

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. PURPOSE

The purpose of this Purchasing Manual is to describe the procedures used to obtain goods and services on behalf of Colorado State University. Additional training in specific areas may be required in order to fully utilize the University's procurement systems. Focused training for a department or college staff is available from Procurement Services upon request by a Department Head, Director or Dean.

II. SCOPE

- A. Goods and services may be obtained through interdepartmental charges, commercial source purchases, contracts, leases, etc., or surplus property reassignments.
- B. Centralized or decentralized methods of purchasing goods and services are authorized. The dollar value, type of vendor and nature of the purchase determines the method.

III. AUTHORITY

- A. The Colorado State University Procurement Rules define all requirements for acquiring goods and services for the University. In addition, the University is required to comply with certain State of Colorado and federal rules and regulations. It is the responsibility of every CSU employee involved in the procure-to-pay process to understand and comply with all applicable rules and regulations. Compliance guidance is contained within this Manual and other published University resources and from Procurement Services through training and guidance.

IV. POLICIES

- A. Every commitment made by the University for goods or services exceeding \$10,000 must be made with an approved commitment voucher (purchase order or University contract) following Colorado State University Procurement Rules, CSUS Fiscal Rules, Colorado State University Financial Rules, procedures outlined in this manual and other rules and regulations as referenced. Colorado State University System Fiscal Rule 2.4.1 states:
"Liabilities shall not be incurred nor payments made on the system's or institution's behalf without prior approval of a purchase order or procurement contract. No payments shall be made on any purchase or contract that violates this rule unless the expenditure or obligation has been ratified by the Vice President of Finance, Controller, or his/her designee of the Institution or Chief Financial Officer of the System Office. Any person(s) who incurs, orders or votes for an obligation or makes payment which creates such a violation shall be personally liable for such obligation or expenditure, unless the contract or purchase order is ratified by the Vice President of Finance, Controller, or his/her designee of the Institution or Chief Financial Officer of the System Office."

COLORADO STATE UNIVERSITY PURCHASING MANUAL

Any individual ordering goods or services without following policies and procedures prescribed in this manual may be personally liable as stated above. Commitments less than \$10,000 may be made using informal, but reasonable methods of documentation such as a receipt, invoice or other document identifying the transaction, method of payment and amount. Purchases using University funds cannot be made on the basis of verbal commitments, regardless of amount.

- B. Purchases made from all funding sources must comply with all applicable University, state and federal policies and procedures.
- C. An emergency is defined by CSU Procurement Rule V.T.1 as “a condition that threatens the functioning of the University, or its programs; the preservation or protection of property; and/or the health or safety of any person(s) or animal(s)”. By rule, all emergency purchases must be approved by the Director of Procurement Services, or a delegated University official, prior to making the commitment. In the event an emergency arises after normal working hours, delegated University officials are authorized to make emergency purchases, but are required to notify the Director of Procurement Services the next working day. Emergency purchases do not include those purchases that need to be rushed because of an avoidable failure to plan ahead, the end of the fiscal year or the end of a grant/contract procurement.
- D. Goods and services generally will be charged against fund accounts for the fiscal year in which they are received. Orders for goods and services which cannot be received in the year ordered may be canceled or automatically charged against fund accounts for the next fiscal year. Charges for purchases received over a period of two or more fiscal years will be prorated to each fiscal year based on the percent of the total received during each fiscal year, unless otherwise specified in the contract. Obtain prior approval from the University Controller if purchases are to be paid from accounts other than current year fund accounts. A multi-year contract, under which the University commits to paying any amounts in future years, must be approved in advance and must contain certain required provisions regarding availability of appropriations and funding for future years.
- E. Before purchasing new, consider using available surplus government or University property. Also consider borrowing or transferring available material or equipment from low priority uses, or using acceptable but less expensive substitutes. The University’s Surplus Property department can assist you with finding acceptable surplus equipment, furniture or goods.
- F. State law prohibits the University from making purchases for resale to employees or permitting personal purchases using University facilities, property or funds. Exceptions to the rule against resale items include Athletic Ticketing, CSU Bookstore Locations, Computer Repair Center, FastPrint, Global Food Innovation Center, LSC Dining Services, RamTech, Special Event Support for reserving space and equipment of CSU Facilities,

COLORADO STATE UNIVERSITY PURCHASING MANUAL

Surplus Property, The Spoke, and the ROTC, which is authorized to sell certain military items to cadets and military personnel. There are no exceptions to the rule against using CSU funds to make personal purchases or to obtain a personal financial gain. Use of a University-issued credit card (PCard) to purchase goods or services for personal use is prohibited, just as for any other payment method, and may result in revocation of the card and purchasing privileges as well as civil and criminal penalties.

V. RESPONSIBILITIES

- A. The Office of Procurement Services has been established as a service organization to provide faculty and staff the most economical, timely and effective way of acquiring goods and services. Major responsibilities include the following:
1. Ensure compliance with state, federal and University rules and regulations and follow established purchasing best practices.
 2. Obtain suitable goods and services for the best price and quality.
 3. Review purchases made by Automatic Purchase Order (APO), Procurement Card (PCard), Disbursement Voucher (DV) or Internal Order (IO) in order to prevent abuse or noncompliance with purchasing policies and procedures.
 4. Research new products, markets, vendors and resources, including cooperative or group purchasing organizations (GPOs), state and federal price contracts, and strategic sourcing opportunities.
 5. Assure adequate sources of supply and seek new sources of supply to increase availability and quality at advantageous prices.
 6. Provide information, assistance and guidance on the description, suitability, cost, quality, standardization and substitution of a product or service.
 7. Assist in ensuring effective uses of University owned goods/materials by assisting in the reassignment surplus items.
 8. Assist in the transfer, trade-in or disposal of surplus property, as may be requested by CSU's Surplus Property personnel.
 10. Perform any other responsibility in relation to acquiring goods and services and the sale or licensing of certain University goods and services to others, as directed by the Vice President for University Operations or University Controller.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

10. Administer and monitor the University's Procurement Card Program (PCard).
- B. Deans, Directors and Department Heads are required to control acquisitions of equipment, materials and services to the reasonable and necessary requirements of the University for official business purposes, to limit and consolidate requests for these items, to authorize funds and make funds available, and to ensure that procedures and documentation prescribed in this manual are followed for all purchases.
- C. All University organizations are required to comply with state, federal and University policies and procedures and are required to ensure full documentation and adequate control. Due to unique operating requirements, special responsibilities and procedures have been prescribed elsewhere in this manual.

Section PM10 - Food Service Purchasing Procedures
Section PM11 - Bookstore Purchasing Procedures
Section PM12 - Library Purchasing Procedures
Section PM13 - Conference Services Purchasing Procedures
Section PM14 - Research Center Purchasing Procedures
Section PM15 - Livestock Feed Purchasing Procedures
Section PM16 - Livestock Purchasing and Sales Procedures
Section PM17 - Search Firms

The Military Property Custodian may obtain uniforms, accessories and services for the AFROTC Programs from fund accounts 9-90001 and 9-90002 in accordance with U.S. Air Force directives. Purchasing forms other than those of the University may be used when necessary to ensure compliance.

- D. The Director of Procurement Services has overall responsibility for prescribing and monitoring compliance with state, federal and University requirements for the procurement of goods and services. Any authority or responsibility relating to purchasing which is not specifically designated in these or other instructions is reserved by the Director of Procurement Services or authorized higher officials.
- E. Departments should ship and receive all materials through the CSU Central Receiving Department. If emergencies, size or location of item, etc., make central processing impractical, the department should coordinate with Central Receiving prior to ordering to determine the best method of shipment, necessary documentation, etc.

VI. CONFLICT OF INTEREST

- A. Definition. A conflict of interest is a situation in which a University employee or member(s) of his/her family has, or appears to have, a personal or private interest in a University

COLORADO STATE UNIVERSITY PURCHASING MANUAL

purchasing action in which the employee participates, directly or indirectly. Conflicts of interest include those in which an employee or employee's family member acts as a seller, a broker, or the agent of a seller or broker, or takes any action in his or her official capacity to direct University business to a person or entity with whom the employee has a financial relationship.

- B. Policy. The Colorado State University "Conflict of Interest (COI) Policy" defines the processes to be followed in articulating and resolving conflicts of interest at the University. Any person initiating a purchase who is aware of a conflict of interest, or a potential conflict of interest, with respect to the transaction is required to report the same to the Purchasing Agent when submitting the initial REQ, or in the case of an APO or PCard transaction, before initiating that transaction. When Procurement Services has reason to believe that a conflict of interest may exist in the procurement of goods or services that has not been disclosed, it will direct the affected department to comply with the procedures described in this policy. The COI Policy is administered under the direction of the Vice President for Research and the Senior Vice President/Provost and is subject to change from time to time. Current information on COI policy and procedures may be found on the website of the Provost. Before a transaction involving a COI can be completed, Procurement Services must receive an approved COI Management Plan from the ordering department and, in certain cases, the approval of the appropriate Vice President to proceed. Procurement Services does not provide or create COI management plans; please refer to the COI procedures on the Provost Office website.
- C. Selection Committee. As a member of a selection committee for a solicitation, the member and his/her committee will be asked for a statement regarding conflict of interest/confidentiality.
- D. Sole Source Procurements. Sole source justification letters must contain a statement addressing conflict of interest that indicates the requestor has no actual or potential conflict of interest regarding the purchase, or, if a COI is identified, an approved management plan must also be submitted.

