**PURPOSE**

For the University to maintain its position of leadership, it is imperative that the Creighton community continually strives to balance cost, delivery and quality in every area of our operation. A large element of expense is purchased material and services. This element provides us with an excellent opportunity for cost reduction and control. It is essential that the responsibility for buying materials and services be assigned to a group of people skilled in negotiating, cost reduction, and other purchasing techniques.

The primary responsibility of the Purchasing Department is to assist in the purchase of materials, supplies, and services, with the objective of attaining goods or services at the proper time, in the proper place, in the quantity, quality and price consistent with University needs. The balancing of these factors is critical to the success of the University.

Achieving these primary objectives, including the responsibilities, authorities and guidelines set forth in this policy, and related policies and procedures, is the responsibility of all employees.

**SCOPE**

This policy applies to all purchase and purchase-related documents prepared or processed within the University.

**POLICY**

Transactions less than $100 for unrestricted goods are handled using University credit card or direct pay request.

Transactions must be placed with an approved supplier and are awarded to the lowest evaluated acceptable quote or bid. Documentation should be forwarded to Purchasing, noting the requisition number.

Table Documentation Requirements

|  |  |  |  |
| --- | --- | --- | --- |
|  | Item < $9,999  Total < $19,999 | Item > $10,000  Total < $19,999 | Total > $20,000 |
| (1) Written Quote | X |  |  |
| (3) Written Bids |  | X |  |
| Purchasing RFP |  |  | X |

The President of the University is the chief contracting officer. He delegates authority to the Vice President for Administration and Finance and the Treasurer to make commitments according to the following approval levels:

Funding Approval Levels

Refer to University Policy 3.1.1 - Expenditure Approval in the President’s [Guide to Policies of Creighton University](http://www.creighton.edu/fileadmin/user/president/docs/Guide.pdf).

Direct Pay Requests can be used to request payments for expense reimbursements or miscellaneous purchases under $1000. Common examples include membership fees, conference registration fees, and other similar items. A purchase order must be obtained prior to purchases of equipment and hazardous/controlled substances. Exceptions to this procedure will be returned to the department to issue a requisition.

The Procurement Card may be used as a means to purchase low-cost items and/or services incurred for University business. The use of the card as well as select products and services are restricted; a list of account codes is provided in Section 6.2 of this manual.

**DEFINITIONS**

**Bid:** Supplier document offering to sell a good or service that is firm for a defined period of time (i.e. 30 days).

**Direct Pay Request:** A type of payment request managed by the Controller’s office used for employee reimbursement, petty cash, and other types of payments that do not require Purchasing approval.

**Quote:** Supplier document that states the current price for a good or service and is generally non-binding.

**Purchase Order:** A document that is a legally binding offer to buy contract for goods or services.

**Requisition:** A type of document, electronic or paper, that communicates the department’s good or service needs, preferred supplier, delivery instructions, and University approvals to the Purchasing department.

**RFP (Request for Proposal):** A type of solicitation document for purchases of goods or services that allows for evaluation criteria other than price. This document maximizes competition to obtain the best pricing, quantity, delivery, etc. for the University.

**Total Order:** The aggregate cost of all goods for the single acquisition or the aggregate cost of all years of a service contract.

**PROCEDURE**

* 1. A system of order authorization and approval is an important element of budget control. The preferred method of approval is by electronic requisitioning through the financial system. An alternate method is a paper requisition. Both methods require budgetary approval by the Controller's Office prior to issuance of a purchase order by the Purchasing Department.
  2. Purchasing personnel will seek to obtain and purchase all goods at the lowest possible total cost of ownership (TCO) to the University, considering the guidelines of prices, service, quality and delivery.
  3. The Director of Purchasing is responsible for reviewing the quality and type of material requested, to ensure that the best interests of the University are served.
  4. Purchasing personnel are to hold discussions with ordering departments whenever the quantity or specifications of materials ordered are inconsistent with sound purchasing practices and/or market conditions.
  5. Purchasing personnel will work to establish and encourage punctual delivery of specified goods and services in correct quantities.
  6. Purchasing personnel will assist in the return of rejected equipment or supplies to suppliers.

**RESPONSIBLITIES**

*PURCHASING:*

* The Director of Purchasing has the responsibility for the procurement of all goods and services, the processing and sale of goods and services, and to either provide the services for such procurement and processing or give functional directions to others delegated the authority to perform such services.
  + Only those persons delegated by the President are authorized to commit the University in the procurement of materials, equipment, supplies and services.
* Purchasing has the responsibility for obligating the University and for making the final determination of source of supply, quantities purchased, delivery schedules and price negotiations, except where others are so authorized. These decisions are made in conjunction with the Controller's Office and other departments, as appropriate.
* Purchasing is responsible for identifying products and/or services that lend themselves to standardization of product selection which will assist in lowering overall cost to the University.
* Supplier selection and products purchased are to meet the basic policies and standard practices of the University.
* Purchasing is responsible for initiating and maintaining effective and professional relationships with current and potential suppliers.
* Purchasing is the channel through which all requests regarding prices and products are handled. The Purchasing Department should conduct all correspondence with suppliers involving prices or quotations. In cases where technical details are necessary, the requisitioning department may correspond with suppliers. In such cases, the Purchasing Department should be provided with copies of all such correspondence. Close communication and coordination between Purchasing and the requisitioning departments is important.
* The appropriate Purchasing personnel using their delegated authority should handle all negotiations.

*ALL UNIVERSITY EMPLOYEES:*

* If a department receives a visit from a sales representatives that is new to the University the department is to direct the representative to the Purchasing Department.
* All employees involved in purchasing activities should maintain and enhance the University's image by conducting themselves in the highest manner and method of doing business.
* All employees engaged in purchasing activities should recognize and practice good public relations by giving all callers and visitors courteous treatment.

**ADMINISTRATION AND INTERPRETATIONS**

This policy and procedure are administered jointly by the Vice President for Administration and Finance and the Purchasing Department. Questions regarding this policy should be referred to the respective area.

**ADMENDMENT/TERMINATION OF THIS POLICY**

The University reserves the right to modify, amend, or terminate this policy at any time.

**EXCEPTIONS**

Exceptions to the process are made in situations where no apparent benefit would result to the University. Such exceptions include existing contracts or price agreement, cooperative or buying groups, single authorized distributor, duplication of investment, or sole source justification.

The Director of Purchasing must approve exceptions to this policy for acquisitions less than $20,000. The Vice President for the area and the Vice President for Finance must approve exceptions to this procedure for acquisitions exceeding $20,000.

**VIOLATIONS/ENFORCEMENT**

Any known violations of this policy should be reported to the University’s Purchasing Director.