

Loyola Purchasing Department

Purchasing Manual

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7.0 Forms / Information40

The latest version of all forms / information listed below can be found on the Purchasing website at the links indicated on page 40 of this manual.

- Purchasing Checklist and Bid Form / Instructions
- Methods to Determine Price Reasonableness
- Conflict of Interest Form
- Buyer’s Matrix (1)
- Buyer’s Matrix (2)
- Supplier Information Form
- Loyola Supplier Performance Survey
- Supplier Conflict of Interest and Compliance Certification Form

1.0 Introduction to the Purchasing Function

1.1 About This Manual

This manual identifies the procedures applicable to purchasing goods and services at Loyola University Chicago. It was developed to promote the use of good business practices, to ensure that the University meets government requirements, and to limit the University's risk and liability exposure. It is important that all buyers and Grant recipients understand government rules and regulations pertaining to purchasing with government funds, as well as University purchasing policies and procedures, and University accounting policies and procedures.

Buyer compliance with the guidelines contained herein is imperative to providing a more efficient, effective and consistent purchasing process, achieving related University goals and determining responsibility and accountability.

Contents: Following is a brief description of the information contained in the sections of this manual:

Section 1 - Introduction to the Purchasing Function has a brief overview of University purchasing, and includes definitions for terms used in the manual and contact information for the Purchasing Department.

Section 2 – General Policies on Ethics, Conflicts of Interest and Gifts contains those University policies and guidelines regarding ethical practices buyers and users of Purchasing services are responsible to follow when making a purchase. It includes the Buyers' Code of Ethics, gift guidelines for employees, the anti-kickback clause, and the University's policy regarding conflict of interest.

Section 3 - University & Purchasing Policies contains Loyola University Chicago policies/procedures and federal requirements related to the purchasing function, including policies on the University's credit card programs, and small, disadvantaged, woman-owned, veteran-owned, service disabled veteran owned and HUB Zone businesses.

Section 4 - Supplier Selection contains an explanation of the Preferred Supplier Program, and the process for determining and contracting with a Preferred Supplier; sole and single sourcing, bid solicitations, and supplier qualifications and suspension criteria.

Section 5 - Other Purchasing Options and Services details procedures for making purchases with other vehicles besides the Procurement Card (i.e., purchase orders, blanket purchase orders, prepayments, etc.), and other University services related to the purchasing function.

Section 6 - Restricted Purchases deals with such things as buying carpeting and furniture, using sponsored research funds, leasing equipment, acquiring services, and several other restricted purchasing activities that require involvement of other organizations and special procedures.

Section 7 – Forms / Tools lists standardized documents, forms and supplementary material which can be found on the Purchasing website.

1.2 Who Should Read This Manual

University purchasing policies and procedures apply to all employees who plan for or make acquisitions of products, equipment, supplies and/or services with funds held in the custody of the University. This includes purchases made with a Procurement Card, purchase orders, check requisitions, or electronic commerce.

1.3 Overview of Purchasing at the University

Because of the widely varied nature of the University's activities, all of the commitment activity cannot be performed efficiently by either a completely centralized procurement office or by a completely decentralized operation.

At Loyola University Chicago, some buying decisions are made by faculty and staff in the various schools and Departments, with the assistance and guidance of the Purchasing Department. The University expects all employees to make sound purchasing and contracting decisions that will ensure the continued and efficient operation of the University.

When an acquisition is initiated, University controlled funds are being committed and the buyer is assuring the University that:

- A legitimate business need for the purchase has been identified.
- Preferred Suppliers have been selected, whenever prudent and possible.
- Sponsored program procurement requirements have been met, when required.
- The University's conflict of interest policy, buyers' code of ethics, gift guidelines for employees, and the anti-kickback clause has been complied with.
- Purchases have been competitively bid or negotiated, when prudent or when required.
- Suppliers are dealt with in a professional manner, consistent with good business practices.
- Purchases have been inspected upon receipt.
- Using small, disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUB Zone business concerns and environmentally friendly products have been considered.
- Documentation requirements to support the purchase have been met; and all purchases, once input into the University's automated financial system, have been reconciled; and acquisitions are fully in compliance with all rules, regulations, policies and procedures, as applicable.

There are, or will be, four primary means of purchasing goods and services at the University, Lawson purchase orders, the Procurement Card, Check Requisitions and web-based ordering. Purchase orders should be utilized when procurement card use is restricted by the University, (non-acceptance by a supplier, or restricted by university or government directive), or when the vendor has imposed their terms and conditions of sale, or standard university terms and conditions are modified through negotiations. The use of personal funds or personal credit cards for the procurement of travel or business related expenses are specifically governed by Loyola's policy for Travel and Business Related Expenses . Other purchasing means may be required for new campus operations on an interim basis, as approved by the VP for Finance and Treasurer or their designee.

KEY POINTS: For detailed descriptions of the following points, refer to the specific policies and procedures contained in this manual.

- Purchasers are strongly encouraged to use Preferred Suppliers whenever possible to acquire goods or services.

- The University is committed to considering small, disadvantaged, woman-owned, veteran-owned, service disabled veteran-owned and HUBZone businesses and environmentally sensitive products.
- University employees who make purchases are required to complete all related paperwork and/or electronic processing (Lawson, Web ordering, Purchasing Checklists with supporting documentation, receipt submittal, source selection justification, price analyses, etc.) in a timely and expeditious manner per the Buyer Actions Matrix. The Purchasing Department can assist with this process.
- Every individual transaction using federal funds of \$5,000 or greater, or an individual transaction using non-federal funds of \$5,000 or greater, requires the establishment of competition (or a written source justification) and the submission of a Purchasing Checklist/Bid Summary Form when a non-preferred supplier is used.
- Employees making purchases for the University are prohibited from accepting or receiving gifts (over \$250 in value), incentives and/or kickbacks from anyone supplying goods and/or services to the University outside of the University Purchasing Policy.
- Personal purchases with a purchase order, Procurement Card and/or University funds are prohibited.
- Personal funds or personal credit cards should not be used for the purchase of University goods and services except for those transactions as defined in this manual, or the university Travel and Business Expense Policy. In other instances, if a purchase is made with personal funds, and sales tax is paid, the University will not reimburse the tax portion of the purchase without appropriate documentation of extenuating circumstances. The Vice President for Finance and Treasurer, or designee, will make the determination if an extenuating circumstance warrants an exception.

1.4 Definitions

The following definitions apply to terms used in this manual:

Accounting Unit / Account

A six digit Lawson Budget accounting unit with an accompanying four digit account identifier, i.e. 100100 (Biology) 6100 (Supplies).

Accounts Payable

The department responsible for processing supplier invoices, credit memos, check requests, travel and non-travel expense reimbursements. Department is also responsible for administering the University's Procurement Card Program, as well as establishing and ensuring compliance of policies and procedures related to Procurement Card use.

Acknowledgement

A written confirmation of a sales agreement that the supplier sends to the buyer. Document could alter agreed upon terms and conditions.

Adequate Price Competition

Two or more responsible suppliers/providers competing independently, and submitting priced offers that satisfy the University's expressed requirements.

Authorized Buyer Agreement (Gift Guidelines for Employees and Anti-Kickback Clause)

An agreement annually signed by authorized buyers not to accept any gifts or gratuities from a supplier in exchange for patronage.

Authorized Buyer

A person authorized by the Loyola Purchasing Manager or Procurement Card Administrator, to procure goods and services in the name of the University for departments, faculty and staff. The buyer(s) have been trained and certified to initiate and administer purchase orders in the Lawson System, or execute and reconcile purchases with a Loyola Procurement Card.

Blanket Order

A purchase order placed with a supplier for goods and/or services that covers a predetermined period of time; often includes pre-negotiated fixed prices or discounts associated with specific groups of items.

Buyer's Matrix

This matrix indicates Buyers necessary actions when spending grant funds or University funds. This form indicates dollar ranges applicable to Preferred and Non – Preferred Suppliers and the necessary steps that must be taken regarding the purchase(s).

Card Default Account

A University accounting unit assigned by a department administrator to which all transactions for a specific Procurement Card will be charged in the University's financial system (Lawson) unless reassigned to another accounting unit within Lawson.

Cardholder

An employee authorized to make University purchases using a Loyola Procurement Card.

Change Notice

A written documentation of a contractual change agreed to by a buyer and supplier.

Check Requisition

A form completed by a requesting department asking Accounts Payable to process for the payment of a product or services. The policies for the issuance of a Check Requisition must be followed. Check Requisitions (Payment Requisition) instructions can be found at:

<http://www.luc.edu/finance/documents/CheckReqInstr.doc>

Code of Ethics

An agreement, signed by Authorized Buyers, to comply with University purchasing ethics when making a purchase with University controlled funds.

Commodity Management

A procurement process meant to ensure greater University benefits from the coordination of purchasing activity, where appropriate. Buyers benefit from pre-negotiated Preferred Supplier agreements for frequently purchased items.

Competitive Bid

Two (2) responsible and comparable bids (solicitation of three preferred) obtained for a specific purchase; required when a purchase is \$5,000 or greater when federal funds are used, or \$5,000 or greater when non-federal funds are used, and a Preferred Supplier is not used. The bids should contain price, quantity, description and supplier's terms and conditions (if not accepting standard

university terms and conditions) and reference to a request for quote (RFQ) or proposal (RFP). Supporting documentation of price/cost analysis must be attached to a Purchasing Checklist and Bid Summary Form and forwarded to the Purchasing Department for central retention and auditing purposes.

Confirming Order

A written confirmation of a sales agreement that the buyer sends to the supplier (copy of the Purchase Order).

Conflict of Interest Disclosure Form

An agreement, signed by an Authorized Buyer, to adhere to the University's conflict of interest policy when executing his/her duties as an authorized purchasing agent of the University.

Consortium Supplier

Supplier under one of the purchasing consortiums to which the university belongs, that offers competitively solicited and awarded contracts to university buyers and procurement cardholders. These contracts offer substantial price discounts and other advantages with no buyer time or effort required to solicit other suppliers. Examples of these organizations include: E&I (Educational & Institutional Cooperative), US Communities, and the Horizon Resource Group.