VII. PROHIBITION AGAINST ACCEPTING KICKBACKS OR IMPROPER GIFTS OR FEES.

- A. The Anti-Kickback Act of 1986 makes it illegal for any person to provide, attempt or offer to provide, solicit, accept, or attempt to accept any kickback in connection with any contract or subcontract with any department or agency of the federal government. "Kickback" includes any fee, commission, credit, gift or anything of value which is provided, directly or indirectly, to the University or any of its departments, divisions or employees in order to improperly obtain or reward favorable treatment in connection with any federal government contract.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- B. Amendment 41 to the Colorado constitution was passed by ballot initiative in 2006. It placed new restrictions on gifts given to Colorado public officials, government employees, and their immediate family members. Such persons are prohibited from receiving gifts with an aggregate value exceeding \$65, set by the State. Gifts from lobbyists are banned regardless of amount. An exception is made for gifts given between personal friends and relatives on special occasions. Accepting any gift in connection with any procurement or contract action of the University may be a violation of Colorado law under the provisions of Amendment 41 and other state laws, and may result in employment disciplinary action and civil and criminal penalties.
- C. All parties involved in the negotiation, performance, or administration of University contracts are bound to act in good faith. Any person employed by the University who purchases goods and services, or is involved in the procurement process for the University, shall be held to the highest degree of trust and shall be bound by the Colorado State University Procurement Code of Ethics. Implied duties of good faith and fair dealing shall be deemed to be contained in every contract and agreement of the University and shall apply to both parties.
- D. Employees of Colorado State University shall comply fully with these requirements. Report possible violations of these requirements to the immediate supervisor of the employee allegedly in violation or to the Compliance Reporting Hotline.

VIII. PURCHASING SOURCES

- A. Services from employee or independent contractor. Careful distinction must be made between work that should be done by an employee on the University payroll, and contracted services provided by individuals or firms on an independent basis. It is important that departments requiring personal services recognize the differences in classification, relationships and use of employees and independent contractors. In general, the University is prohibited from acquiring by independent contract, those services which would otherwise be provided by state classified personnel, except under certain circumstances defined by statutes and regulations.
- B. Goods and services from University departments. Goods and services may be obtained from University departments when available. Goods available include bookstore items, chemicals, glassware, tax-free alcohol for research, certain hazardous materials, facilities maintenance supplies, etc. Services available include, facilities maintenance services, visual aids, motor pool, computer services, etc.
- C. Goods and services from University employees. Employees of the University or of the State of Colorado should not contract to supply goods or services to the University unless a Conflict of Interest disclosure form has been filed, a COI Management Plan has been

COLORADO STATE UNIVERSITY PURCHASING MANUAL

approved, and the Vice President for Research or the Provost/Executive Vice President has approved the transaction.

- D. Goods and services from commercial vendors. The University purchases most goods and services from commercial vendors. The University strictly adheres to its Procurement Rules and procedures outlined in this Purchasing Manual.

IX. PROCEDURES FOR OBTAINING GOODS AND SERVICES

- A. General. The University provides several methods for purchasing goods and services. In most cases a single form may be needed to grant a purchase request, authorize the fund account number, charge the department and pay the vendor.

Generally, departments are authorized to make purchases less than \$10,000 from vendors, and all interdepartmental purchases (IO). The Office of Procurement Services makes larger purchases, generally more than \$10,000, to provide professional assistance and to review and secure the best price including competitive solicitations.

The dollar value of the purchase, type of goods or services required, and type of supplier generally determines the method of solicitation and documentation to be used when obtaining goods and services. When appropriate, an Automatic Purchase Order, Internal Order, Disbursement Voucher, PCard, Purchase Order and/or a contract may be used to obtain goods and services.

- B. Purchases from local and non-local vendors.

1. Small Dollar Purchases – Purchases totaling \$10,000 or less: Colorado State University Procurement Rules define Small Dollar Purchases as the purchase of materials, equipment or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the aggregate total may not exceed \$2,000 per fiscal year.

When acquiring personal services (labor, time or effort), it is the ordering department's responsibility to request and obtain a certificate of insurance from the vendor showing general liability, worker's compensation, employer's liability, and auto liability coverages (see the Procurement Services website for instructions and coverage amounts).

- a) Purchases totaling \$10,000 or less and no authorized commitment document required: The University has developed mechanisms for the purchase of most goods and services totaling \$10,000 or less and not requiring an authorized commitment document (purchase order or contract).

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- a. Disbursement Voucher (DV): University departments are delegated the use of the DV via KFS for purchases totaling \$5,000 and less. The DV is a check request document only and should not be used as a purchase order. The DV is described in greater detail in Section PM-5 of this Manual.
 - b. The University Procurement Card (PCard) may be used for purchases totaling \$3,000 or less (unless a higher amount, up to \$5,000, has been approved for the cardholder by Procurement Services) when the use of an APO or catalog vendor through KFS Shop Catalogs is not viable. For assistance in determining whether a catalog order may be made before using a PCard, contact Procurement Services. The PCard is described in greater detail in Section PM-4 of this Manual.
2. Purchases totaling \$10,000 or less and authorized commitment document required: Purchases for goods and services where a purchase order or contract is required.
- a. Automatic Purchase Order: University departments are delegated the use of the Automatic Purchase Order (APO) via the Kuali Financial System (KFS) for small-dollar purchases totaling \$10,000 and less. Exception: purchases for goods up to \$50,000 made from certain contracted suppliers in KFS Shop Catalogs. The APO is described in greater detail in Section PM-3 of this Manual.
3. Purchases of goods totaling more than \$10,000: Submit an approved requisition (REQ) to Procurement Services for purchases of goods totaling more than \$10,000. Exception: Purchases for goods up to \$50,000 made from certain contracted suppliers within KFS Shop Catalogs by an authorized departmental representative.
4. Purchases of services totaling more than \$10,000: Submit an approved requisition (REQ) to Procurement Services for purchases of services totaling more than \$10,000.
- C. Goods and services from University departments. Use an Internal Order (IO) to request, authorize and pay for goods and services purchased from University departments. There is no requirement to seek competition for such purchases from external vendors, and in some cases, it may be required that a waiver be obtained before obtaining goods and services from vendors rather than from the University itself.

X. SPECIAL ACQUISITIONS

- A. Leases and rental of equipment. Coordinate lease and rental equipment with Procurement Services, which negotiates and signs all lease and rental agreements, regardless of dollar amount. Copies of fully signed agreements should be retained in both Procurement Services and department files.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- B. Maintenance Agreements. Request a Maintenance Agreement (contract) for equipment and software through Procurement Services.
- C. Contracts. Coordinate all procurement contracts with the Office of Procurement Services.
- D. Consignments. Coordinate consignment of goods or equipment with Procurement Services before completing final arrangements with the vendor, even if consignment is on a trial basis and at no charge to the University.
- E. Purchase of tax-free alcohol. Alcohol, 190 proof or absolute may be obtained through Central Receiving for authorized University requirements. Present an "Affidavit for use of Tax Free Alcohol" and Internal Order (IO) to Central Receiving to pick up alcohol.
- F. Purchase of controlled drugs. Requisitions for narcotics and drugs, under the federal Controlled Substances Act of 1970, must be approved by Environmental Health Services prior to making the purchase. Neither the Disbursement Voucher (DV) nor the PCard are authorized for the purchase of controlled substances.
- G. Purchase of surplus property. Federal and state surplus property is available to the University through Surplus Property and federal agencies. Departments may acquire surplus property at no charge or at a small service charge.
- H. Purchase of subscriptions. Magazine and newspaper subscriptions (excluding library subscriptions) may be purchased with an APO, DV or PCard within established dollar limits or a REQ if the purchase exceeds either the APO, DV or PCard limits.
- I. Purchase of classroom books. Coordinate the purchase of classroom books through the CSU Bookstore.
- J. Purchase of all other books. Purchase all other books with an APO or PCard within established dollar limits or a REQ if the purchase exceeds either the APO or PCard limits
- K. Radioactive Isotopes. Requisitions for radioactive chemicals must be approved by the Radiation Control Officer in Environmental Health Services before Procurement Services can process a Purchase Order.
- L. Communication and Marketing Materials. Per requirements of the Central Communications Policy, all branding, marketing and communication initiatives, including but not limited to print, advertising, environmental graphics, photography, video, websites, electronic media, social media, and strategic communications and marketing consultation services must be reviewed and approved by the Division of University Communications.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- M. Publishing of articles (page charges) and reprints. Use an APO or PCard within established dollar limits, or a REQ if the purchase exceeds either the APO or PCard limits.
- N. Animal purchases. Purchase of rodents, rabbits, cats, dogs, birds, reptiles, amphibians and fish, to be housed in any animal facility on campus or in the Painter Center, through Laboratory Animal Resources (LAR). Contact LAR at 491-7364 for procedures. Submit a requisition for the purchase of animals using the appropriate object code, 6227 for research acquisition or 6228 for production acquisition; however, the Institutional Animal Care Use Committee (IACUC) must approve a protocol to use animals for research purposes.

