



GVSU Business and Finance Department Procedures Manual

Section: Business and Finance

Section Number: 304

Subject: Purchasing Procedures

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PURCHASING TEAM

The [Procurement Services team](#) serves the needs of the entire University. The team strives to provide value-added service in the procurement process, with the objective that acquisitions will be available at the proper time, in the proper place, in the quantity, quality and price consistent with the needs of the University. Please don't hesitate to contact Procurement Services at 331-2280 if you have any questions or require additional information regarding the University purchasing policy and procedures. Visit the Procurement Services website at www.gvsu.edu/purchasing for other pertinent information and downloading various forms.

As outlined in Chapter 6 - Section J of the [GVSU Administrative Manual](#), and the [Equipment Acquisition and Disposal Policy](#), Procurement Services is responsible for the purchase of all materials, supplies and services costing more than \$5,000, as well as both purchased and rental equipment, with the exceptions listed below. This office shall also be responsible for the orderly disposal of surplus, obsolete, and worn out equipment.

1. Books, pamphlets, and periodicals for the library
2. Bookstore merchandise for resale
3. Professional consulting services
4. Architectural and consultant services, new constructions, contractual repairs and remodeling
5. Pro shop merchandise for resale
6. Software licenses and related maintenance agreements

PURCHASE REQUISITION

A Purchase Requisition is the departmental request to purchase goods and services. Purchase Requisitions must be processed online in the Banner System. An approved Purchase Requisition authorizes Procurement Services to buy goods and services against a specific University budget. This office can make no commitment of funds without the prior approval of the department to which the purchase is to be charged.

PURCHASE ORDER

A Purchase Order is the contract between the University and vendor. Procurement Services will process an approved Purchase Requisition to a Purchase Order after vendor sourcing, seeking alternate items if available/acceptable, price negotiations and/or soliciting competitive bids when required.

Departmental funds will be encumbered to the appropriate budget(s). The requisitioning department will receive the department copy of the Purchase Order. It should be compared to and filed with the department's Requisition record. Contact Procurement Services with any questions or concerns.

SMALL ORDER OPTIONS

Purchasing Card: The Purchasing Card Program provides departments and/or designated individuals with a Visa credit card to make timely and efficient acquisitions. All charges are billed directly to the University. This credit card is used much like a personal credit card, but is intended for business use only and will have some merchant, commodity and budget controls. Purchases are limited to a maximum of \$1,000 per transaction. For more information regarding the [Purchasing Card Program](#), contact the program administrator at 331-3211.

Direct-Bill Order: Unless required by the vendor, a Purchase Order is not required for orders less than \$5,000. The department should confirm the order and provide appropriate ship-to and bill-to instructions to the vendor. Any discrepancies or other problems will be referred to the department for resolution with the vendor. All charges should be billed directly to the University. Exceptions to this procurement option include furniture, equipment, and computer hardware. Invoice payments will be processed as described in the Direct Payment of Invoices section.

BIDDING AND SOURCE SELECTION

1. The selection of a vendor is the responsibility of Procurement Services. The vendor selection process shall not discriminate against any vendor because of race, creed, age, sex, or national origin, nor shall the university continue to patronize vendors known to practice any forms of discrimination.
2. The University is a member of several group purchasing organizations that are designed to provide exclusive access to significant discounts on a wide variety of commodities and services. The benefit is derived from the consortium leverage needed to provide advantageous pricing for its members. The campus community shall purchase from these organizations when appropriate and in the best interest of the University.
3. For purchases between \$5,000 and \$10,000, and when appropriate on lesser amounts, the solicitation of competitive quotations is required. These informal quotations must be written except when time or other circumstances do not permit, in which case verbal quotations are acceptable if properly documented. Procurement Services may waive the requirement for competitive quotations if supporting documentation is deemed justified.
4. Purchases between \$10,000 and \$25,000 require the solicitation of competitive quotations. These quotations must be written and submitted in accordance with instructions and not later than the due date and time specified. When a contract is not awarded for the lowest quotation, a full and complete statement of justification for an alternate selection shall be recorded and maintained with the solicitation documents. After the award is made or when otherwise deemed appropriate, the list of bidders and bid proposals shall become public information.
5. Purchases exceeding \$25,000 shall be preceded by competitive sealed bids. An invitation for bids shall be issued and shall include a purchase description and contractual terms and conditions applicable to the procurement. Bids must be returned in accordance with instructions and not later than the due date and time specified. At that time, bids will be publicly opened and read aloud. No bids will be accepted if received later than specified. When a contract is not awarded to the lowest bidder, a full and complete statement of justification for an alternate selection shall be recorded and maintained with the bid documents. Unsuccessful bidders may appeal the decision to better understand University procedures for future bidding or to correct any misunderstanding that may have arisen.
6. A single source vendor is defined as the choice or preferred of multiple vendors who provide the item or service to be purchased. A sole source vendor is defined as the exclusive or one-and-only vendor who can provide the item or service to be purchased.