Contract

A lawfully binding agreement between two or more parties for performing, or refraining from performing, some specified act(s) in exchange for lawful consideration. Contracts can be various types of documents (Purchase Orders, agreements, leases, licenses, letters, etc.) that place the University into a legally binding relationship with a third party.

Encumbrance

A commitment of University entrusted funds recorded when a requisition or purchase order is entered into the Lawson system. An encumbrance is relieved when a corresponding invoice is entered into the Lawson system and the actual expense is recognized, or the purchase order or line item is closed.

Facilities

The University department responsible for safety, occupational health, fire safety, radiation safety and environmental protection, capital building projects.

Financial Services

The organization responsible for Financial Services operations, including Accounts Payable, Accounting Services, Controller, Financial Systems, Payroll Services, Property Accounting, Indirect Cost, Sponsored Program Accounting, Business Services, and Treasury functions.

FOB (Freight On Board) Delivered (Destination)

The ownership (title) of goods transfers to the buyer when the item is received by Loyola University. Significant when there is a shortage or damage to the goods. Means the supplier will be responsible to file a damage claim with the freight hauler. Note: Motor carrier regulations require that claims for damage must be filed/initiated within a short time frame of the receipt of the shipment.

FOB Shipping Point (Origin)

The buyer takes ownership of the goods at the supplier's dock. If the item(s) is damaged when received, it is the buyer's responsibility to file a claim with the freight company.

HUB Zone Business

A HUB Zone is defined as a Historically Underutilized Business Zone, which is an area located within one or more qualified census tracts, qualified nonmetropolitan counties, or lands within the external boundaries of an Indian reservation. A HUB Zone Business is defined as a small business concern that appears on the List of Qualified HUB Zone Small Business Concerns maintained by the Small Business Administration (SBA) – Central Contract Registration (CCR) www.ccr.gov.

Legal Counsel (In – house)

The department that handles all the University's legal matters, including litigation, contractual language review, intellectual property, and personnel issues.

Preferred Supplier

A supplier that establishes a contractual relationship with the University for supplying goods and/or services to the campus community.

A Preferred Supplier:

- 1) Completes a competitive selection process directed by the Purchasing Department and documented for audit purposes.
- 2) Generally accepts the University's Procurement Card, or payment by wire transfer.
- 3) Agrees to comply with all federal, state, local and University laws, rules, regulations and guidelines.

Preferred Supplier Directory

The University's directory of current Preferred Suppliers, listed by the type of goods and/or services provided is located on the Purchasing Department website at http://www.luc.edu/business_services/purchasing_vendors.shtml

Procurement Card Employee / Cardholder Agreement

An agreement, signed by a cardholder, attesting to their being made aware of, and their agreement to comply with, the Procurement Card policies and procedures.

Procurement Credit Card (Procard)

The University's corporate credit card, issued by a banking institution, to which a specific employee is assigned use and responsibility for making acquisitions of goods and services, and the reconciliation thereof.

Purchasing Department

The department responsible for administering the University's procurement process for goods and services, as well as establishing policies and procedures for purchase order and contract use.

Purchasing Manager

A Purchasing Department employee who acts as an agent for the University and a resource for faculty, staff and students; leads Product Management Teams, negotiates Preferred Supplier agreements and resolves supplier – University disputes.

Purchase Order

An on-line form within the University's automated purchasing system (Lawson) used to formally document the purchase of goods and/or services when the Procurement Card is not used.

Purchase Requisition

A request for goods and/or services forwarded to the Purchasing Department by the Originating Department.

Purchasing Checklist and Bid Summary Form

A form that must be completed and submitted to the Purchasing Department if a single transaction using federal funds is \$ 5,000 or greater, or a single transaction using non-federal funds is \$5,000 or greater, and a non-Preferred Supplier is used. Whenever a single source, sole source or consultant is used and the order is \$5,000 or greater when federal funds are used, or \$5,000 or greater when non-federal funds are used, an explanation of why that source was selected must be provided. Evidence of acceptable price/cost analysis must be included whenever this form is used.

The link for the Purchasing Checklist and Bid Summary Form is:

http://www.luc.edu/business_services/pdfs/Purchasing_Checklist.pdf

The link to view the instructions to complete this form can be found at:

http://www.luc.edu/business_services/pdfs/Instructions_Purchasing_Checklist.pdf

Procurement Card Verification/Reconciliation

A mandatory Procurement Card process whereby a cardholder verifies / reviews his/her Procurement Card transactions twice each month. The cardholder's manager reviews/approves the cardholder's charges during the same period each month. The cardholder prints out a monthly report of Procard transactions and attaches all appropriate receipts and documentation to the report. The monthly report and all appropriate receipts are retained by the cardholder for audit purposes.

Request for Information (RFI)

A method of solicitation used for gathering information without intent to purchase at the end of the solicitation process.

Request for Proposal (RFP)

A method used to assist the University in gathering information and ascertaining supplier's intentions regarding products and/or services that contain some unknown elements, without making a commitment until the best source is identified, the specification is finalized, and a contract has been negotiated.

Request for Quote (RFQ)

A method used to have suppliers offer, for a set period of time and for specific items or services, prices, quantities and delivery factors to be used in selecting the supplier.

Risk Management

A department responsible for procuring all institutional insurance, processing claims where applicable, establishing appropriate levels of insurance for suppliers (especially those working on campus), and securing certificates of insurance.

Single Source

One source, among others in a competitive marketplace, which, for justifiable reason (i.e., immediate past experience performance or contractual, delivery capability, contract or grant identification of specific items(s), compatibility with existing equipment or supplies, specific

design or performance features, essential in maintaining experimental or administrative continuity, availability of parts or maintenance, or for lack of time in emergency situations) the buyer finds to be most advantageous for the purpose of contract award.

Small Business (SB)

An independently owned and operated concern, including its affiliates, that is not dominant in the field of operation in which it is bidding on US government contracts, and qualified as a small business under the criteria and size standards in 13 CFR Part 121 (see FAR Part 19 at: <http://www.acquisition.gov/far/index.html>).

Small Disadvantaged Business (SDB)

A small business concern, that is at least 51% owned and controlled by individuals who are both socially and economically disadvantaged. This can include a publicly owned business that has at least 51% of its stock unconditionally owned by one or more socially and economically disadvantaged and whose management and daily business is controlled by one or more such individuals.

Small Women-owned Business (SWB)

A small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by women, or in the case of a publicly owned business, at least 51% of the stock is owned by women, with one or more women managing and controlling the daily operation of the business.

Small Veteran-owned Business (SVB)

A small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by veterans, or in the case of a publicly owned business, at least 51% of the stock is owned by veterans, with one or more veterans managing and controlling the daily operation of the business.

Small Service Disabled Veteran-owned Business (SDVB)

A small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by service disabled veterans, or in the case of a publicly owned business, at least 51% of the stock is owned by service disabled veterans, with one or more veterans managing and controlling the daily operation of the business.

Sole Source

The one and only source, regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contract award.

Supplier/Vendor

Either an internal or external provider of goods or services.

University Entrusted Funds

Funds generated during the course of normal University business proceedings (tuition, gifts/donations, product sales, etc.) and those funds held in trust from granting or contracting agencies or sources (federal, state, industrial, private, foreign, etc.).

1.5 Contacts

Purchasing Department

Loyola Purchasing is available to answer any questions about the content of this manual. Purchasing will also negotiate agreements under the Preferred Supplier Program and provide information on University-wide Preferred Supplier agreements, assist in identifying qualified suppliers, assist in preparing bid requests and requests for proposals, aid in resolving problems with Preferred Suppliers, review purchase and contract terms and conditions for acceptability, coordinate the signing of contractual commitments and assist with any other aspect of the acquisition process. Purchasing is responsible for coordinating external acquisition activities for the University.

In addition, Purchasing:

- provides faculty and staff with help in obtaining the best evaluated cost at the desired level of quality and service.
- negotiates Preferred Supplier agreements.
- works to minimize the University's risk and liability exposure related to the procurement process and contractual documents.
- Maximizes the University's economies of scale/volume.
- Supports University initiatives related to small business utilization and the use of environmentally friendly products.
- Coordinates the review of contracts, licenses, maintenance agreements, equipment leases, real property leases, and rental agreements, as appropriate.
- Assists with resolution of supplier disputes.
- Audits the procurement process for compliance with government regulations and the written purchasing policies and procedures.
- Provides procurement/purchasing regulations training.

Contact the Purchasing Manager at any phase of the procurement process for information, assistance, consultation or guidance.

Contact Information:

Purchasing Department
6525 N. Sheridan Road, Granada Center, Room 320
Chicago, Illinois 60626, 773-508-3598

The link to the Purchasing Department website is:

http://www.luc.edu/business_services/purchasing.shtml

2.0 General Policies on Ethics, Conflicts of Interest and Gifts:

2.1 Ethical Guidelines

All faculty and staff must avoid conflicts of interest between their obligations to the University and their personal affairs. No faculty and staff member or a relative of either group, should have an economic interest in, or relationship with, any firm, person or corporation doing business with the University if there is a chance it could influence the employee's actions on behalf of the University.

Loyola's buyers' code of ethics, gift guidelines for employees and anti-kickback clause, and conflict of interest policy are distributed annually to various University members, such as the University's Authorized Buyers, who attest to the requirements and return the signed forms to the Purchasing Department. They are also reviewed during Procurement Cardholder training. Each Cardholder is required to sign a form indicating that he or she has been made aware of the University's policy.

The **Buyers Code of Ethics** can be found on page five of the Loyola University Chicago Purchasing Policy document. Questions related to purchasing ethics can be addressed by the Loyola Purchasing Manager.

Purchasing from Employees

Purchases with University entrusted funds require all faculty and staff to declare if the supplier is a University employee, or if a University employee will receive monetary benefit from the purchase. Purchases from employees, or purchases exceeding \$1,000 from firms in which University employees have a substantial ownership interest, must be reviewed and approved by the Purchasing Manager to avoid potential conflicts of interest. If this situation might apply to an order, contact the Purchasing Department prior to making any commitment.