XI. PURCHASING STATUS INFORMATION

Methods for determining the status of purchasing documents after they have been initiated are found within the Quali Financial System.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

SECTION PM-2

REQUISITION (REQ)

PAGE 1

I. PURPOSE

A purchase requisition (REQ) is an internal source document submitted to Procurement Services to initiate an order for goods or services and to authorize a specific account(s) to be charged for the purchase. A purchase requisition is not a purchase order.

II. POLICIES

A. Departments use a REQ to request Procurement Services to obtain goods and services that are not authorized for acquisition by APO, DV, PCard, or Internal Order.

B. Departments shall not request vendors to order goods or perform services prior to receipt of an authorized purchase order or University contract unless an emergency exists and procedures described below are followed. Departments or individuals who fail to comply with emergency procedures may be in violation of state and University rules and regulation even though a "confirming" REQ may be submitted later. All persons involved in the making of an unauthorized commitment of University funds may be held personally liable for the amount of the obligation, and CSU and the state are not responsible for such payments.

D. Procurement Services prepares and issues the purchase order to a vendor based on price, quality, available delivery, etc.

E. All written agreements requiring the University's signature MUST be processed by either Procurement Services or Contracting Services, regardless of dollar amount.

F. Requisitions for current fiscal year appropriated funds should be submitted to Procurement Services in sufficient time to ensure receipt of goods and services on or before June 30 (current fiscal year-end). The last day on which Procurement Services will accept a REQ that requires a procurement solicitation to be conducted pursuant to the CSU Procurement Rules for issuance of a commitment voucher within the current fiscal year is typically April 1. Where no solicitation is required (Purchasing Agent discretionary range, previously established award, or approved sole source), the deadline is typically May 1.

G. Requisitions for renewals for the next fiscal year, typically open POs or service/maintenance agreements, should be submitted to Procurement Services in sufficient time to ensure the commitment voucher, either a PO or

COLORADO STATE UNIVERSITY PURCHASING MANUAL

SECTION PM-2

REQUISITION (REQ)

PAGE 2

contract, is in place on or before July 1 (the beginning of the next fiscal year). The last day on which Procurement Services will accept a REQ for issuance of a commitment voucher for the next fiscal year is typically April 15.

- H. Departments are responsible for requesting a purchase order amendment when a cancellation or a change in quantity, specification, etc. of an item or service is desired after the purchase order has been issued.
- I. Departments are responsible for completing a General Error Correction for all account number and object code changes. Please refer to CSU Financial Rules.

III. PROCEDURES

Departments should submit a REQ to Procurement Services to purchase goods and services when an APO, PCard, IO or DV are not authorized. All requisitions are created and submitted in the Kuali Financial System (KFS) and any/all pertinent backup documentation, including any vendor-supplied agreement or quotation that is to be considered, must be attached as an electronic file to the requisition document.

Requisitions initiate all purchases made by Procurement Services; however, purchases may require certain data entry, annotations, approvals outside of KFS workflow, documentation and certifications. Procedures for obtaining various goods and services are outlined in the paragraphs below.

A. Goods. Complete a requisition in KFS for all purchases greater than \$10,000. **Exception: purchases for goods up to \$50,000 made from certain contracted suppliers in KFS Shop Catalogs.**

B. Copiers. Departments desiring to rent, lease or purchase a copier should proceed as follows:

- 1. Contact Ram Copy for an evaluation of needs and specifications appropriate for the intended use of the copier. Ram Copy will recommend the proper equipment under their Ram Copy Program, if available, or may refer the department to Procurement Services for copier proposals from authorized vendors on recommended machines.

a) Requests for copiers that exceed 80 pages per minute will be reviewed on a case-by-case basis by Ram Copy. Most departments require this type of equipment only on a few occasions and it is more economical for FastPrint to provide the copying service rather than for the department to acquire high output equipment.

**COLORADO STATE UNIVERSITY
PURCHASING MANUAL**

SECTION PM-2

REQUISITION (REQ)

PAGE 3

2. Authorized vendors will give copier demonstrations upon request.
 3. The department will complete the Copier Proposal Evaluation based on the Copier Proposal's information and demonstrations. In addition, the department will complete a memo stating why the Ram Copy program is not a viable option for their needs. Contact Purchasing Agent for instructions.
 4. The department prepares and submits a REQ along with the Copier Evaluation and any proposed vendor agreement, if the machine is to be purchased.
- C. Equipment purchases from Fund 2-1XXXX. Departments must complete and attach an approved Equipment Acquisition Request form (EAR) to REQ for equipment funded from account prefix 2-1XXXX. See Financial Policy and Procedure Instruction Manual (FPIs).
- D. Controlled Substances. Departments requiring purchase of narcotics and controlled substances under the Controlled Substances Act of 1970 must file an approved project application with Environmental Health Services. Use a REQ for all purchases; PCard and DV **ARE NOT ALLOWED and may result in immediate revocation of PCARD and purchasing privileges as well as other penalties.** The DEA number must be documented for each use to maintain a campus-wide inventory as required by law.
- F. Maintenance. Departments should submit a REQ for maintenance agreements. If the vendor does not require a written contract, an APO or PCARD may be used within established dollar limits. Contact Procurement Services for more information. **Note: If there is a written vendor agreement, DO NOT SIGN IT, but return it to Procurement Services attached to your REQ. Procurement Services will initiate a contract review and approval with Contracting Services.**
- G. Repair of equipment. Use a REQ if the cost will exceed APO or PCard limits. If possible, obtain estimates for repair costs from potential vendors and submit the estimates along with the REQ to Procurement Services. If the invoiced amount differs from the PO amount, the PO can be adjusted by Amendment, either up or down, prior to payment.
- H. Services. Use a REQ for services greater than \$10,000, or for service agreements which are more advantageously handled on a central basis via consolidation or competitive bid.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- I. Equipment lease and rentals. Use a REQ for rentals that exceed APO or PCard limits, or where a rental agreement exists (departments ARE NOT AUTHORIZED to sign rental agreements). In general, rentals should be less than three months in duration and non-recurring. Leases and lease purchase must be processed by Procurement Services, regardless of dollar amount.

- K. Advance payment. Advance payments are generally prohibited; however, waivers may be granted by the Vice President of University Operations or University Controller per CSU System Fiscal Rules Section 2.5.

- L. Sole source purchase. Sole source purchase is permitted only when fully justified by the requester and approved by Procurement Services. Competitors' deficiencies shall also be documented. All requests for sole source purchase must have a statement addressing "conflict of interest". Departments requesting a sole source purchase should visit the Procurement Services website for instructions and documentation format. Sole source purchase requests may be posted on the University's Electronic Solicitation Notification System (ESNS) website as a Notice of Proposed to Sole Source for a minimum of three (3) business days. The mere mention of a particular brand name or vendor name in a grant proposal is not a sufficient basis for a sole source; the granting agency must clearly direct the University to use restricted funds for that product or service, or the purchase will be competed.

- M. Trade-in. A department should coordinate with Procurement Services if it desires to trade-in an item on the purchase of a new item. If the trade-in is agreed upon, the requisition should fully identify the item to be traded and must be accompanied with an "Asset Retirement/Disposal Form" form which includes a full description, manufacturer serial number and University decal number, if applicable, of the item to be traded. The Asset Retirement/Disposal Form must route to CSU Surplus Property (in Central Receiving) and CSU Property Management (in Business & Financial Services) for their authorization of Trade-in prior to submitting the REQ to Procurement Services. The form is available online under Property Management.

IV. PURCHASE ORDER (PO)

- A. General. Procurement Services will evaluate all possible ways of satisfying the stated requirement for goods and services, to include the use of surplus materials. The Surplus Property Manager (in Central Receiving) will advise the Purchasing Agent of surplus items that are available for reissue or possible sale. If none of these sources can provide the goods and services

COLORADO STATE UNIVERSITY PURCHASING MANUAL

SECTION PM-2

REQUISITION (REQ)

PAGE 5

requested, Procurement Services will issue a PO only after all source selection requirements have been met.

B. PO review by department. After the PO has been prepared and approved by an authorized Purchasing Agent, the department should check the PO against the REQ and contact Procurement Services regarding any errors. The ordering department is ultimately responsible for the accuracy and completeness of all specifications and requirements.

C. Emergency purchase. An emergency PO should be used only when an emergency condition (as defined in CSU Procurement Rule V.T.1) prevents the use of a competitive procurement method. The University may authorize an emergency purchase only when an official who is authorized to declare an emergency has done so. Emergency procurements may be negotiated on a sole source or limited competition basis as dictated by the circumstances surrounding the emergency, in the discretion of the Director of Procurement Services or designee. Only the goods or services needed to meet the emergency conditions will be procured without competition. For more details on emergency purchases, consult the Colorado State University Procurement Rules, Section V.T.

