- Work on behalf of the interests of the University solely, and avoid situations that may result in personal benefit or gain.
- Loyola University Chicago is an Associate Member of the National Association of Educational Procurement. For additional information about the NAEP, please access the following link:  
<http://www.naepnet.org/>

## Gift Guidelines

It is essential to Loyola University Chicago and its subsidiaries, its suppliers, contractors and consultants that all decisions and actions regarding acquisitions are based upon proper business considerations and are not influenced in any way by personal obligations or opinions.

Therefore, individuals with expenditure authority on behalf of the Loyola University must avoid any behavior that involves a real conflict of interest or any appearance, however remote, of using affiliation with Loyola University as a means of furthering personal interests or showing favoritism to any individual, or current or potential supplier.

Requesting or accepting any favor or special consideration from any individual or organization doing or seeking to do business with Loyola University that may result in any direct or indirect financial gain by an employee (or a member of his/her family) with the capability of influencing a source selection process involving that individual or organization, is not allowed. Please refer to the University's Gift Policy on the Human Resources website for additional information regarding gift solicitation and acceptance. [http://www.luc.edu/hr/policy\\_conflictinterest.shtml](http://www.luc.edu/hr/policy_conflictinterest.shtml)

## Anti-Kickback Clause

Definition: "Kickback" as used in this clause means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor (university and/or principal investigator), prime contractor employee, subcontractor,

or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contractor in connection with a subcontract.

Clause: The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) prohibits any person from: providing or attempting to provide or offering to provide any kickback; soliciting, accepting or attempting to accept any kickback; or including, directly or indirectly, the amount of any kickback in the contract price. The Act imposes criminal and civil penalties on any person who knowingly and willfully engages in the prohibited conduct addressed in the Act [FAR 3.502-2 (b) and (c)].

## **(4) Small Business Utilization**

Loyola University Chicago is committed to supporting small business enterprises, including disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUBZone business enterprises, in its purchasing programs. Small business enterprises are defined by the federal government in FAR 19.102. Categories of socially and economically disadvantaged small business enterprises are defined in FAR 19.001.

### **Policy Statement**

- Awards from federal government or other sponsoring agencies may mandate different participation goals. It is Loyola University Chicago's intent is to work with small business enterprises, disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUBZone businesses whenever it is feasible to do so.

Success depends on the active commitment of all Buyers and Users. Loyola University's procurement activities should be as inclusive as possible to allow small, disadvantaged, Women owned, veteran owned, service disabled veteran owned, and HUBZone business enterprises the maximum practicable opportunity to participate in providing goods and services to Loyola University.

- The degree of utilization of small, disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUBZone business enterprises should be considered along with other selection factors, such as cost, when choosing vendors. In addition to meeting contractual obligations and federal, state and local requirements to include small business program suppliers in Loyola University's bidding process, Loyola is also committed to encouraging these suppliers to compete for business. To be sure that such suppliers are not overlooked, use the following guidelines or resources:
  - (1) Contact the Purchasing Department to help identify appropriate suppliers.
  - (2) Consider breaking an order into smaller installments to give smaller businesses an opportunity to supply items (but not as a way to avoid Competitive or Requirements Thresholds).

## **Buyers Responsibilities**

- Use best efforts to consider the utilization of small, disadvantaged, women-owned, veteran- owned, service disabled veteran-owned and HUBZone businesses.

## **Department & User Responsibilities**

- Make sure departmental Users use best efforts to comply with their best efforts to consider the utilization of small, disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUBZone businesses.

## **Purchasing Department Responsibilities**

- Use best efforts to locate, solicit and contract small, disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUBZone businesses into the Pre-Qualified Supplier Program.
- Provide information related to locating all categories of small businesses.

## **Contact Information**

Questions about these policies should be directed to the Loyola Purchasing Department, Purchasing Manager @ 8-3607. Questions regarding the specific requirements of governmental grantors should be directed to the Office of Sponsored Program Accounting @ 5-8730.