Requests for a single or sole source vendor must be justified objectively and must be supported with appropriate documentation. Previous experience with a vendor is not justification for a single or sole source. A quotation should be requested from the single or sole source vendor in accordance with standard purchasing procedures. Purchase of items when there is a sole source need not be bid. Procurement Services shall have final decision on accepting a single or sole source justification.

ETHICS

1. The Procurement Services team shall demonstrate a highly developed sense of professional ethics to protect their own and the University's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for the campus community, the University endorses the code of ethics promoted by the NAEP (National Association of Educational Procurement).
2. A diverse resource of qualified vendors in the procurement process is fundamental. Inclusive and equitable opportunities should be provided for minority, women, and other disadvantaged business enterprises to compete for university contracts as suppliers, contractors and subcontractors performing work for the university. Quotations and bids should be solicited from these business enterprises when vendors can be identified. Contact Procurement Services for assistance in sourcing these vendors.
3. Employees representing the University in a procurement decision-making role shall accept no gift or gratuity from a vendor nor shall they in the name of the University, make or attempt to make personal purchases.

SUPPLIER DIVERSITY

It is the University's policy to actively source and provide equal opportunity for minority, women and other disadvantaged business enterprises (M/W/DBE) in the procurement process. Therefore, the University pledges in good faith to strengthen its [Supplier Diversity Procurement Program](#). The program is an important part of our normal business operation, and we must strengthen it to achieve results that will positively affect the University's mission, vision, and values. The success of this program depends on the participation and cooperation of everyone with budget authority. It is imperative that every management person who spends University money on goods and services supports the objective of the program and actively seeks M/W/DBE's with which to provide business opportunities. Contact Procurement Services for assistance in sourcing M/W/DBE suppliers.

RECEIVING

Generally, Central Receiving will accept delivery of goods to the University. The receiving copy of the Purchase Order is used to verify the receipt of goods. When the order will not be delivered to Central Receiving, the requisitioning department will be sent the receiving copy to verify that goods or services were received in acceptable order.

Contact Procurement Services promptly and reference the Purchase Order number when assistance is required with any errors, damages, or other claims. When appropriate, replacement orders, credit memos, etc. will be applied to reconcile the order and department budget.

DIRECT PAYMENT OF INVOICES

All purchases must be made in compliance with University purchasing policy as outlined in Chapter 6 - Section J of the [GVSU Administrative Manual](#) and in the GVSU Business and Finance Department Procedures Manual. Vendor invoices for these purchases will be processed in accordance with Accounts Payable [Invoice Payment Policy](#).

ALCOHOL BEVERAGE ACQUISITIONS

To request alcoholic beverages for University events on the Allendale Campus, contact Event Services at 331-2350 and on the Pew Grand Rapids Campus, contact Conference and Event Planning Services at 331-6620. These locations have individual liquor licenses and specific procedures for obtaining and serving alcoholic beverages.

To request alcoholic beverages for University events off-campus, contact Procurement Services. An approved Requisition will be required. The Requisition must include the following:

1. Date, location of the event and a brief description of the event
2. Appropriate designated account number
3. Appropriate senior management team signature
4. Specific alcoholic beverage(s) needed

CONTRACTUAL SERVICES

A Purchase Requisition is required for contractual services with companies or non-employee individuals. A copy of the signed contract or letter of agreement indicating the scope of services, contract period and payment terms must be submitted. The Requisition must be processed when the contract is finalized and prior to the services being rendered. The department is responsible for completing an [Independent Contractor Agreement](#) form that includes the IRS requirements for all contracts with non-employee persons.

A Purchase Order will be processed to facilitate payment availability based upon terms of the contract or letter of agreement. The Purchase Order will indicate the payment schedule, if multiple payments are required during the contract period. In this case, an approved invoice or department payment authorization is required for each payment release.