Procurement Services will provide expeditious handling of emergency requisitions.

D. Purchase Order Amendment

Requirement. A Purchase Order Amendment is required when the quantity or description of an item(s) is changed, when there is a major change in price, when items are deleted or added, or if department requirements change or no longer exist.

Procurement Services will prepare and approve the Purchase Order Amendment. The ordering department is responsible for initiating the Amendment request by written communication to the Purchasing Agent.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

- A. University departments are delegated the use of the Automatic Purchase Order (APO) for the purchase of goods and services totaling \$10,000 and less when no University price agreement or catalog vendor exists for the goods or services required. APOs are created in the University's Quali Financial System (KFS) by creating a REQ in the same manner as for regular Purchase Orders.
- B. The APO may be used for services, equipment maintenance and one-time rentals under \$10,000, **ONLY** if there is no written agreement requiring the University's signature. When acquiring personal services (labor, time or effort that results in a desired outcome or deliverable) with an APO, it is the ordering department's responsibility to request and obtain a certificate of insurance from the vendor showing general liability, worker's compensation, employer's liability, and auto liability coverages (see the Procurement Services website for instructions and coverage amounts). As Procurement Services does not review APOs prior to issuance, the ordering department and its Fiscal Officer are fully responsible for all procurement requirements, including obtaining proper small-dollar documentation and review and approval of any written contract or term sheet by Procurement Services **PRIOR TO ISSUANCE OF THE APO**.
- C. All purchases greater than \$500 from non-contracted suppliers should be documented with a written quote.
- D. Departments are responsible for the order, control and receipt of goods and services purchased with an APO.

II. AUTHORIZATION

- A. Authority to use the APO is open to all colleges and departments, but this delegation is at the discretion of the Director of Procurement Services and may be limited or revoked when necessary to protect the best interests of the University.

III. POLICIES

- A. Purchases made with an APO are considered Small Dollar Purchases which are defined in CSU Procurement Rules as the purchase of materials, equipment or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the aggregate total may not exceed \$2,000 per fiscal year.
- B. Departments are prohibited from artificially splitting a purchase to circumvent the \$10,000 limit.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

SECTION PM-3

AUTOMATIC PURCHASE ORDER (APO)

PAGE 2

- C. All written agreements requiring the University's signature **MUST** be processed by Procurement Services, regardless of dollar amount. Contact the Purchasing Agent directly before submitting the REQ.

- D. The ordering department is responsible for any/all corrective actions associated with an APO.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

I. PURPOSE

- A. The Procurement Card (PCard) is a purchasing method whereby approved users in a campus department are issued a commercial MasterCard. Each MasterCard is printed with the CSU name/logo, the name of the individual cardholder (faculty/staff) and CSU's State of Colorado tax exemption number. Interested departments should contact Procurement Services or visit the PCard website for more information and program instructions.

II. POLICY

- A. PCard may be used to place orders up to \$3,000 per transaction for goods from local and non-local vendors (unless a higher amount, up to \$5,000, has been approved for the cardholder by Procurement Services).
- B. Cardholders are prohibited from artificially splitting a purchase to circumvent their single transaction limit.
- C. PCard can be used for the purchase of services up to \$3,000 per transaction from local and non-local vendors (unless a higher amount, up to \$5,000, has been approved for the cardholder by Procurement Services) when the contractor DOES NOT require a contract to be signed by the University. When acquiring personal services (labor, time or effort) with PCard, it is the ordering department's responsibility to request and obtain an insurance certificate from the vendor showing general liability, worker's compensation, employer's liability, and auto liability coverages (see the Procurement Services website for instructions and coverage amounts). In addition, all transactions for services MUST be reallocated to a proper services object code.
- D. All written agreements requiring the University's signature **MUST** be processed by Procurement Services, regardless of dollar amount.
- E. The PCard is a point-of-sale payment method only and should not be used to pay invoices after-the-fact.
- F. Purchases made with PCard are considered Small Dollar Purchases which are defined in CSU Procurement Rules as the purchase of materials, equipment or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the aggregate total may not exceed \$2,000 per fiscal year.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

III. PROCEDURES

A. Cardholder Responsibilities. Cardholders are responsible for:

1. Knowing and applying all the rules related to the PCard program as stated in the PCard Program Handbook
2. Reporting a lost or stolen card IMMEDIATELY to JP Morgan Chase Bank at 1-800-316-6056. Your department has full liability for all purchases made before a card is reported lost or stolen. After contacting JP Morgan Chase Bank about a lost or stolen card, also notify the CSU PCard Help Desk at 970-491-5752 or email the PCard Help Desk, procurement_pcard_help_desk@mail.colostate.edu.
- a. Making purchases for your department within the most current policies of the PCard program as well as CSUS Fiscal Rules, Colorado State University Procurement Rules, the Colorado State University Financial Rules and this manual.
4. Reviewing e-mail notifications for unauthorized transactions.
5. Ensuring merchant documentation is complete and available for every transaction and giving that documentation to the Reallocator.
6. Signing the statement of account for each cycle that had transactions.
7. Turning in your PCard to the department Approver upon termination of employment with either the department or CSU, or upon request of the department authority.

B. Approver Responsibilities. Approvers (Fiscal Officers) are responsible for ensuring the integrity of the PCard program by:

1. Knowing and enforcing compliance of the rules of the PCard program as stated in the PCard Program Handbook.
2. Reviewing e-mail notifications and questioning unusual transactions appearing on these e-mail notifications.
3. Ensuring that every statement is reviewed and approved.
4. Ensuring there is complete documentation for every transaction.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

5. Determining if there were PCard violations and ensuring appropriate action is taken by the Department if violations are found.
6. Ensuring, if applicable, that purchases are allowable under the terms of the sponsored program account for which the purchase was made.
7. Reviewing and signing statements.
8. Notifying the PCard Program Administrator immediately should any Cardholder under his/her approving authority leave the employment of the department or the University, or for any other reason regarding loss of cardholder status. In addition the approver must collect and destroy all cards from such cardholders.

B. Reallocator Responsibilities. Reallocators are responsible for:

1. Reallocating transactions on-line from the default account and object code (as necessary).
2. Informing the department Approver of transfer or termination.
3. Assisting Approvers, as needed, to ensure the integrity of the PCard program.
4. Printing monthly Cardholder statements from the Kuali Financial System (KFS).

IV. Authorization

Authority to use the PCard is open to all colleges and departments. Departments are responsible for the order, control and receipt of goods and services. Requests for cards with official function/hospitality access require Dean, VP, or their designated Hospitality Approver authorization.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

I. GENERAL

University departments are delegated the use of the Disbursement Voucher (DV) for payment of invoices totaling \$10,000 and less and where an approved commitment document, PO or University contract is not required. The DV is a check request document only and should not be used in lieu of a contract or purchase order when one is required. DV are created in the Quali Financial System.

II. AUTHORIZATION

Authority to use the DV is open to all colleges and departments.

III. POLICIES

- A. Departments are prohibited from artificially splitting an invoice in order to circumvent the \$10,000 limit.
- B. The department is responsible for submitting the invoice to Account Payable.
- C. The department is responsible for any corrective action associated with a DV.
- D. All written agreements requiring the University's signature **MUST** be processed by Procurement Services, regardless of dollar amount.
- E. Purchases made with a DV are considered Small Dollar Purchases which are defined in CSU Procurement Rules as the purchase of materials, equipment, or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the aggregate total may not exceed \$2,000 per fiscal year.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

- A. Various goods and services are available from University departments such as Surplus Property, Facilities Management, Transportation Services, CSU Bookstore, RamCard, etc. The complete list of Internal Suppliers is in a drop-down menu on the Internal Order form in the Kualo Financials (Kualo).
- B. Goods and services available from University departments are generally economical, convenient, and in compliance with University standards.

II. POLICIES

- A. Departments should use an Internal Order (IO) to request goods or services from another department of the University.
- B. An IO is used for a specific one-time purchase of goods or services.
- C. The IO may be used to record one or more expenditure accounts and one or more interdepartmental revenue accounts. However, the IO is not intended for allocating costs within a single unit. Each charge or credit to an account will result in an offsetting entry for an equal dollar amount.
- D. "Direct charge" services listed below do not require an IO for individual or monthly transactions. These charges are entered directly into the financial system. Departments are advised of charges on monthly reports generated from the financial system. The services are:
 - Mail service and postage
 - Copy Center services and supplies
 - Long distance telephone charges
 - Permanent rental vehicles
 - Animal Care Service
 - Utilities

III. PROCEDURES

- A. Processing IOs by ordering department
 - 1. IO preparation. Internal Orders are created, approved and fulfilled within Kualo.
 - 2. IOs expending special fund accounts. IOs expending fund accounts of Sponsored Programs (accounts 5-3XXXX), Plant Fund (accounts 7-7XXXX or 8-8XXXX) or Restricted Development Funds (accounts 6-4XXXX) require special account

**COLORADO STATE UNIVERSITY
PURCHASING MANUAL**

approvals.