Confidentiality

All University employees in the University's purchasing environment must be sensitive to issues of confidentiality. It is improper and prohibited to discuss and/or share pricing information, trade secrets or proprietary information with or among suppliers. If there is any question regarding what information may be discussed, contact the Loyola Purchasing Manager.

Attesting to Ethics Compliance

On a periodic basis, Purchasing will send copies of the University's conflict of interest policy, buyers' code of ethics, gift guidelines and anti-kickback statement to all authorized Buyers (Procurement Card Cardholders, Buyers and purchase order approvers). Each person who receives this material is required to sign and return the ethics cover letter and the Conflict of Interest Disclosure Form, attesting to their awareness of these statements and their agreement to comply with them. Questions about any of these topics should be directed to the Loyola Purchasing Manager.

Loyola University Chicago Buyers Code of Ethics

First and foremost, understands and follows the financial policies of the University. Strive to obtain the maximum value for each dollar of expenditure. Decline personal gifts or gratuities with a value in excess of \$250. 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. **Do not** share vendor pricing information without written permission from the vendor. 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 missions.

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 to the buyer.

2.2 Conflict of Interest and Buying Ethics

The University's principal missions are education and research. In pursuit of these missions, or as a natural outgrowth of such activities, faculty and staff often become involved in outside activities. While participation in activities away from Loyola benefit the University and are generally encouraged, in some circumstances such activities give rise to conflicts of interest or buying ethics.

This policy addresses the circumstances in which conflicts of interest or buying ethics may occur, provides examples of the principles and processes outlined in this policy, and specifies a process for resolving potential conflicts. As used in this policy, the term "University members" means faculty (including instructors and special faculty appointments), staff (any employee of the University), and visiting faculty, or trustees who have been given authorized buying authority.

University members should use good judgment, professional commitment and ethics to protect themselves and the University from potential conflicts. Administrators and supervisors should make University members aware of this policy and create, by example, an atmosphere consistent with the University missions.

In addition to the guidelines and processes noted on the Loyola Purchasing website, some funding agencies of the federal government require grantees to conform to other disclosure and conflict of interest resolution procedures. A list of these agencies and the specifics of the requirements and procedures ("Guidelines for Investigator Financial Disclosure") are available from the Office of Sponsored Program Accounting.

Conflicts of Interest and Buying Ethics

Conflicts of interest occur when University members are in a position to influence a decision, either on policy or regarding acquisitions where they might directly or indirectly receive financial/non-financial benefit or give improper advantage to associates. Conflicts of commitment arise when University members' involvement in outside activities substantially interferes with their primary commitments to the University: to teach, to conduct research and to meet related obligations to students, colleagues and the University.

Statement of Principles

The purpose of this policy is to offer overall guidelines and not a list of particulars, for arranging outside activities and to provide a mechanism for resolving potential conflicts of interest or buying ethics.

Guidelines

The following guidelines are not inclusive and are not without exceptions. They provide examples of potential conflicts and processes for resolving them.

1. University members in a position to influence a University business decision for which they might receive a benefit should disclose the nature of the conflict to others involved in the decision. Whenever possible, those with potential conflicts should remove themselves from involvement in the decision. If the individuals should continue to participate in the decision process, discussion with supervisors and documentation of the potential conflict should be presented to the appropriate dean, director or department head.
2. University members should not engage in direct competition with the University either personally or through a firm in which they have a substantial interest. For example, a Loyola employee may not independently solicit a research award for which the University is a competitor or would have been a competitor had the individual properly acted as an agent of the University. In order to avoid such potential conflicts, the individual should consult the appropriate dean, director or department head.
3. Before contemplating outside employment or consulting activities, University members are required to disclose to the appropriate dean, director or department head potential conflicts of interest.
4. Faculty members must exercise prudence in directing students and supervised employees toward activities from which the faculty might financially benefit. The potential conflict is obvious, and faculty members are encouraged to consult their dean, department head or colleagues for an independent evaluation of the activities' educational merits.

Additional Procedures for Resolving Potential Research Conflicts

The first and most important line of defense against conflicts of interest must be the University members themselves. Installation of a quasi-judicial system for monitoring and adjudicating potential conflicts will not serve the larger interests of the University. The University, therefore, strongly encourages University members to disclose to the appropriate dean, director or department head their outside commitments which may influence their judgment on acquisition decisions on a regular basis (e.g., during annual departmental reviews, evaluations, or whenever those commitments undergo significant change). In the event that potential conflicts cannot be resolved at this level, they should be referred to the Loyola Purchasing Manager, who, with the assistance of Loyola University Finance will forward a recommendation to the department for final resolution.

Summary

The University actively encourages an open academic environment where teaching, conducting research, and disseminating knowledge are the principal goals of the Institution. To further these missions, 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 buying ethics.

Gift Guidelines

In order to avoid a conflict of interest, or the appearance of a conflict of interest, no University employee shall solicit or accept any gift, favor, loan, gratuity, reward, or promise of future employment that might influence or appear to influence the judgment or conduct of the employee vis-à-vis University business. Employees may accept occasional unsolicited courtesy gifts or

favors (such as business lunches, tickets to social or sporting events or holiday baskets) so long as the gifts or favors are of nominal market value (not in excess of \$250), are customary in the industry, and will not influence or appear to influence the judgment or conduct of the employee vis-à-vis University business. Gifts of money, however, cannot be accepted at any time.

Please refer to the University Gifts, Gratuities, Services and Entertainment Policy at: <http://www.luc.edu/finance/pdfs/codeofconductpolicy.pdf> for detailed information and examples. Individual departments within the University may impose further restrictions on gifts and favors for employees within the unit.

2.3 Anti – Kickback Clause

The purpose of this section is to inform all University employees of their responsibility to act in an ethical manner that brings the best overall value to the University and not to solicit and/or accept personal gain from any procurement transaction.

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 University, University employee (principal investigator, buyer, executive, etc.), subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with an award.

Clause: (FAR 52.203-7) The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act) prohibits, when using US government funding, 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, when using federal funding, knowingly and willfully engages in the prohibited conduct addressed above (reference FAR 3.502-2 (b) and (c) at <http://www.acquisition.gov/far/index.html>).

Applicability: This clause is designed to work hand-in-hand with the Loyola University Chicago Buyers' Code of Ethics to ensure that Loyola is represented in a professional manner that brings the best value to the University for all acquisitions of products and or services.

3.0 University and Purchasing Policies

3.1 General Policy Statement

Only individuals who are authorized to commit University entrusted funds can make purchases on behalf of Loyola University.

Tools for making purchasing commitments are:

Procurement Card: a University issued corporate credit card used for supplier payment purposes. Authorized Cardholders use the Procard, (within pre-established guidelines) for purchasing goods and services whenever standard University terms and conditions are acceptable to the supplier.

Purchase orders are processed through the Lawson Financial System.

Web Ordering can be accomplished with the use of a Procurement Card.

Check Requisitions: Finance form completed by Loyola personnel for payment of selected purchases. Please access the following link for complete Payment Requisition information :

<http://www.luc.edu/finance/announcement.shtml>

Potential suppliers are evaluated by the Purchasing Department and a selected evaluation team based on established criteria. See Loyola Contract Management process at:

http://www.luc.edu/business_services/pdfs/University%20Contract%20Policy_1.pdf

Those selected to be Preferred Suppliers are listed in the University's Preferred Supplier Directory and promoted by the Loyola Purchasing Department during interactions with faculty and staff.

The link to review Loyola's preferred vendors can be found at:

http://www.luc.edu/business_services/purchasing_vendorlisting.shtml

Preferred Suppliers are encouraged to accept the Procurement Card, or otherwise provide for electronic ordering and payment capabilities, and accept pre-determined terms and conditions of sale. **Contacting Suppliers:** Suppliers may be contacted directly to obtain detailed information about a product or service, or to obtain the information needed to resolve technical questions. Purchasing Department Buyers can assist in this process.

3.2 Federal Guidelines

Loyola University Chicago must conform to the minimum procurement standards set forth in the Office of Management and Budget Circular A-110 in order to obtain and maintain an approved purchasing system, and to maintain its continued flow of federal funding. These standards include provisions for free and open competition to the maximum extent practicable. The link to the OMB Circular A – 110 is: http://www.luc.edu/business_services/pdfs/Procurement_Standard.pdf

The Purchasing Department and Grant recipients are responsible for ensuring that qualified suppliers have an opportunity to bid on needed material and services. Purchasing can help Grant recipients identify sources when only one source is known. Free and open competition results in impartiality for both the buyer and the seller.

Buyer's Action Matrix

This matrix indicates Buyers necessary actions when spending grant funds or University funds. This form indicates dollar ranges applicable to Preferred and Non – Preferred Suppliers and the necessary steps that must be taken regarding the purchase(s).

Justification for non-competitive purchases

Purchasing and grant holders are responsible for ensuring that adequate rationale for sole/single source purchases is provided (further information is contained in Section 4.0 – Supplier Selection).

Rationale for pricing being fair and reasonable

Purchasing and Authorized Buyers and those dealing directly with suppliers are responsible for determining and documenting that prices paid are reasonable.

Utilization of small, small disadvantaged, small women-owned, small veteran-owned, small service disabled veteran-owned and small HUB Zone businesses.

Purchasing and Authorized Buyers are responsible for ensuring that these types of businesses are given opportunities to bid on needed material and services. Purchasing will help identify and develop these sources.

Some federal guidelines are applicable and must be applied to all purchases regardless of source of funds, and some are just good business practices which have been adopted by the University. Loyola University Chicago will participate in all audits and will use its best efforts to correct deficiencies.