EMERGENCIES

On a campus of our size, it is inevitable that emergencies will be encountered. Please contact Procurement Services if you encounter a situation where goods or services are needed immediately. The Procurement Services team will help and advise you of the proper action to take to remedy the situation.

EQUIPMENT REPAIRS

As repairs of University equipment are needed, the department is responsible for calling the service division of an authorized dealer. The department is also responsible for arranging any necessary pick-up and return. Upon completion of repairs, the service order/invoice must be submitted to Accounts Payable promptly for payment as described in the Direct Payment of Invoices section. The department FOAP (fund, organization, account code and program code) may be used in lieu of a Purchase Order number when required by the dealer. Contact Procurement Services for assistance in sourcing authorized business machine repair dealers.

EXPRESS DELIVERY SERVICES

The department must contact the appropriate service provider for express and overnight delivery requests. Telephone and online order service is available with [Federal Express](#) (800-238-5355). Contact Procurement Services for the University's service account numbers. The service provider will direct bill the University or recipient accordingly. When the invoice is received, it will be processed as described in the Direct Payment of Invoices section.

FILE AND STORAGE EQUIPMENT ACQUISITIONS

The acquisition of file and storage equipment requires Executive Officer approval. Departments should contemplate whether University space and funds are being requested for additional storage in lieu of managing the volume of documents and items being retained. The State Department of Education [Schedule for the Retention and Disposal of Public School Records](#) or the State Department of History, Arts & Libraries [Records Management Services](#) may be used as guidelines for retaining, archiving and disposal of records.

FURNITURE ACQUISITIONS AND MANAGEMENT

Requests and all inquiries regarding the purchase of furniture and furniture-related items must be submitted to the Facilities Planning office. Facilities Planning will coordinate any design, space planning, implications assessment, development of specifications, pricing, furniture drawings, installation, etc. to complete the order requirements. A Requisition will be required for Procurement Services to process an order. Inquiries regarding order status, order claims (damages, shortages, returns, etc.) and requests for furniture maintenance, repairs and disposal must also be submitted to Facilities Planning. Contact Facilities Planning at 331-3853 if you have any questions.

Furniture and furniture-related items include, but are not limited to the following: desks or equivalent work surfaces, desk accessories (keyboard trays, tack screens, mounted work tools, etc.), pedestals (desk drawers), seating, tables, carts, lamps, filing cabinets, storage cabinets and bins, shelving, white boards, tack boards, window treatments, etc.

GIFTS

All gifts donated to the University, both monetary and in-kind, must be reported to the University Development office. The Accounting office will arrange for items to be tagged if necessary and appropriate journal entry to update the equipment inventory. Please refer to the GV Manual for complete details regarding gifts. Questions should be directed to the University Development office at 331-6536.

SECURING MOTOR COACH SERVICES

Procurement Services will assist with negotiations for motor coach services as necessary. Please refer to the Risk Management Director in the University Counsel Office (331-2067) regarding insurance coverage required for these services.

PRINTING RESOURCES

As a result of increased volume and the need for diverse printing capabilities, it is in the University's best interest to support a number of printer resources to accommodate our printing requirements. Campus departments are encouraged to solicit quotations from several printers to assure the most cost effective production. Written quotations are required for jobs exceeding \$10,000 and must be submitted to Procurement Services for backup documentation to the Requisition. Contact any of the following resources.

Copy Center: Long-run multiple copies in black or a variety of colored toners, full range color copying. Call 331-3407 in Allendale or 331-7323 in Grand Rapids.

University Bookstore: Standard university-logo stationery and envelopes, standard printed forms (While You Were Out message pads, etc.). Call 331-2450.

Institutional Marketing: Custom design, pre-press preparation, printing services. Call 331-2525 for assistance.

Printing Broker: Custom design, pre-press preparation, printing services. Call campus phone 331-3182, cell phone 616/901-8819, or e-mail printery@gvsu.edu.

Online Orders: University [business cards](#) ordered by the department. Contact Procurement Services for online access and order instructions.

PROPERTY DISPOSAL

Policy: In accordance with the [Equipment Acquisition and Disposal Policy](#), Procurement Services is responsible for the orderly disposal of surplus, obsolete and worn out equipment. All items acquired by the University, regardless of the department funding source, are generally considered property of the University and subject to the disposal procedures that follow. Contact Procurement Services for requests to dispose of property and appropriate disposal advice.