3. All IOs for hospitality must be approved by an authorized individual.

B. Processing IOs by supplying department.

1. Data review and entry. The supplying department should examine the IO upon receipt and verify accuracy of quantity, item description, unit cost, extension and total cost. IOs for vehicles, entertainment, etc., must indicate the business purpose for the expenditure in the description field. For example, Auto rental from Motor Pool - Business purpose: Travel to Denver, Colorado for regional NAEP conference.
2. Account Object Code entries. Each different account number and object code for either the debit (ordering department) or credit (supplying department) must have an equal and offsetting entry.
3. Corrections. Any correction required due to incorrect charges or incorrect revenue account coding should be completed by General Ledger Transfer (GLT) in Quali.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

Receipt of goods by a department may be through the University Central Receiving Department, by direct shipment from the vendor or by department pickup from the vendor. Shipments may arrive via truck, UPS, FedEx, etc. or parcel post.

The University prefers that all shipments be made directly to the University Central Receiving Department; however, other methods as outlined above may be authorized when time, type or size of shipment, location, etc. make such alternatives more feasible.

II. RESPONSIBILITIES

In many cases it is necessary that receipt of goods on a purchase order be entered into the Quali Financials (Quali) for payment to be made to the vendor. Purchases of \$5,000 and less made with an APO or PCard do not require receiving.

- A. Shipment to Central Receiving. All goods, which are shipped to and received by Central Receiving, will be delivered to the ordering department where an electronic delivery confirmation signature is captured. The department should review the shipment and enter receiving directly into Quali (“Line Item Receiving”). Report any over, short or damaged items to the vendor as soon as possible (within 10 days of receipt by the University).
- B. Direct shipment to department. If a department receives a direct shipment on a purchase order, the department is responsible for entering receiving directly into Quali (“Line Item Receiving”)
- C. For services performed. For services performed, the ordering department is responsible for receipt certification. If the vendor sends the original invoice to the department, please indicate on the invoice whether the order is a “partial or final”, obtain an authorized signature and forward the invoice to Accounts Payable for payment.
- D. For maintenance or rentals. Receiving is not required for equipment maintenance or rentals. However, the department is responsible for notifying Procurement Services of any discontinuance or change in maintenance or rental purchase orders.
- E. Open Purchase Order. Goods delivered to Central Receiving will be inspected for visible damage and delivered to the ordering department. The ordering department is responsible for receipt verification.
- F. Unidentified shipments. Vendors are requested to record the purchase order number on each shipment. The purchase order number provides easy reference to the ordering department and permits prompt delivery to the department. Sometimes it is necessary to

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

contact the vendor to determine the ordering department.

III. FOLLOW-UPS

- A. Purchase Order. A date by which the ordered goods or services are required should be stated on the purchase order. The vendor generally notifies Procurement Services if the delivery date cannot be met, otherwise the date is assumed to be accepted. Routine follow-up is not done by Procurement Services. Special follow-up is done by the Purchasing Agent only upon request by the ordering department.
- B. Invoices. Vendors are requested to mail invoices directly to Accounts Payable. Invoices received directly by the ordering department should be forwarded to Accounts Payable. Accounts Payable is responsible for follow-up with the vendor in order to correct invoices or to obtain missing invoices.
- C. Adjustments. An adjustment (see paragraph IV. below) may be initiated by the Procurement Services or the ordering department after a report of an overage, shortage or damaged item. Procurement Services is responsible for follow-up and satisfactory settlement. The ordering department should handle an adjustment required on an APO or PCard.

IV. MATERIAL ADJUSTMENTS

- A. General. When short, damaged or incorrect items are received the decision on the action to be taken depends upon the Free on Board (FOB) point specified (see definition at the end of PM7), the degree of damage or shortage, the urgency of need for the goods, the time required for reshipment, etc. In all cases prompt initiation of action, adequate recording of action taken, and prompt follow-up to complete the action is required. This instruction provides guidance and procedures for corrective actions related to purchase orders greater than \$10,000.
- B. Policy.
 - 1. Payments are authorized only for items received as ordered and in acceptable condition unless specific terms of delivery and circumstances of the damaged, shorted, or lost items obligate the University to pay the vendor and recover from a third party carrier or insurance company.
 - 2. Courses of action regarding returns and claims are determined by the Purchasing Agent in coordination with Central Receiving and the ordering department.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

C. Responsibility.

1. The ordering department is responsible for notifying the Purchasing Agent of any short, damaged or incorrect delivery of goods. This notification should be made by e-mail.
2. The Purchasing Agent is responsible for determining action to be taken (in coordination with ordering department), for initiating all action with the vendor, for preparation of required forms, and for follow-up.
3. Central Receiving is responsible for initiating necessary actions with common carriers on damaged shipments.

D. Procedure.

1. For Damaged item(s).

- a. FOB point other than Fort Collins. Central Receiving or the ordering department should notify the Purchasing Agent upon discovery of a damaged item(s). Central Receiving will arrange for an inspection of damage and file a claim. Items should be recorded as "received" but annotated to indicate damage. The vendor will be paid for the damaged item and action initiated to secure reimbursement from the carrier or insurance company when applicable.
- b. FOB Fort Collins and damage noted prior to acceptance. If the item is damaged it may be refused or if repairs can be made locally the item may be accepted and the vendor advised of the damage and requested to pay for repairs direct to the vendor repairing the item. The Purchasing Agent should be notified, and a decision made to accept or refuse the shipment.
- c. FOB Fort Collins and damage noted after acceptance. When damage is noted after acceptance, the Purchasing Agent will determine if the invoice has been paid. If not paid the invoice should be reduced for the amount of the damaged item(s) and disposition of the item shall be determined. The provisions in paragraph b. above would also apply.
- d. Time limits for reporting damage. According to UCC regulations, the consignee (Central Receiving) is required to report damage (visible or concealed) to the delivering carrier within 15 days of the delivery date to request an inspection and begin the claim process. Departments should notify Central Receiving immediately to report damage requiring an

COLORADO STATE UNIVERSITY PURCHASING MANUAL

adjustment. The department must save the original shipping container, all packing materials, and the damaged item(s) for the delivering carrier to make the inspection.

2. For short shipments. In cases where short shipments appear to be mistakes in shipment and not a result of a backorder receiving should indicate actual receipt. Judgment and coordination of Procurement Services with the ordering department should be used to determine whether the vendor is requested to ship the short items or is notified of the short shipment and advised that the University will accept the shipment as is. If the shipment is accepted, the vendor will be advised by the Purchasing Agent that the University will correct the invoice accordingly or the vendor may be requested to send a corrected invoice to Accounts Payable. Action in either case should be clearly noted on the purchase order.
3. For incorrect shipments. If an incorrect item(s) is received a Request for Adjustment should be initiated by Procurement Services and the appropriate Purchasing Agent will determine disposition of the incorrect item as agreed upon by ordering department and vendor.
4. Vendor and department credit. If an invoice has been paid and it is later determined that a credit is due the University because of a short shipment, incorrect items, price errors or changes, etc., the vendor is usually requested to provide a credit memo to the University and the applicable University department is credited.
5. Acceptance of damaged items. When damaged items are accepted, as outlined above, and reimbursement is requested from the carrier or insurance company the reimbursement received shall be deposited by Central Receiving to the account number of the ordering department.

E. Definitions

1. Free On Board (FOB). FOB is a freight term used to indicate the point at which liability and ownership of goods is transferred from the seller to the buyer. For example, FOB shipping point passes liability and ownership of the goods from the seller to the buyer at the point of origin, or shipping point. Colorado State University prefers FOB destination, meaning the seller bears all responsibility for the goods until delivered to the University.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

I. PURPOSE

The purpose of this instruction is to outline procedures concerning the screening and acquisition of equipment for sponsored programs.

II. GENERAL

Federal agencies have the authority to disallow reimbursement for new equipment when suitable equipment is already available. It is therefore essential that prior to procurement the requirement be justified and a screening action is accomplished and certified as outlined in this instruction to ensure equipment non-availability.

III. POLICY

The following applies to requests for equipment costing \$5,000 or more which will be charged to contract or grant fund account prefix (5-3).

- A. For equipment with an acquisition cost of \$5,000 to \$10,000, departmental property records should be reviewed.
- B. For equipment with an acquisition cost greater than \$10,000, a campus-wide review should be conducted.
- C. After an award is received, screening should be conducted sufficiently in advance of the actual need in order to permit timely acquisition of equipment by purchase or from surplus or excess property.
- D. If emergency needs will not permit sufficient time to screen for excess government property without delaying the progress of the project, the circumstances should be indicated on the certificate mentioned below.