3.3 Developing and Writing Specifications, Statements of Work (SOW) and Bids for Services

When obtaining bids for expensive or technically complex services, it is desirable to obtain firm pricing. To do this, a complete, detailed description of the project (Statement of Work) is necessary. Firm price specifications should include, at a minimum, the following information:

- Concise scope of work: should be sufficiently detailed so that the supplier has no questions about what is to be accomplished, and who has the responsibility for each task. The scope should include items such as desired methodology, testing, analysis, documentation, training, rights in technical data, etc.
- Deliverables: that is, what you expect to receive as a result of the completion of the service— results, type of reports, etc.
- Schedule, including critical milestones: if the schedule is of utmost importance, the consequences of not following it must be stated.
- The University, OMB (Federal Office of Management and Budget), FAR (Federal Acquisition Regulation) or other sponsor terms and conditions applicable to the proposed order.
- Performance criteria, reporting structure/frequency, etc.
- Quality expectation (technical parameters).
- Site peculiarities, hazards, safety requirements, regulations, etc.
- Subcontractor parameters: may subcontractors be used? If so, what are limitations and required approvals?
- Information regarding experience, references from past projects and resumes of essential employees.
- If the type of work or service will require the supplier to come on University property, University insurance requirements must be conveyed and accepted. Purchasing will obtain insurance requirements from Loyola Risk Management.

Examples of rates and fees to be requested in a bid package for services might include the following:

- Hourly rates: for particular type(s) of personnel required for the project

- Required permits, licenses and certifications
- Overtime rates
- Expenses (daily or monthly)
- Equipment rental rates
- Material charges
- Anticipated future charges

Users are encouraged to work with Loyola Purchasing (Buyers/Purchasing Manager) when assistance is needed in the development of specifications.

3.4 Competitive Bidding and the Purchasing Checklist & Bid Summary Form

Competitive bidding and the completion of a **Purchasing Checklist and Bid Summary Form** (**Form link:** http://www.luc.edu/business_services/pdfs/Purchasing_Checklist.pdf) are required when a purchase is \$5,000 or greater with University funds, or \$5,000 or greater when using federal funds. These purchases are made using a non-Preferred Supplier with the following purchasing mediums - Procurement Card, a Web-order or a Lawson purchase order. The checklist must also be completed any time a consultant or sole source is being used. Adequate rationale must be provided for non-Competitive source selections. Evidence of price/cost analysis (determination of price reasonableness) must be included to meet audit requirements. All checklists must be complete and accurate.

The Office of Management & Budget (OMB) Circular A-110 Part .43 Competition states: “All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.”

Cost/Price Analysis: For those purchases that require the completion of the Purchasing Checklist and Bid Summary Form, the determination of price reasonableness must be addressed on the back (or 2nd page) of the form, and then the form must be submitted to the Purchasing Department. Any federally funded order exceeding \$550,000 is subject to Public Law 87-653, Truth in Negotiations Act, and price reasonableness **must** be justified through cost analysis if the pricing was not established through adequate competition or the item(s)/service(s) is not commercial, or a price analysis cannot be performed. Any federally funded order exceeding \$100,000 must be coordinated through the Purchasing Department prior to the selection of the source.

Taxes: As a non-profit educational institution, Loyola University Chicago is exempt from payment of the Illinois Sales and Use Tax (exemption No. E9989-4408-05) on all transactions directly related to exempt University operations.

University Procurement Cards have the University's Illinois tax exemption number embossed on the front side of the card. Suppliers who insist on having an Illinois Department of Revenue Tax Exemption Certificate should be directed to contact the Loyola Purchasing Department. Sales tax exemption status may, or may not, be applicable for purchases in other states.

Other taxes: (room or occupancy, city, use, etc.) are applicable and Loyola University is obligated to pay these charges.

Approvals: All expenditures must be approved by an individual with budget authority prior to the issuance of a commitment.

3.5 Procurement Card Program Policy Statement

At Loyola University Chicago, authorized Cardholders may use Procurement Cards, within the guidelines established herein and in Procurement Card training, to acquire goods and services from suppliers. Cardholders are identified within departments and they must complete training and sign a Cardholder agreement, including a code of ethics, gift guidelines for employees, anti-kickback clause, and a Conflict of Interest Disclosure Form. The traditional Lawson purchase order process should be followed when the supplier refuses to accept the Procurement Card for payment, or for purchases prohibited with the Procurement Card, or if non-standard University terms and conditions are negotiated, or if future detailed transaction data is required from the Lawson system. Check Requisitions can also be used per the Check Requisition Policy – the policy can be located at: <http://www.luc.edu/finance/documents/CheckReqInstr.doc>

Cardholders are strongly encouraged to acquire goods and services from Preferred Suppliers whenever possible.

Responsibility & Accountability

Cardholder: Preferred Suppliers are to be used to acquire goods or services, whenever practical and possible.

Procurement Card transactions are to be reconciled twice each month (once for transactions pertaining to the 1st through the 20th and once for transactions pertaining to the 21st through the 31st) before the transactions are downloaded to the General Ledger – multiple e-mail reminders are sent to all cardholders and their designated approvers before each download.

Procurement Card security is maintained by the Loyola Accounts Payable Department and the issuing bank (J P Morgan Chase). A lost, stolen or compromised card is to be reported immediately to the issuing bank and the Procurement Card Administrator. Failure to report a lost, stolen or compromised card immediately creates a liability for the University. Only authorized Cardholders may use the card. It is the responsibility of every Cardholder to safeguard cards and card numbers against use by unauthorized individuals within or outside the University.

Agreements are to be signed upon issuance of a new, replacement or renewal card stating that the Cardholder understands and will comply with the Code of Ethics, Anti-Kickback Clause requirements, Federal Acquisition Regulations (FAR), Conflict of Interest Policy and the Purchasing Checklist and Bid Summary Form.

The Procurement Card Administrator is notified by Human Resources when a Procurement Card Holder's employment with the University is terminated.

Liabilities of the card remain with the University, rather than the Cardholder, for all transactions made in compliance with this purchasing policies and procedures document. Other responsibilities are dependent on how a particular department restricts the use of their cards.

Accounts Payable: Appropriate training and program documentation are provided by Accounts Payable. Compliance audits shall be performed periodically by the Procurement Card Administrator. Each Procurement Card holder will maintain his/her own file for original receipts for all transactions.

Cardholder and bank/card provider liaison services are provided by both Loyola Accounts Payable and the card issuing bank. The University's financial relationship with bank/card provider shall be maintained through the Loyola Finance Department.

Customer service for the campus community is provided by Loyola Accounts Payable and the issuing bank.

Sponsored Research: For specific questions about using the Procard to purchase products or services with Federal Grant funds, Cardholders should contact the Office of Sponsored Program Accounting (SPA), 312-915-8730. The Procurement Card cannot be used to acquire goods and/or services that equal or exceed \$5,000 from non-preferred or preferred suppliers when federal funds are being used. The transaction must be documented with a Lawson Purchase Order.

Reason for Policy: The acquisitions of goods and services should be convenient and provide the required quality and service as defined by the end user. It is necessary to establish responsibilities and to follow consistent procedures and policies. This adherence to policy allows continued process savings, accountability and audit of purchases.

Using a **Procurement Card** to make purchases from a Preferred Supplier has the following benefits: ease of use; competitive pricing; reduced documentation for the Cardholder; direct charging/payment for the supplier; and prompt desktop delivery, where applicable, by suppliers. Using the card with non-Preferred Suppliers, when a Preferred Supplier exists, can be counter productive to the University's ability to take advantage of the economies of scale/volume. The best price can only be realized when the full buying potential of the University is being considered by the supplier.

Definitions

The following definitions apply to listed terms as they are used in this policy:

Cardholder Agreement Form

An agreement between the University and a Cardholder, signed by the Cardholder, stipulating policy and procedural rights and responsibilities of both parties

Code of Ethics

Loyola University Chicago purchasing ethics agreement, signed by a Cardholder, to honor ethical practices when executing his/her rights as an Authorized Buyer/Agent of the University.

Commodity/Supplier/ Preferred Supplier

A supplier who establishes a formal relationship with Loyola University for supplying goods and services to the campus community.

Conflict of Interest Disclosure Form

An agreement, signed by a Cardholder, to adhere to the University's purchasing conflict of interest policy when executing his/her rights as an Authorized Buyer/Agent of the University

Cardholder Agreement Form

An agreement between the University and a Cardholder, signed by the Cardholder, stipulating policy and procedural rights and responsibilities of both parties

Code of Ethics

Loyola University Chicago purchasing ethics agreement, signed by a Cardholder, to honor ethical practices when executing his/her rights as an Authorized Buyer/Agent of the University.

Emergency Purchases: In the event that an emergency or rush order needs to be placed, the fastest method is to use the Procurement Card. If the card cannot be used, contact a Loyola Buyer to determine the best method to expedite the order.

General Card Default Account

University general ledger or grants management account string to which all transactions using a specific card will be charged to the general ledger or grant management account unless distributed to another account.

Gift Guidelines for Employees and Anti-Kickback Clause

An agreement by Cardholder not to accept any gifts or gratuities from suppliers in exchange for patronage or information related to University affairs.

Loyola Accounts Payable

Department responsible for administering the University's Procurement Card program, as well as establishing and ensuring compliance with policies and procedures related to Procurement Card use.

Loyola Purchasing Department

The department responsible for the process surrounding the acquisition of goods and services, and management of the supplier base.

Non-Preferred Supplier

A supplier of university requirements that has not been selected as a Preferred Supplier, either due to not participating, not qualifying, or not being Competitive.

PaymentNet Self Service Application

An on-line distribution system that allows Cardholders to view their card purchases and allocate their charges to the correct account(s). Reallocation of charges to federally funded awards that equal or exceed \$5,000 **is prohibited**. These types of transactions must be processed on a Lawson Purchase Order.

Preferred Supplier:

1. Completes a competitive selection process directed by the Loyola Purchasing Department and documented for audit purposes.

2. Generally accepts the University's Procurement card, or payment by wire transfer.
3. Allows the University to retain the right to compete any single requirement that equals or exceeds \$50,000.
4. Agrees to comply with all federal, state, local and University laws, rules, regulations and guidelines.

Procurement Card

A corporate acquisition tool that functions similarly to a personal credit card, and for which a specific employee is assigned use and responsibility. The University is responsible for direct payment of bills to the card provider.

Procurement Card Administrator

Card Services professional responsible for audit and analysis of the University's procurement card and the reconciliation of any University Card Accounting.