Trade-In: Equipment that is being replaced and has a redeemable value may be reassigned as a trade-in. The item description, trade-in allowance and capital equipment (original purchase price of \$5,000 or more) tag number must be listed on the Requisition as a separate line item. The trade-in allowance must equal or exceed its estimated resale value. A journal entry will be processed to update the asset management record. Contact Facilities Services at 331-3858 if necessary to arrange shipment of item.

Transfer: Items that are in good, reusable condition may be transferred to another department. Departments are responsible for posting the items available for transfer on the University electronic bulletin board. Departments are also responsible for resolving any facility implications (space, dimensions, weight, electric, plumbing, etc) with the Facilities Planning office prior to the transfer. A written notice of transferred property must be submitted to Procurement Services. Indicate the item descriptions, reassignment information and capital equipment tag numbers. A journal entry will be processed to update the asset management record. The departments will incur no costs for transferred items. Contact Facilities Services at 331-3000 to arrange transfer of items.

Computers and peripheral equipment are not transferable. Contact the Information Technology office at 331-2129 to arrange for equipment removal.

Furniture and furniture-related items are not transferable. Furniture and furniture-related items include, but are not limited to the following: desks or equivalent work surfaces, desk accessories (keyboard trays, tack screens, mounted work tools, etc.), pedestals (desk drawers), seating, tables, carts, lamps, filing cabinets, storage cabinets and bins, shelving, white boards, tack boards, window treatments, etc. Contact the Facilities Planning office at 331-3853 to arrange for furniture removal.

Sale: Items that have a redeemable value, but are no longer needed by the University, may be sold. Procurement Services will coordinate this activity, including the advertising. Indicate the item descriptions and capital equipment tag numbers. The sale price will be established by Procurement Services and/or the department. The highest bid will generally be awarded the sale. GVSU reserves the right to accept or reject any or all bids. All sales are final, cash & carry and with no warranty or guarantee. Payment by cash, a certified check or money order must be received prior to removing property from campus. A journal entry will be processed to update the asset management record. The department may incur only advertising costs for the sale of surplus property.

Proceeds from any sale of surplus property will be deposited in a general revenue fund. Requests for transfer of funds to a specific department account must be submitted in writing to the Associate Vice President for Business and Finance.

Donations: Items that are in reusable condition, but obsolete and/or no longer needed by the University, may be donated to local schools, hospitals or other nonprofit organizations. A list of property descriptions, market value and capital equipment tag numbers must be submitted to Procurement Services. The Associate Vice President for Business and Finance must approve all donations.

Scrap: Items having no residual value to the University or to any donation agency may be stripped for parts and/or scrapped. A written request to scrap property must be submitted to Procurement

Services. Indicate the item descriptions and capital equipment tag numbers. The Associate Vice President for Business and Finance must approve this disposal. Appropriate actions to dispose of items properly will be coordinated with Facilities Services. A journal entry will be processed to update the asset management record. The department will incur no costs for this disposal.

Departments must notify the Environmental Safety office at 331-3083 of potential hazardous materials that may be contained in any item made available for scrap. Hazardous materials will be disposed of in accordance with MIOSHA and University policy.

Computer Equipment Disposal: Surplus, obsolete and worn out computer equipment may be disposed of as deemed appropriate by Procurement Services and Information Technology. Equipment may be reassigned to other University locations, salvaged by repairing or upgrading, sold publicly or for trade-in, or stripped for parts.

If approved by the Associate Vice President for Business and Finance, equipment may be donated to nonprofit organizations or scrapped. Appropriate actions to dispose of items properly will be coordinated with Facilities Services. A list of equipment descriptions, disposal recommendations and capital equipment tag numbers must be submitted to Procurement Services. A journal entry will be processed to update the asset management record. The department will incur no costs for this disposal.

REFUNDS

An approved [Refund Check Request Form](#) must be submitted to generate such payments. A Requisition and Purchase Order are not required. Please refer to the [Refund Check Request Procedures](#) section of the Business & Finance Office Procedures Manual for complete details.

UPS CHARGES

Mail and Receiving Services will ship packages and record all outbound [UPS](#) services. They will reconcile monthly statement, itemize department charges and submit statement for payment. The Accounts Payable office will distribute charges to the appropriate departments at the time statement is paid.