IV. PROCEDURE

A Principal Investigator requiring equipment costing \$5,000 or more should proceed as follows:

- A. For equipment with an acquisition cost of \$5,000 to \$10,000, an approved REQ will be considered as certification that the item was not located or available within the department.
- B. For equipment with an acquisition cost greater than \$10,000, the Principal Investigator should conduct a campus-wide review. Property Management can search University and federal equipment records and furnish a list to inform the PI that:

COLORADO STATE UNIVERSITY PURCHASING MANUAL

1. Required or similar equipment could not be located in University records; or
2. Required or similar equipment is shown on the records in custody of a certain department and is located in a certain building.
3. Check for equipment availability. If records indicate the University has the required or similar equipment, the Principal Investigator should contact the department which has custody and ascertain the availability and suitability of the equipment for the project.
4. Screening certification. If the above actions indicate the equipment is not available at the University or is determined by the Principal Investigator to be unavailable at the time and location required, the PI should complete and sign the “Certificate of Screening”.
5. Equipment purchase. Equipment should be requested by the Principal Investigator using a REQ, accompanied by a completed “Certificate of Screening”.

V. FORMS

The “Certificate of Screening” form may be obtained from Property Management online at:
http://busfin.colostate.edu/Forms/General_Forms/fmscrn.doc

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

- A. Surplus property is at times available from University, state and federal sources. Some is "fixed fee", which is available at a minimum cost to the department, some is priced at estimated fair market value and some is available for a nominal cost which is usually a "service charge". University and state surplus property is available to any department with a justified need. Most federal surplus property is limited to sponsored program needs.
- B. Lists of available surplus property are periodically issued by the federal or state agency and by Surplus Property and are on file in the Surplus Property or Property Management Office. If material is thought to be available as surplus (other than federal surplus) but is not currently listed, departments are requested to notify Surplus Property by memo of specific requirements and efforts will be made to determine availability. Questions regarding federal surplus property should be directed to Surplus Property.
- C. Departments are urged to notify Surplus Property of all equipment or materials, which are surplus to their needs so these may be reissued to other University departments.
- D. The Surplus Property Manager will advise Purchasing Agents of surplus items that are suitable and available for internal use.
- E. Further information on property availability, department eligibility or acquisition procedures for University, state or federal surplus materials may be obtained from Surplus Property.

II. PROCEDURES

- A. University surplus property.
 - 1. Equipment and materials available. Periodically, departments will have usable equipment and materials, which are surplus to their needs. These items are to be reported to Surplus Property by the Equipment Accountability Change Request form.
 - a. Minimum value items are equipment and materials, which have a nominal value and are forwarded by the releasing department for disposition under Colorado State University Financial Rules. These items are stored in the Surplus Property Warehouse, maintained by Surplus Property, and are available to other departments on a fixed minimum fee basis.
 - b. Fair market value items are department surplus items, which have been reported to Surplus Property, which have more than nominal value. These items may be sold to another department at the estimated "fair market value" as established by the two departments. This type of item is usually stored in

COLORADO STATE UNIVERSITY PURCHASING MANUAL

the department during the disposal procedure. Surplus Property will charge a handling fee for all disposal action. Contact Surplus Property for exact fees.

2. Acquisition procedures.
 - a. Minimum value material will be issued on a "first come - first served" basis upon receipt of an Internal Order (IO).
 - b. Fair market value material may be secured by a department presenting an Internal Order (IO) to the releasing department. The IO must show the item(s), description, model, serial number, University decal number, agreed price and account number. An Equipment Accountability Change Request form must be completed by the releasing department to record the new department and location of the equipment. Surplus Property will adjust supplying department's allocations to include the handling fee.

B. State surplus property.

1. Eligibility. Any department of the University, which can use state surplus property in accomplishing its assigned functions, is eligible to receive such property.
2. Requesting authorization to receive state surplus property.
 - a. Permanent authorization should be requested on a memo from the department to Surplus Property.
 - b. Additional authorizations should be requested by a department memo to Surplus Property.
 - c. A one-time pick up authorization form may be obtained from Surplus Property. Personnel other than full time employees desiring one time pick up authorization must present Surplus Property with a written authorization from their department head.
3. Authorization to receive state surplus property is designated by one of the following:
 - a. A permanent list of authorized employees approved by Surplus Property.
 - b. Addendum letter for individual staff members not on the above list, but who frequently pick up surplus materials.
 - c. A one time pick up authorization.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

4. Selecting needed surplus property.
 - a. Authorized personnel who have obtained the "Colorado Surplus Property Issue Sheet" form from the Colorado Surplus Property Agency in Denver may "shop" for the desired equipment or material in the Denver surplus warehouse or yard. Items selected are checked out by the warehouse clerk. Signature of the individual picking up the property and the name of the department, which will receive the property, should be included on the issue sheet. The pink copy of the form will be placed with the items and returned to Colorado State University by the ordering department.
 - b. Specific material or equipment desired but not currently available in stock may be formally requested of the Colorado State Surplus Property Agency. Upon receipt of such requested material the agency will notify the University and pick up will be arranged.
 5. Receipt of State surplus property may be by one of the following:
 - a. Personally picked up by an individual authorized as outlined above.
 - b. By special arrangements whereby the Surplus Property Agency makes delivery to Central Receiving or directly to the ordering department.
 6. Return of state surplus property. If, after receipt of items, it is determined they are not usable, Surplus Property should be contacted for possible return procedures. If items are returned, a written receipt of credit should be secured and forwarded to Surplus Property.
 7. Payment for State surplus property. Upon receipt of the items, the receiving department should prepare and approve an Internal Order indicating account number, department to be charged and description of items received.
- C. Federal government excess property. Federal excess property is generally available only to satisfy requirements of certain federal contracts and grants. Policies and procedures concerning requests, acquisitions, use and control for such property are covered by Colorado State University Financial Rules. Any questions or request for assistance concerning federal excess property should be directed to Surplus Property.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

Residential Dining Services makes volume purchases which in many cases must be delivered in weekly or even daily increments. Deliveries, especially of meat, produce, and dairy products, must often be made on a spot basis due to changing market conditions. These special operations require special procedures which are outlined in these instructions.

II. POLICY

A. The Director of Procurement Services hereby delegates authority to the Director of Residential Dining Services to authorize purchases and to issue purchase orders according to procedures outlined in this Section for the procurement of food, china, glassware, utensils, kitchen supplies, food service cleaning supplies, disposable paper/plastic products and food service equipment. All procurement activities conducted by Residential Dining Services are subject to the Colorado State University Procurement Rules, as now or hereafter amended, and must be completed using procedures and forms prescribed by Procurement Services. In addition, the Director of Residential Dining Services will maintain a file containing a delegation letter from the Director of Procurement Services naming the specific individual authorized to perform these procurement functions. The named authorized delegate will report dually to the Director of Residential Dining Services and the Director of Procurement Services.

B. Procurement of all services, and goods not related to the preparation and serving of food, such as office furniture, computers, etc. will remain the responsibility of Procurement Services.

III. PROCEDURES

A. Procurement

1. Existing Price Agreements. Group Purchasing Organization (GPO) and Colorado State University price agreements should be utilized when available.
2. Purchase of goods between \$5,000 and \$50,000. A minimum of two written quotes must be obtained and the purchase decision made on the basis of price and best value, specifications and other terms being met.
2. Purchase of goods between \$50,000 and \$500,000. A Documented Quote shall be prepared, advertised, evaluated and awarded in accordance with Section V.F. of the Colorado State University Procurement Rules. An award to a vendor other than the low bidder requires approval from the Director of Procurement Services.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

3. Purchase of goods greater than \$500,000. An Invitation for Bid shall be prepared, advertised, evaluated and awarded in accordance with Section V.G. of the Colorado State University Procurement Rules. Award shall be made to the lowest responsive/responsible bidder. An Intent to Negotiate may be utilized when seeking competition among known vendors that are on group purchasing organization (GPO) vendor list per Section V.J. of the Colorado State University Procurement Rules.
4. Sole Source Procurements. Any request for a sole source purchase must be approved by the Director of Procurement Services.
5. Solicitation Files. Residential Dining Services will maintain solicitation files using forms and procedures prescribed by Procurement Services.