Procurement Card Verification/Reconciliation

A mandatory Procurement Card process whereby a card user verifies the Procurement Card transactions twice each month before Procard charges are downloaded to the General Ledger.

University Card Program

The overall University credit card program, consisting of the Procurement Card and based on fundamental practices of Product/Services management.

Visa Card – J P Morgan Chase

The Visa Card, provided by J P Morgan Chase is an individual credit card in the name of the employee. Although the University can help arrange for the obtaining of a card, the card is strictly a University credit card with all billing going directly to the University, and the cardholder being responsible for all charges on the card and for interfacing with J P Morgan Chase to resolve any problems.

3.6 Making a Purchase with the Procurement Card

The **Procurement Card (Procard) Program** is designed to provide an efficient way to procure business-related goods and services and to directly pay for business-related travel and entertainment expenses. Under this program, qualified purchases and expenses can be charged directly to the Procard. All Procard transactions are billed centrally to the University and paid directly to the card-sponsoring bank. Those individuals purchasing small dollar goods or travelers performing Loyola business are expected to be the primary users of the Procard.

The Procard program transfers purchasing capability directly to the cardholder within limits determined by existing policies and the cardholder's department head or budget administrator. Rather than require a purchase requisition and purchase order or a check requisition, the Procard enables departments to quickly and conveniently purchase goods and services directly from any vendor that accepts Visa. Similarly, the Procard enables employees traveling on University business to directly pay for travel expenses rather than requiring employees to be reimbursed after-the-fact. In addition, the Procard does not affect the cardholder's personal credit in any manner.

Participation in the Procard program is a convenience that carries responsibilities along with it. Although the card is issued in individuals' names, it is University property and consequently, **no personal purchases may be made using the Procard.** All University procedures related to

procurement, travel and entertainment, including accounting for purchases and travel and entertainment, should be followed.

All cardholders are required to read the Procurement Card Users Manual and attend a training session prior to receiving their card. Cardholders must also have an active University e-mail address.

Non-compliance with the program's policies and procedures or fraudulent use of the Procard will result in suspension of Procard privileges and, in some cases, may result in termination of employment.

To access the most current version of the **Procurement Card Users Manual** (PDF) and the information listed below, click on the following link:

http://www.luc.edu/business_services/pdfs/procard.pdf

Statement of Benefits

Procard Application (formatta)

University Policies

Preferred Vendors

Alternative Purchasing Methods

Prohibited Transactions

Key Contacts

PaymentNet

Procard Training Schedule

Procard Survey

3.7 Policy Statement for Using Small Businesses

Loyola University Chicago is committed to considering small business enterprises, including socially and economically Small Disadvantaged Businesses, Small Women-owned Businesses, Small Veteran-owned Businesses, Small Disabled Veteran-owned Businesses and HUB Zone Businesses in its purchasing programs.

A Small Business Enterprise is defined as an independently owned and operated concern, including its affiliates that are not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13CFR Part 121 (see FAR 19.102).

A **Small Disadvantaged Business** is defined as a small business concern, owned and controlled by individuals who are both socially and economically disadvantaged, as defined by the Small Business Administration at 13CFR Part 124, the majority of earnings of which must directly accrue to such individuals. This term also means a small business concern owned and controlled by an economically disadvantaged Indian tribe or Native Hawaiian organization which meets the requirements of 13CFR 124.112 or 13CFR 124.113, respectively. In general, 13CFR Part 124 describes a small, disadvantaged business concern as a small business concern.

A **Small Women - Owned Business** is defined as a small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by women, or in the case of a publicly owned business, at least 51% of the stock is owned by women, with one or more women managing and controlling the daily operation of the business.

A **Small Veteran-Owned Business** is defined as a small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by veterans (as defined at 38 U.S.C. 101[2]), or in the case of a publicly owned business, at least 51% of the stock is owned by veterans, with one or more veterans managing and controlling the daily operation of the business.

A **Small Disabled Veteran-Owned Business** is defined as a small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by disabled veterans (as defined at 38 U.S.C. 101[2]), or in the case of a publicly owned business, at least 51% of the stock is owned by disabled veterans, with one or more disabled veterans managing and controlling the daily operation of the business.

A **HUB Zone** is defined as a historically underutilized business zone, which is an area located within one or more qualified census tracts, qualified nonmetropolitan counties, or lands within the external boundaries of an Indian reservation.

A **HUB Zone Business** is defined as a small business concern that appears on the List of Qualified HUB Zone Small Business Concerns maintained by the SBA. On foreign campuses, these definitions will remain applicable, but references to US government regulations may not apply.

Providing Equal Opportunity

To be sure that the University does not overlook such suppliers who might be able to supply the item(s) or service(s) needed, the following guidelines are established:

1. Contact Loyola Buyer/Purchasing Manager to assist in identifying small, disadvantaged, women owned, veteran-owned, disabled veteran-owned and HUB Zone businesses.
2. Consider breaking large orders into separate groupings to give small businesses a greater opportunity to supply items (competition requirements are still applicable).
3. Contact a Loyola Buyer/Purchasing Manager when developing specifications for what is needed.
4. When using competitive bidding, give small, disadvantaged, women owned, veteran-owned, disabled veteran-owned and HUB Zone business suppliers the opportunity to submit bids.

Contact

Questions concerning the interpretation or implementation of this policy should be directed to the Loyola Purchasing Manager (773-508-3607).

4.0 Supplier Selection

4.1 General Concept

All Suppliers to Loyola University Chicago must meet certain general requirements. Suppliers must be considered to be qualified or meet qualification standards to provide required materials or services at minimum risk to the University considering price reasonableness, quality for the particular purpose, acceptance of reasonable terms and conditions of sale, delivery performance, and ethical business practices.

4.2 Preferred Supplier Program

A Preferred Supplier is one that has been chosen by the University as a supplier who can provide products, materials and/or services that are in the best interests of the University as related to quality of products, materials and/or services; length of contract; advantageous pricing; payment methodologies; delivery practices/performance; supplier operational support and services; ethical business practices; and social and community support. Additionally, a single or sole source may be identified as a Preferred Supplier as long as Purchasing can provide adequate and complete justification for the designation.

Non-Preferred Suppliers may be used with the understanding that a) the probability of the best deals are with Preferred Suppliers due to volume discounts, b) transactions which exceed the competitive threshold of \$5,000 [\$5,000 for federally funded acquisitions] require added steps by the buyer to justify and properly document the order (utilizing the Buyer's Matrix), and c) buyers must negotiate the applicable sales terms and conditions with the supplier along with the method of order and payment (Lawson Purchase Order versus Web-ordering versus Procurement Card and Check Requisition, if applicable).

4.3 Sole/Single Source Purchases

Definitions: Sole Source - the term used to designate that there is only one supplier that exists that is capable of providing a particular item or service. **Single source** - the term used to designate that even though a product or service is available from various sources, it must, for specific and justifiable reasons, be purchased from one specified supplier. Buyers are required to substantiate the reason for a sole/single source purchase from a non-Preferred Supplier by providing a written explanation on the Purchasing Checklist and Bid Summary Form. For Preferred Suppliers, the Purchasing Department will administer the selection process and indicate the justification for selection.

Should a departmental user wish to add a supplier(s) to the Preferred Supplier Directory, a Loyola Buyer or Purchasing Manager will work with the user to ensure the process and any written rationale meets established procurement standards. This may include suggesting alternate suppliers or products, soliciting competitive bids, and documenting price reasonability.

4.4 Bid Solicitation

In order to obtain the best possible pricing and to remain compliant under OMB Circular A-110, FAR regulations and University policies, competitive bidding must be conducted to the maximum extent practicable, as follows: \$5,000 or greater for University and non-federal funding, \$5,000 or greater for federal funding: The purchase of goods and services by a buyer should be made by contacting Preferred Suppliers first, but may be made directly from any responsible supplier (within the guidelines of this manual) of his/her choice. If a non-Preferred Supplier is chosen, the Buyer has an obligation to always determine and secure reasonable prices on behalf of the University and its funding sources.

Spend Guidelines

The following requirements apply for a spend of \$5,000 or greater for University and non-federal funding and \$5,000 or greater for federal funding: A minimum of three (3) competitive quotations (two if approved by Loyola purchasing), or a documented attempt to obtain three (3) quotations,

are required when obtaining goods and services from non- Preferred Suppliers. A Purchasing Checklist and Bid Summary Form must be utilized to document the quotation process. The following requirements apply to a spend equal to or greater than \$10,000: A minimum of three (3) written competitive quotations (two if approved by Purchasing), or a documented attempt to obtain three (3) written quotations, are required when obtaining goods and services from non – Preferred suppliers.

\$25,000 or Greater: Any bid solicitations where an individual order is expected to exceed \$25,000 must be conducted with the assistance of Loyola Purchasing because of the additional requirements:

a) for obtaining certain certifications or meeting certain code requirements, b) for proper documentation of the competitive or non-competitive nature of the transaction, and c) for proper determination of price reasonableness.

Bid solicitation can be a team effort between Purchasing and the requestor, or the buyer can run the competitive process him/herself within the appropriate dollar limitations.

It is the responsibility of the buyer to have defined requirements regarding quantity, delivery dates, technical or performance specifications and/or scope of work.

It is the responsibility of the Purchasing Department to maintain a centralized repository of all required documentation on cost, price, source selection and competitive processes. When using non-Preferred Suppliers, once the buyer has obtained competitive quotations/proposals that information shall be documented on the Purchasing Checklist and Bid Summary Form (as required), and should accompany the completed procurement package upon submittal to Purchasing or the requestor for approval and/or retention purposes.

The types of solicitation that can be used are:

Request for Quote (RFQ): A method used in selecting a supplier by which suppliers provide price, quantity and delivery factors for a set period of time for identified items or services.

Request for Proposal (RFP): A method used to assist the University in gathering information and ascertaining supplier's intentions regarding products and/or services that contain some unknown elements, without making a commitment until the best source is identified, the specification is finalized, and a contract has been negotiated.

Request for Information (RFI): A method used on an informal basis to gather information on a product, service or supplier.

Exceptions from Bidding

Preferred Supplier: If a Preferred Supplier Agreement is in place, the source selection process was conducted prior to the initiation of the Preferred Supplier relationship. Further competition during the term of that agreement is not required, unless the buyer has knowledge of substantial changes in the marketplace for that commodity.

Sole Source Purchases: If competition is determined to not be feasible due to the sole source nature of a product/service or supplier, and the order equals or exceeds \$5,000, a written sourcing justification **and** a determination of price reasonableness is required prior to the commitment being made.

Single Source Purchases: If competition is determined to not be feasible due to a single source nature of an item, service or supplier, and the order equals or exceeds \$5,000, a written sourcing justification and a determination of price reasonableness are required prior to the commitment being made.

4.5 Supplier Qualification

Loyola University Chicago will only conduct business with reputable and stable suppliers who are capable of providing the goods and services required. U.S. suppliers must provide either a Federal Identification number or a Social Security number and sufficiently complete a Supplier Information Form indicating business size, type, NAICS number, classification, and product/services line(s), and a W-9 (domestic) form. Failure to provide such information may necessitate the locating of a different supplier to satisfy the requirement.

Loyola Purchasing will ensure that Preferred Suppliers do not appear in the U.S. Government **Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs**. Buyers are responsible for this debarment verification when non-Preferred Suppliers are used on federal government grants. The link to access companies that have been debarred is: <http://www.epls.gov/>

A written certification from the supplier is required (ref: **Supplier Conflict of Interest and Compliance Certification Form at:** http://www.luc.edu/business_services/pdfs/Supplier_Certification_Form1.pdf)

To qualify suppliers, Purchasing may obtain a Dun and Bradstreet or other business financial and background informational reports to determine the financial stability and acceptableness of suppliers who require significant pre-payments or with whom Loyola University has no previous experience. Purchasing will also work to develop new suppliers by inspecting products and facilities. The expertise of the campus community will be utilized to ensure that suppliers can achieve technical requirements. Supplier files maintained by Purchasing may also contain historical experience information. Purchasing will review Preferred Suppliers periodically and compare with Dun and Bradstreet and other ratings to ensure the continued stability of those suppliers.

The University must select suppliers who offer the greatest total value for the products and services purchased. The University will employ techniques to develop small, small disadvantaged, small women-owned, small veteran-owned, small disabled veteran-owned and small HUB Zone businesses capable of providing the products and services needed by the Institution. Purchasing will request as directed by Accounts Payable that all suppliers complete either a Domestic or International Supplier Information Form and either a W-8 (foreign) or W-9 (domestic), as required, tax withholding form in order to obtain full and proper information and to enter the supplier into the automated Lawson payment system.

4.6 Supplier Suspension/Removal from Bidder's List

Loyola University Chicago will suspend or remove a supplier from the solicitation process if any of the following causes occur on one or more Procurement Card transactions, purchase orders, Web-orders or contracts:

- Unsatisfactory performance (i.e., poor performance, delivery or default on one or more Procurement Card transactions, purchase orders or contracts, including any provision of contract terms, for construction service or products/services, including but not limited to over-shipments, under shipments, providing damaged or defective goods, making unauthorized substitutions, billing errors, unallowable billings, service deficiencies, or poor workmanship) unless the unsatisfactory performance is caused by acts beyond the control of the business, such as acts of God, acts of war, terrorism, fires, or strikes (force majeure).
- Conviction of the business or an officer or principal shareholder for commission of a criminal offense in connection with obtaining, attempting to obtain or performing a contract or subcontract.
- Violation of anti-trust or other laws or statutes including those relating to the submission of bids.
- Bankruptcy or pending bankruptcy of the supplier.
- Unethical practices or violation of Loyola University policies (including misrepresentation of certifications).
- Inclusion on the US Government Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs.

The Loyola Purchasing Manager has the authority to suspend a business, for cause, from participating in the University's solicitation process or in University business. In order for a supplier to modify or shorten the suspension period, supporting documentation must be submitted to the Purchasing Manager including but not limited to:

- Bona fide change in ownership and management of the business.
- Elimination or mitigation of the cause for which the suspension was imposed.

Upon termination or expiration of the suspension period, the supplier shall be eligible to participate in the bidding process or receive University business. If a supplier is suspended a second time for the same cause, permanent suspension may result.

Delivery Issues or Failure to Perform

Further steps required in instances of delivery or performance problems are:

- It is the responsibility of the requesting department experiencing dissatisfaction with the supplier performance to notify the Loyola Purchasing Manager, in writing, of the complaint.
- Purchasing will review the facts through discussions with the requesting department to determine the appropriate course of action.
- The requesting department may be required to provide specific details and reasons for dissatisfaction, in writing.

Competitive Bidding and the Purchasing Checklist and Bid Summary Form

Purchasing Checklist and Bid Summary Forms are required when purchases and contracts equal or exceed the University's competitive thresholds, which are: \$5,000 or greater for university funded acquisitions; or, \$5,000 or greater for federally funded goods or services and are made from a Non-Preferred Supplier.

(Form Link:http://www.luc.edu/business_services/pdfs/Purchasing_Checklist.pdf)

The checklist must also be completed any time a consultant, professional or sole/single source is being used, and the contractual agreement must be attached. Evidence of price/cost analysis must be documented on the checklist to meet audit requirements. The form must be completed in its entirety and originals or copies must be submitted to Loyola Purchasing for central record retention purposes. The Office of Management & Budget's Circular A-110 Part .43 Competition states: "All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements.

Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so. All bids will be opened / reviewed in the Purchasing Department by a Loyola Buyer or the Purchasing Manager.

If using a Lawson purchase order or placing a Web-order, complete the checklist and forward it to the Purchasing Department with any other supporting documentation.

4.7 Evaluation of Non-Preferred Supplier Offers and Negotiating With Non-Preferred Suppliers

Evaluation of strictly technical considerations, i.e., design and operating characteristics, are the responsibility of the requestor. It is the buyer's responsibility to negotiate all elements of the non-Preferred Supplier purchase (i.e., price, quality, delivery dates, delivery methods, sale terms and conditions, etc.) with the supplier. When assistance is needed in interpreting any of these elements, the Purchasing Manager should be consulted (University Legal Counsel may also need to be consulted on complex matters).

Suppliers will most often write their terms and conditions to favor and protect their interests. Therefore, it is important that anyone making a purchase for the University with a non-Preferred Supplier, take exception, where appropriate, to these types of terms and conditions and replace the language with language that is fair to both parties. Negotiation should be used to make the best overall purchase. Anyone making a purchase with University entrusted funds can use Loyola Buyer/Purchasing Manager to assist them in the terms and conditions negotiation process.

Change Notices: Any time a contractual change is made to a sales agreement all agreed-upon changes should be documented. The buyer should send the supplier a copy of the change

documentation. This process will assist in determining liability or responsibility if there is a dispute with the supplier. For assistance in writing a change notice, contact the appropriate Loyola Buyer or Purchasing Manager.

5.0 Other Purchasing Options

5.1 Creating Purchase Requisitions

A purchase requisition is an internal request for goods or services that originates from a Loyola employee. Each requisition can include many lines, generally with a distinct item on each requisition line. Each requisition line includes at least a description of the item, the unit of measure, the quantity needed, the estimated price per item, and the accounting distribution to which the employee is charging the item.

A requisition must receive the required approvals before a buyer can create the Lawson purchase order. A requisition is fully approved only when an employee who has enough authority approves it. Requesters determine needs for goods or services that will be procured with a purchase order.

The requester may also suggest a specific supplier for each requisition. A fund checking occurs only for grants accounts. Sponsored Program Accounting (SPA) determines if there are funds available for the requisition based on the applicable budget and if the cost is allowable. If funds are not available for the requisition, the requester receives immediate notification that funds are not available and the requisition may not be processed. SPA routes approved Purchase Requisitions back to the Purchasing Department where the purchase order process is completed.

An approver reviews the requisition and has the option to reject (return to requester), approve, modify or forward the requisition to another approver. The approver can modify anything on the requisition (e.g., quantity, items, item attributes).

If the requisition is rejected by the approver, it is returned to the requester for modification or cancellation. Once the requisition has been approved, it automatically is placed into the buyer's work queue and the buyer creates a purchase order.

5.2 Making a Purchase with a Purchase Order

(Note: When federal funds are being used Sponsored Program Accounting must approve the transaction). With non-Preferred Suppliers, an expenditure of \$10,000 or greater will also include the approval of the Purchasing Department.

Authorized approvers are responsible to ensure that the purchase is appropriate, that the correct account distribution is being used and, when necessary, the proper departments (e.g., Purchasing, Sponsored Program Accounting, etc.) or individuals (e.g., Principal Investigator) have signed off on the purchase.

A purchase order (PO) must be used for capital projects, or on other acquisitions when the Procurement Card cannot be used. A purchase order must also be used when a web-based ordering method cannot be used, when a separate contract must be signed and attached to the PO, when detailed transaction data will be required at a later date, or when federal funds equal to or exceeding \$5,000 are being committed with a non-Preferred Supplier.

Purchase Order Requirements/Information

1. Define the need in terms of description of the material or service, quantity, quality and price; if needed, develop a scope of work.
2. If necessary, consult with multiple suppliers on style, models and technology issues that will assist in defining the exact item for purchase.
3. Contact a Loyola Buyer/Purchasing Manager, if needed. He/she will assist in any aspect of the procurement process, such as specification development, supplier sourcing, commercial terms and conditions, University insurance requirements, liability issues and strategies to ensure that the University receives the lowest evaluated cost at the required quality. Typically, the earlier in the process a Buyer gets involved, the greater the amount of added value.
4. The Loyola Buyer will complete an online Lawson purchase order after the appropriate approvals are noted on the requisition. At a minimum, the document should be reviewed for adequate funding, allowable items and correct account.
5. If the purchase amount is \$5,000 or greater using University funds , or is \$5,000 or greater using federal funds, and a Preferred Supplier is not used, competitive proposals or quotations should be obtained and recorded on the Purchasing Checklist and Bid Summary Form.