B. Purchase Order Initiation and Use

1. General. Each purchase must be covered in advance of receipt of goods by an authorized purchase order issued from the Kualu Financials (Kualu). All Purchase Orders must be approved by the authorized delegate. Purchase Orders greater than \$50,000 require a secondary approval by the Director of Procurement Services or his/her delegate. Additionally, Residential Dining Services will maintain Purchase Order files, including applicable back up documentation, following procedures prescribed by Procurement Services. NOTE: Other sections of this manual outline procedures for use of the Automatic Purchase Order (APO), Disbursement Voucher (DV), PCard or Internal Order (IO).
2. Purchase Order Types. Purchase Orders will be used to authorize all purchases for Residential Dining Services as outlined in paragraph II-A above. Data should be entered in the Purchase Order as required by Kualu. Purchase Orders may cover a specific purchase, Regular Purchase Order, or an extended period of time, Open Purchase Order, as conditions require.
 - a. Regular PO. In all cases, the Purchase Order should state the specific quantity, description and price of the item(s) to be delivered as well as the solicitation number, price agreement number or quotation number. In addition, specific terms, such as freight or payment terms, must be identified on the Purchase Order. Delivery may be at one time or place or as directed.
 - b. Open PO. When the purchase of same or similar items (i.e., meats, produce, etc.) is anticipated over the course of a fiscal year, an Open Purchase Order may be used. Such order should generally identify the type of item, start and end dates, single order limit, maximum dollar amount and individuals authorized to place orders against the Open PO. Specific terms should be noted on the Open PO as well as the solicitation number.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

3. Purchase Order Amendments. If it becomes necessary to change the stated item description, quantity, item cost or total cost on a Purchase Order, such change will be accomplished through the issuance of a Purchase Order Amendment via Quali. Amendments must be retained in the Purchase Order file and a copy sent to the vendor.
 4. Receiving. Residential Dining Services will be responsible for desktop receiving within KFS for receipt of goods.
- C. Document Retention. Solicitations, Purchase Orders, Amendments and applicable back up documentation must be retained for periodic review by Procurement Services and for audit purposes.
- D. Accounting Procedures. All requisitions will be generated and approved by members of the Dining Services staff, other than the individual specifically authorized to perform these procurement functions. After insuring receipt of goods, the Dining Services Account Tech II will pay all invoices in Quali under a Payment Request, as a result of Purchase Orders generated by the authorized Dining Services Purchasing delegate. Duties will be properly segregated to insure that all state, University and departmental rules and regulations are properly followed.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

- A. The Colorado State University Bookstore serves students, University departments and the CSU community.
- B. The Bookstore's primary stock consists of text and reference books, general school supplies and office supplies which are provided on a competitive cost basis. In addition, specialty soft goods, novelties and sundries are provided as convenience items on a quality and brand demand basis rather than a lowest cost basis.
- C. In addition to purchasing from vendors the Colorado State University Bookstore purchases used textbooks from students for resale.
- D. The Colorado State University Bookstore also handles special orders from departments for specific books, magazines, etc.
- E. The special types of operations outlined above require special purchasing procedures which are outlined in this instruction.

II. POLICIES

- A. The Colorado State University Bookstore will operate as an auxiliary enterprise. It will primarily make available course materials, textbooks, school supplies, office supplies, CSU licensed products and sundries to Colorado State University students and the University community.
- B. The Director of Procurement Services delegates authority to the Director of the Colorado State University Bookstore to authorize purchases and to use specific procedures outlined in this Section for the procurement of all items authorized for resale in the Colorado State University Bookstore subject to the following:
 - 1. The Bookstore will not stock or handle special limited use items for departments; i.e., stationery or envelopes with a specific department letterhead.
 - 2. The Bookstore will not sell office furniture to University departments.
 - 3. The Bookstore will not sell capital equipment. Exceptions must be approved by Procurement Services.
- C. Departments will be given a discount from regular shelf or catalog price.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- D. Only Internal Orders (IO) or the Procurement Card (PCard) will be used to complete transactions between a University department and the Bookstore for all general use items.
- E. Purchase of classroom books, electronic course materials and other course materials. The purchase of classroom books, electronic course materials and other course materials must be coordinated through the Bookstore.
- F. Purchase of all other books. The purchase of all other books may either be purchased through the Bookstore by Internal Order (IO) or Procurement Card (PCard), or they may be ordered directly by the end-user with an Automatic Purchase Order (APO) or PCard. All purchases that exceed APO or PCard limits must be purchased by IO through the Bookstore.

III. BOOKSTORE PURCHASING ORGANIZATION

The items purchased for the Bookstore are divided into four classifications with a specialist handling the purchasing requirements in each respective area. All authorized buyers are directly responsible to the Bookstore Director. The purchasing classifications are:

- Textbooks/Course Materials
- Trade and Reference books
- Merchandise
- School, Office and Art Supplies

IV. PROCEDURES

A. Determination of requirements

1. Textbooks/Course Materials. Requirements for textbooks, course materials, workbooks and related books are furnished to the Bookstore by the respective faculty member or department. This is accomplished through the Bookstore's website, or via email or direct contact with the CSU Bookstore's Textbook Department.

Training for using the Bookstore's Textbook website is set up through the Textbook Department with each department or individual faculty member. Upon receipt of the above requirement the responsible buyer checks the on-hand stock (new and used) and estimates the quantity of buy-back books which will be received. Based on these factors, the responsible buyer determines the net requirements.

2. General supplies. Requirements for special course supplies are submitted by the respective faculty members using the Bookstore's website, via email or direct contact with the appropriate Bookstore department. Requirements for all other general

COLORADO STATE UNIVERSITY PURCHASING MANUAL

supplies are determined by visual inspection of stock levels, evaluation of sales and seasons, and review of previous purchases.

3. Special items. Requirements for certain special items such as greeting cards, tapes, etc., are determined by the appropriate Bookstore buyer based on sales of each specific item and established stock levels.
4. Special orders. Requirements for special orders are communicated via email or direct contact with the appropriate Bookstore buyer..

B. Vendor selection

1. Single vendor. In the case of all textbooks and course materials, reference books and certain related supplies only a single vendor or publisher supplies the item and no competitive bid is possible.
2. Competitive bids. Competitive bids shall be obtained on large purchases of common items whenever possible. If telephone bids are obtained, such bids should be documented as to date, vendor, and name of individual contacted, item, quantity and price.
3. Name brands. In retail sales, customers may demand name brands. In such cases competitive bids are generally not applicable.
4. Judgment and comparison. In the case of art, engineering and other special supplies various samples may be obtained and tested by store buyers or applicable potential customers. Selection is based on quality, price and customer preference.
5. Special services. Vendors may be selected based on value of special services offered such as furnishing display counters, servicing displays, accepting return of old, out of season or unsold goods, etc.

C. Purchase of textbooks and course materials. After requirements are determined as outlined in paragraph A. above, the requirements should be segregated by publisher and itemized on the Colorado State University Bookstore Purchase Order. The Purchase Orders shall be reviewed and approved by an authorized individual.

D. Purchase of special manuals and workbooks. In certain cases, manuals or workbooks are written by a Colorado State University professor for a specific class. These items are usually printed by Communications and Creative Services and made available to the Colorado State University Bookstore. The Colorado State University Bookstore will use an Internal Order (IO) for such purchases.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- E. Purchase of general supplies, CSU licensed products and books other than textbooks.
1. Use of Purchase Order. If the use of a Purchase Order is applicable the individual responsible for the category of items as outlined above should list the items required on the Purchase Order and forward to the designated authorized individual for approval and distribution.
- F. Book buy-back
1. Policy. The Bookstore will buy back from properly identified students any book in good condition for which the Bookstore anticipates requirement in the next semester. In addition, the Bookstore will provide the opportunity for customers to sell unneeded books to a national wholesaler with prices determined by national supply and demand.
 2. Price. The student will be paid up to one half the current price of a new book if in good condition and the book is requested for use in the coming term. If the textbook is not being used at CSU, the price will be set by the national wholesaler according to national supply and demand.
 3. Each “buyback transaction” will be recorded by the Bookstore’s POS system and will record appropriate and detailed information to include: Customer information, book information including ISBN, and price paid.
- G. Receiving procedures
1. For product ordered on Purchase Orders. The product received will be recorded as received in the MBS Inventory Management System using the receiving worksheet generated from the purchase order to compare ordered vs. received. All discrepancies are noted, and the appropriate ordering department and Bookstore Accounting section will be notified.
 2. For material not ordered on a Purchase Order. The invoice or statement will be used as the receiving document. When materials are received the invoice or statement should be checked with any discrepancies noted by the individual receiving the materials. The invoice or packing slip will ~~then~~ be forwarded to the Bookstore accounting section.
- H. Book returns procedures. Under certain conditions publishers and used book vendors will accept return of books for full credit refund. This is accomplished by preparing a returns chargeback listing all books being returned with invoice and pricing information. When required by the publisher or vendor a return authorization will also be prepared and sent. Once

COLORADO STATE UNIVERSITY PURCHASING MANUAL

authorizations are received a copy of the chargeback and returns authorization is sent with the books to the publisher or vendor. The Bookstore also retains a copy of the chargeback and returns authorization and matches them with the credit issued by the vendor.

- I. Procedure for vendor payment. The Bookstore accounting section will prepare the necessary Quali Disbursement Voucher (DV) for payment. This DV is prepared after the invoice, PO and receiving information are compared and matched in the MBS Inventory Management System to verify only items received are approved for payment.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

The Colorado State University Libraries purchase thousands of books, databases, periodicals and various multimedia from numerous publishers and jobbers each year for learning, teaching, and research use by University faculty, students and staff. Some purchases are physical, items which are held in perpetuity, but most are purchases of access to electronic content. Many of these purchases must be made from a single source. Competitive bidding is generally not possible, but when possible vendors providing higher discounts are selected. The Libraries have unique procedures which apply to requirements, receipt, review, acceptance and reimbursement for these purchases. The Libraries also have requirements for preservation services, including commercially bound volumes and reformatting. The Libraries is also entering agreements to preserve access to electronic materials through standard industry initiatives. These special operations require special purchasing forms, contracts, and procedures that are authorized and outlined in this section.