Form Link: http://www.luc.edu/business_services/pdfs/Purchasing_Checklist.pdf

When using federal funds, all Purchase Requisitions (document completed by Loyola user requesting a particular product or service) will automatically be reviewed by Sponsored Program Accounting. A Lawson purchase order (PO) (document completed by a Loyola Buyer which initiates the purchasing process with the selected vendor) cannot be printed by the buyer without all appropriate approvals.

6. Upon completion of all necessary reviews and departmental and management approvals, the order can be printed and sent to the supplier.
7. When an order for goods is received, the requestor must inspect the delivered materials for damage, missing parts or errors in shipment. Compare the material received to the packing list. The item(s) will need to be received in the Lawson system before Accounts Payable can pay the supplier. The Purchasing Department will assist in the system receipt of the received items.
8. If there is damage or the purchased item(s) needs to be returned, contact the supplier to arrange for a replacement, a credit memo or return authorization. Always request a Return Authorization Number from the supplier. If there is a problem with the return, having this number will be a great benefit. If the issue can not be resolved with the supplier, contact a Loyola Buyer for assistance.
9. Per the instructions on the purchase order, all suppliers should send invoices to Loyola University Chicago, Accounts Payable, 820 N. Michigan Avenue, Suite 719, Chicago, Illinois 60611.

Blanket Purchase Orders: Blanket purchase orders can be issued by a Loyola Buyer (773-508-3598). Users who need to make repetitive purchases over a set period of time from selected suppliers can utilize a blanket purchase order.

Draw Down Purchase Orders: A draw down PO (a PO written for a total dollar amount which can be drawn down monetarily by paying periodic invoices) can be created. Contact a Loyola Buyer (773-508-3598) to assist with this process.

Emergency Purchases: In the event that an emergency or rush order needs to be placed, the fastest method is to use the Procurement Card. If the card cannot be used, contact a Loyola Buyer to determine the best method to expedite the order.

Zero Dollar Purchase Orders: Zero dollar purchase orders are normally used for transactions where there is no cost to the University, but there is a need to document the transaction for ownership, responsibility or liability reasons. For instance, whenever a supplier intends to leave a piece of equipment or software on University property for the purpose of evaluation or for a short-term loan, it is necessary to pre- establish the ownership rights, the value of the equipment or software, the responsibility for care and use, and the liability in case of accident, loss or damage.

Prepaying for Purchases: Prepayment for goods or services should be avoided whenever possible but can be used with departmental management approval. If necessary, the University would prefer to make periodic payments during the term of the order for specific milestones reached by the supplier rather than just a “pre-payment.” However, both the Procurement Card and a Lawson purchase order can be used if prepayment must be made. If the Procurement Card cannot be used, prepare the purchase order, obtain all necessary approvals, and notify the Loyola Buyer that immediate payment is requested.

5.3 No Charge Purchase Order for Equipment Evaluation or Supplier Loaned Equipment

Evaluation/loaned materials and/or equipment become no-charge transactions by which physical custody of property is granted to the University without transfer of title or accountability. However, the University may be accepting the responsibility and liability for its proper use, protection and return. Therefore, commitments for loaned articles are to be made via a “no-charge purchase order”. Buyers are responsible for assuring University protection, negotiating and documenting the instances where suppliers provide the University with equipment or software as a loan or an evaluation trial in anticipation of making a sale.

The buyer must negotiate mutually agreeable contractual terms and conditions of the loan/evaluation, and a no-charge purchase order must be issued with a copy provided to the appropriate department and Accounts Payable. The no-charge purchase order must include specific information about the loan/evaluation, i.e., the purpose for the transaction, a purchase order number, an indemnification clause protecting University interests, identification of the equipment and its value, the location of the equipment or software on University premises and what the University is required to provide at the completion of the evaluation.

“Loyola’s Request” should be used when the University is requesting equipment/products as loaned property or for evaluation purposes. In this case, the University accepts responsibility and liability for the property’s use, protection and return (possibly including shipping, usage and set-up costs). “Supplier’s Request” should be used when a supplier is attempting to sell its equipment/products to the University and wishes to loan the property for evaluation purposes. In this case, the University should accept only limited responsibility and liability for the property’s use, protection and return (shipping, usage and set-up costs should be borne by the supplier).

If a purchase is not made after the loan or evaluation period, the buyer must assure that the items are always returned at the end of the agreed upon term. Supplier items received for University requested evaluation may or may not be returned depending upon whether there are any other suppliers providing equally effective items. If items under evaluation have a value in excess of the capitalization threshold, consideration of University policies regarding capital equipment must be considered; and, if items have a value in equal to or in excess of \$5,000, consideration of University policies regarding the establishment of competition and proper documentation must still be made.

5.4 Written Agreements and Contracts

Commitments for some arrangements and services cannot always be placed solely on a purchase order or Procurement Card without the supplement of a written contract which is signed by both parties. The written contract often incorporates much more detail than a simple purchase order or credit card transaction alone can provide, especially related to the operating terms and conditions and the details of the transaction itself (i.e., payments under leases, incorporation of the Americans with Disabilities Act, escrow for software source code, liability and indemnification issues, warranty statements, export controls, etc).

Following is the link to the University Contract Policy:

http://www.luc.edu/business_services/pdfs/University%20Contract%20Policy_1.pdf

5.5 Deliveries

Typically, deliveries are made to the requestor's desk top (departmental office). The first choice for delivery should always be directly to the requester's location. Packages are also accepted at the Loyola Mailroom on both campuses. The mailrooms will deliver packages to the appropriate Departments or offices during their normal mail runs. It is very important that a contact person's name be included in the delivery instructions given to the supplier.

For liability reasons, the University strongly discourages having personal purchases delivered to the University. Such purchases should only be delivered to a home address.

FOB (Freight on Board) & Shipping Costs: When a purchase is being made, the buyer and supplier must determine which of two ways a shipment will be handled:

FOB Delivered (Destination): Ownership (title) of the goods transfers to the buyer when the item is received by Loyola University; this is significant when there is a shortage or damage to the goods. FOB Delivered means that the supplier will be responsible to file a damage claim with the freight hauler.

FOB Shipping Point (Origin): The buyer takes ownership of the goods at the supplier's dock. If the item(s) is damaged when received, it is the buyer's responsibility to file a claim with the freight company.

There is no significant price impact between the two FOB choices. Shipping costs are separate and are negotiable. Shipping costs can either be "allowed" (supplier will assume the cost of shipping) or "pre-paid and add" (costs of shipping will be added into the invoice). The preferred choice is "allowed". If the package is received by the Mailroom they will inspect the shipment for evidence of damage. If none is detected, the item(s) will be delivered to the recipient or the designated

location. If there is evidence of damage or a shortage, the Mailroom may refuse the shipment and or notate the damage on the shipping papers. If the item is returned to the seller the recipient is notified of the problem.

5.6 Concealed Damage

The buyer is responsible to contact the supplier if concealed damage is discovered when a package is opened. Loyola Buyers can assist in this process. This applies to both deliveries received directly from the supplier or from the University Mailroom. The FOB selection that was made at time of purchase will determine responsibility. If the purchase was FOB Origin (see above), the buyer will need to file a claim with the carrier within fifteen (15) days of the original receipt by Loyola University. If assistance is needed in filing the freight claim, contact the Purchasing Department at 773-508-3598.

5.7 Invoice Processing and Credit Memos

If a purchase is made using the Procurement Card, the supplier should send a net zero dollar invoice directly to the Cardholder indicating the purchase was paid for using the Loyola Procard. This invoice is for the buyer's information only and is not payable by the University. If a purchase order is used, the supplier should send the final invoice to Loyola Accounts Payable, who matches the invoice with the purchase order and the system receipt, if applicable, and schedules the invoice for payment.

The Cardholder/buyer is responsible to track and ensure that credit memos issued for returned items are received from the supplier in a timely manner and that they are credited to the correct account.

Contact the Procurement Card Administrator at 312-915-8754, if you have difficulty resolving the situation.

5.8 Prompt Payment Discounts

The Lawson purchasing system has choices for prompt payment discounts. Net thirty (30) days means that the supplier expects to get paid in full within thirty (30) days from the date of the supplier's invoice. 2%10, Net 30 means that the supplier is offering a two percent (2%) discount off the total price of the order if the University will pay the invoice within ten (10) days of the invoice date. If early payment cannot be made, then the terms revert to the current payment cycle employed by Loyola Accounts Payable. The Loyola Buyer should negotiate the best payment terms acceptable to each party.

5.9 Surplus Furniture: Redistribution of Assets Program

Loyola University operates a redistribution of assets program to facilitate the redeployment of surplus furniture and furnishings. Contact 773-508- 3605 for more information or access the following link:

http://www.luc.edu/business_services/documents/Interior_Furnishings.doc

5.10 Purchasing Responsibilities by Organization

The following lists the responsibilities of each organization when making University purchases.

Originating Department

- Determines need.
- Prepares specifications.
- Contacts a Loyola Buyer at any point, if assistance is needed.
- Completes Purchasing Checklist and Bid Summary Form, as required.
- Selects supplier and rationalizes choice.
- Negotiates appropriate terms and conditions.
- Determines price reasonableness.
- Obtains appropriate approvals.
- Routes completed Purchase Requisition to the Purchasing Department.
- Receives merchandise and compares receipt with original order.
- Advises Loyola Purchasing that the product or service has been received – Loyola Buyer processes the receipt of the item in the Lawson system.
- Negotiates settlements of disputes with supplier (with assistance from Purchasing, if desired).
- Uses PaymentNet to distribute the charges, if needed, when the Procurement Card is used.
- Provides Purchasing Department with appropriate documentation supporting transactions placed on purchase orders, as appropriate.
- Provides invoices and packing slips to Accounts Payable as necessary.
- Reconciles Procurement Card monthly transactions and retains the receipt packet documentation/packing slips in the Department.
- Provides a business justification for all Procurement Card transactions.

Sponsored Program Accounting (SPA)

Responsible for Grant Administration:

- Post Award Accounting Unit Set-Up
- Expenditure Processing

- Billing and Collection
- Accounting Unit Close-Out
- Financial Report / Audit
- Continuation or Competitive Renewal

For more information relative to Post – Award Grant Administration Overview, please access the following link: <http://www.luc.edu/spa/pdfs/SPA%20Workshop%20100807.pdf>

Accounts Payable

- Receives invoice from supplier.
- Verifies receipt.
- Schedules invoice payments.
- Pays supplier when approvals are in order.
- Pays the bank for all Procurement Card transactions.

Purchasing Department

- Provides Product/Services Management expertise.
- Operates the Preferred Supplier process and program.
- Coordinates purchases to achieve maximum discounts.
- Coordinates purchasing efforts across departmental lines.
- Ensures sound and ethical business practices are followed.
- Ensures consideration of small, disadvantaged, women-owned, veteran owned, disabled veteran-owned and HUB Zone businesses
- Checks and coordinates University insurance requirements.
- Standardizes University procurement forms, terms & conditions, and contracts.
- Provides mandatory Purchase Order approval on federally funded acquisitions with non-Preferred Suppliers equal to or exceeding \$10,000.
- Minimizes University risk/liability.
- Assists department personnel at any point in the purchasing process, if requested.
- Maintains the following records:
 - a) Purchasing Checklist and Bid Summary forms.

- b) Purchase order files and supporting documentation.
- c) Original contracts and agreements.
- Periodically audits buyers and suppliers for compliance with policies, procedures, contracts and agreements.
- Provides Help Desk support for purchasing processes and procedures.
- Ensures sound and ethical business practices are followed.

5.11 Supplier Performance

Reporting supplier performance is extremely important as it relates to the provision of information, delivery schedules/promises, on-time performance of services, warranty support, accuracy in billing/invoicing, willingness to correct deficiencies, timely responses to inquiries and willingness to negotiate the University's special needs.

In an effort to be fair to suppliers who wish to continue the pursuit of University business, it requires written documentation of deficiencies in order to eliminate an existing University supplier from current and future bid lists and University business. Therefore, should anyone experience unsatisfactory performances by the supplier they are using, that inadequate performance should be documented (Ref: Form: Loyola Supplier Performance Survey) and transmitted to the Purchasing Department. Form Link: http://www.luc.edu/business_services/pdfs/Supplier_performance.pdf

If the problem(s) appears to be isolated, Purchasing will work with the supplier to correct the deficiencies. Should problems be numerous, consistent and not be corrected in a reasonable amount of time after notification to the supplier, Purchasing may make the decision to eliminate the supplier from bid lists and continued University business.

If a requestor still wishes to use a supplier who has been suspended by Purchasing, then a written justification and request for exemption must be submitted to Purchasing, no matter what the dollar level, prior to the issuance of the commitment.

6.0 Restricted Purchases

6.1 Buying Carpeting and Furniture

The University has implemented a standard for design of all spaces which must be maintained by the Manager of Design Services. This includes all furniture, carpet and window treatments.

To order product, please use the information on the website to complete a Purchase Requisition and forward to Purchasing. Choices can be made to fit budgetary restrictions by upgrading or downgrading finishes and sizes. For further assistance with your project, you may contact the Manager of Design Services at 773-508-3605.

For additional information relative to interior furnishings, please access the following site: http://www.luc.edu/business_services/documents/Interior_Furnishings.doc

6.2 Copiers

Loyola maintains a copier fleet for all University departments through a lease negotiated with an approved preferred vendor. The provider is selected based on responses received from a Request For Proposal as well as vendor presentations. The selection of a copier provider follows the University Contracting Policy. This process insures that the University receives pricing and contract terms based on the University's various master agreements. The Purchasing Department along with members of the RFP Evaluation Team (cross section of faculty and staff) will make a recommendation to Loyola management relative to a vendor of choice.

Contact the Loyola Purchasing Manager at 773-508-3607 with any questions or concerns about the University Copier Program.

6.3 Equipment Leases

All equipment leases must be coordinated, reviewed and executed by the Purchasing Department. This coordination and review will ensure that the rates being charged are competitive, that the terms and conditions of the lease are reasonable and don't create undue risk for the University, and that appropriate and alternative funding mechanisms have been explored. Purchasing also ensures that all appropriate terms and conditions of the equipment manufacturer have been reviewed, negotiated and are acceptable to the University. When necessary, higher levels of university management approval will be coordinated by Purchasing.

6.4 Insurance

University insurance needs are covered by University insurance contracts. The Risk Management Department is responsible for obtaining coverage to protect University property, goods and automobiles, and to protect the University from liability claims. Property damage insurance includes fire, theft and transportation coverage.

Risk Management has established standard levels of insurance required of suppliers who will be working on University property or providing selected goods and services. In cases where a supplier's insurance or levels of insurance deviate from the standard levels, the University Risk Manager must approve the existing supplier levels or provide alternate levels or modified insurance language for the contract prior to the transaction taking place. If there are questions about the current coverage, suggestions for additional coverage, changes to property/equipment condition, or questions from suppliers related to levels of required insurance for all campuses, direct them to the Risk Manager (312-915-7788).

6.5 Federally Funded Purchasing

Many research grants, cooperative agreements or contracts have clauses restricting the purchase of certain materials, equipment, services and renovations. All purchases using federal grant management accounts must be approved by Sponsored Program Accounting before a purchase can be made. Before a Purchase Order is processed, the Purchase Requisition is routed to Sponsored Program Accounting (SPA) for review and approval.

SPA will:

1. Ensure that funds are available.
2. Identify whether any equipment being procured is government owned/titled.
3. Obtain approval for the purchase from the sponsoring agency, if needed.
4. Call the Principal Investigator to resolve discrepancies.
5. Verify compliance and make copies for their files, if needed.

If the request is approved and the acquisition is less than \$5,000 or between \$5,000 and \$25,000 and with a Preferred Supplier, the purchase can be made using either a Procurement Card or a purchase order in the Lawson system.

If the transaction will equal or exceed \$5,000 with a non-Preferred Supplier, the acquisition must be made utilizing a Lawson Purchase Order.

If the transaction will equal or exceed \$5,000 and is from a non-Preferred Supplier, its associated Lawson PO will require approval by the Purchasing Department who will:

1. Verify all rationale and necessary supporting documentation is complete, accurate and adequate.
2. Verify compliance with all Office of Management and Budget (OMB), and Federal Acquisition Regulations, as applicable.
3. Make and maintain permanent files with the supporting documentation for audit purposes.

Flow-down Language: When federal funding is used under grants, cooperative agreements or contracts, government regulations require applicable flow-down language from within the award to be included in the contractual agreements with suppliers. It is the University's responsibility to reference on a purchase order the various OMB Circular A-110 contractual requirements (grants and cooperative agreements) or Federal Acquisitions Regulations (contracts), and all other flow-down requirements of the agreement between the University and the government that may apply to a particular transaction.

To comply with this requirement, the OMB A-110 standard requirements language, and any other grant, agreement or contract identified flow-down language, must be sent to the supplier when a purchase is made from other than preferred suppliers. All applicable contractual language (as it relates to the government requirements) must be accepted by the supplier prior to the completion or issuance of a PO.

6.6 Trademark Licensing

Loyola University Marketing and Communications coordinates the licensing of the University logo. The University uses the Licensing Resource Group (LRG) to handle the licensing of the University logo.. The use of the University's trademarks on consumer goods produced, ordered or sold by the bookstore, faculty, staff or students of must be approved in writing by LRG prior to production.

7.0 Forms / Tools

All forms / tools, in their current edition, are available on the Purchasing Department website. Please see the links listed below.

Purchasing Checklist and Bid Form/ Instructions

This form provides the documentation for competitive quotations / proposals solicited and received from non – preferred suppliers. It also documents the reason a particular supplier was selected. Additionally, the form can also report price / cost analysis completed and any negotiations between the supplier and the Purchasing Department.

Form Link: http://www.luc.edu/business_services/pdfs/Purchasing_Checklist.pdf

Instructions: http://www.luc.edu/business_services/pdfs/Instructions_Purchasing_Checklist.pdf

Methods to Determine Price Reasonableness Document

Provides information to explain and assist buyers to make sure prices to be paid for goods and services are fair and reasonable. This tool targets purchases using Federal Funds.

Document Link: http://www.luc.edu/business_services/pdfs/Price_Reasonableness.pdf

Conflict of Interest Form

A form reviewed and signed by Buyers that indicates their obligation to disclose in a timely fashion. Any interested a related person or they may have in a proposed University transaction.

Form Link: <http://www.luc.edu/finance//pdfs/codeofconductpolicy.pdf>

Buyer's Matrix (1)

This matrix indicates Buyers necessary actions when spending federal government funds. This form indicates dollar ranges applicable to Preferred and Non – Preferred Suppliers and the necessary steps that must be taken regarding the purchase(s).

Form Link: http://www.luc.edu/business_services/pdfs/Buyer%27s_Matrix_12-29-08.pdf

Buyer's Matrix (2)

This matrix indicates Buyers necessary actions when spending non - federal government funds. This form indicates dollar ranges applicable to Preferred and Non – Preferred Suppliers and the necessary steps that must be taken regarding the purchase(s).

Form Link: http://www.luc.edu/business_services/pdfs/Buyer%27s_Matrix_12-29-08.pdf

Supplier Information Form

This form is used to obtain the profile of suppliers that are preferred suppliers or those vendors that wish to apply for preferred status.

Form: http://www.luc.edu/business_services/pdfs/LUC_Supplier_Info_forms-2.pdf

Loyola Supplier Performance Survey

This form is routed to Loyola requestors to audit the performance and products/services of preferred and non – preferred suppliers.

Form: http://www.luc.edu/business_services/pdfs/Supplier_performance.pdf

Supplier Conflict of Interest and Compliance Certification Form

This form is completed by the supplier and insures that Loyola personnel do not pose a conflict of interest relative to any transactions. It also documents that the supplier, to the best of their knowledge is not debarred, proposed for debarment, suspended, or declared ineligible for the award of a contract.

Form: http://www.luc.edu/business_services/pdfs/Supplier_Certification_Form.pdf

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