II. POLICY

- A. The Director of Procurement Services delegates authority to the Dean of Libraries to authorize purchases and to use the special forms and procedures in this section for the procurement of books, periodicals, and other materials for the 'Collections' required by the Libraries.
- B. Procurement of all capital equipment, all general usage supplies and standard library services (bookbinding and microfilming) shall be handled according to the Colorado State University Procurement Rules and procedures outlined in other sections of this manual.
- C. Generally, the Dean of Libraries delegates authority for purchases for the collection to the Acquisitions and Metadata Department of University Libraries. The Monograph Section of Acquisitions and Metadata selects vendors, places orders, and receives books and the Serial Section of Acquisitions and Metadata selects vendors, places orders, and receives serial/periodical material. The Libraries' Accounting Unit authorizes payment of invoices, upon verification of receipt of material from Acquisitions and Metadata staff.
- D. Purchasing by Acquisitions and Metadata staff includes the selection of vendors, verification of the availability of funds, approval and placement of orders, and confirmation of receipt of materials and invoices.
- E. Decisions regarding the content, format, retention, and costs of materials to purchase for the Collections require the approval of the Collections Coordinator and Assistant Dean for Scholarly Communications, working in conjunction with the College Liaisons assigned to subject areas.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

III. PURCHASING PROCEDURES

A. Procurement actions taken by the Libraries' staff:

1. Direct procurement of books and serial or electronic resources upon request of a University faculty member or student or as an item identified by a Library subject librarian. Library subject librarians approve requests by University faculty or students and send the request to Acquisitions and Metadata Services for ordering. Libraries' Acquisitions and Metadata Services staff create order records in the automated acquisitions system (INNOVATIVE). Orders are sent to the vendor either electronically, via email, or using a printed Library Purchase Order.
2. Publishers and vendors often provide electronic lists of titles available for purchase, which Libraries staff review. Staff also review printed catalogs and other printed announcements from publishers.
3. Acceptance of "on approval" or "purchase plan" books received via special arrangement from YPB Book Services and other selected vendors.
4. Creation of requests for orders for books or serials by Subject Librarians by tagging an electronic record in a vendor database and referring the record electronically to Acquisitions and Metadata. YBP Books is an example of a vendor that has large online databases of published monographs. Acquisitions and Metadata staff identify order requests tagged by a selector in the vendor database and either enter them manually into INNOVATIVE or send them electronically to INNOVATIVE where the order is in "hold" status until the purchase order is authorized by Acquisitions and Metadata staff.
5. The introduction of electronic books into the market has initiated a new type of acquisitions for library collections called variously "patron-driven acquisitions or selection" or "demand-driven acquisitions or selection." E-Book vendors such as EBL or Ebrary offer records from multiple publishers that Libraries staff load into its online public catalog for the user to discover. When the user finds an electronic book (e-book) to use, the user (who is authenticated by the Libraries' system) opens the record and can access the e-book via a short-term loan. The short-term loan incurs a charge that is generally a fixed percentage of the cost of the e-book. After a predetermined number of loans are incurred, the vendor notifies the Libraries that the e-book is purchased for a fixed price, and is then reusable at no additional cost thereafter. Libraries staff then create an order in INNOVATIVE for the purchased e-book as the Libraries has permanent access to these e-books. Items borrowed as short-term loans are not considered purchased, yet Acquisitions and Metadata staff still must track and process invoices for these loans using the INNOVATIVE system.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

In a few cases, the Libraries subscribe to the ongoing output from a specific publisher of electronic books and have a contract for an annual subscription. The publisher provides the Library with catalog records for the titles as the books become available, at which time the Libraries loads the title its online catalog as received and available.

B. Procedures for each of the aforementioned types of procurement are outlined below.

The online order record in the INNOVATIVE system serves as the master copy of the purchase order for procurements for materials for the collection. The INNOVATIVE system automatically assigns purchase order numbers as an order is created, and the system can generate a list of purchase order numbers for control. It also automatically encumbers, disencumbers, and expends funds.

1. Direct order of monographs:

- a. Selecting what to purchase. A student, University faculty member or librarian may request that a specific book or publication be obtained and placed in the Library by making a recommendation to a College Liaison or Collections staff member. They can make a recommendation using a variety of methods, e.g., an e-mail, a form selection from a vendor, marking a publisher catalog or Choice card, etc. Students or University faculty members send their requests to Library subject librarians who decide whether to select the title for the Collections. Subject Librarians forward recommended orders to Library Acquisitions and Metadata staff who research the online catalog and other applicable resources to eliminate duplicate orders before approving the request for purchase.
- b. Purchase of requested volumes. Each separate title, for which a recommendation and approval have been established as outlined above, and for which sufficient funds are available, is procured by use of a Library Purchase Order. A separate purchase order is used for each individual title, except in the case of sets and multiple copies. Using controlled passwords, Acquisitions and Metadata staff enter order information in the Libraries' automated Acquisitions and Metadata system (INNOVATIVE). The INNOVATIVE system automatically generates a unique purchase order number for each order placed.
- c. Distribution of Orders to suppliers:
 - i. For major vendors, staff send orders electronically to the vendor and or will authorize the order in the vendor's online databases. All information is tracked on the online ORDER record in INNOVATIVE.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

- ii. For other suppliers, staff can print order forms using the INNOVATIVE system and send the form to the supplier or use an e mail to place the order.
All information is tracked in the online ORDER record in INNOVATIVE.
- d. Selecting from vendor’s printed or online forms:
 - i. Print forms: Some vendors may forward a form or list which serves as notification of a new book. Print forms are becoming increasingly rare as vendors move to electronic versions.
 - ii. Electronic selection from vendor electronic databases: Library subject librarians access vendor publishing databases, such as YBP Book Service's GOBI and find records for titles they wish to order. Library Collection Liaison Librarians tag the records; Acquisitions and Metadata Staff, using special passwords, retrieve the tagged record, and download it to the INNOVATIVE system. After verifying the availability of funds and eliminating duplicates, Acquisitions and Metadata staff send the electronic order to the vendor.
- e. “On Approval” or “Purchase Plan” Books.
 - i. General. Some vendors (YBP Services and others) send the Libraries “pre-selected approval books or purchase plan books” on a regular, usually weekly, basis. Profiles for these scholarly titles are established by subject librarians using a variety of criteria that have developed and matured over time. The vendors send titles meeting these criteria. Subject librarians periodically review and refine the profiles as needed. As the number of patron-driven materials received increases, the number of print books received on approval/purchase plans is decreasing significantly.
 - ii. Procedures. With each shipment, the vendor supplies electronic files of bibliographic and invoice data. Acquisitions and Metadata staff download these files into INNOVATIVE and use them to create an ORDER record for each title and to record receipt and invoice information for each volume. The vendor also supplies a paper invoice with each shipment, which Acquisitions and Metadata staff route to the Libraries Accounting Office.
- f. Patron-Driven or Demand Driven “on Approval” or “Purchase Plan” books.
As noted previously, patron driven selection and acquisitions is replacing traditional ways of selecting books and becoming integrated with purchase plan

COLORADO STATE UNIVERSITY PURCHASING MANUAL

models. Instead of sending a catalog of available print books against the profiles that the Library staff establish, YPB, working with EBL and Ebrary, send records for the Libraries to load into its online catalog for both e-books and for print books that would have been received as part of a subject profile. Users can choose either the print or electronic version of the book by following the links to the book type in the online catalog. If a print version is requested, Acquisitions and Metadata staff retrieve the request and order the book via YPB. Alternatively, if an e-book is selected, the electronic version is accessed by the patron automatically and directly from the catalog.

- g. Documentation of Receipt for above procurements. The vendor's invoice is checked against the shipment and the INNOVATIVE on-line record of the purchase order, annotated as appropriate, stamped, dated and signed by an authorized Acquisitions and Metadata staff member and the original copy is sent to University Libraries' Accounting Office. Acquisitions and Metadata staff also record the invoice date and number, the payment amount, and the receipt of the item in the online purchase order record. The INNOVATIVE system maintains the payment data in files awaiting approval by Library Accounting staff.

2. Serials/Periodicals Procurement

- a. Initial Order. Librarians review requests for serials identified by campus faculty or library staff and determine which serials should be purchased. As approved by the Collections Coordinator based on available funds, College Liaison Librarians send order requests to Acquisitions and Metadata/Serials staff to place the order. Because access to serials is purchased annually, serials generally represent an ongoing commitment of funds. Many of these resources are expensive, so the Collections Coordinator and Subject Librarians often meet as a group to review and make decisions regarding purchase of access to new serial products. The initial order may be established for a year or other specific time period but is usually established as "to continue until cancelled." A purchase order is established in INNOVATIVE; this same purchase order (and purchase order number) is used for subsequent renewals until the order is cancelled. Requests for serial titles costing over a certain amount are reviewed by a committee of librarians each year, since funding is limited.
- b. Renewal Review. Subject Librarians periodically review serials/periodicals being received and indicate those to be cancelled. When a decision is made to cancel a serial/periodical, Acquisitions and Metadata/Serials staff notify the supplier to cancel the order at the end of the subscription period and the status of the order is coded as cancelled in the INNOVATIVE record.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- c. Ordering Through Subscription Agents. University Libraries places many subscription orders through subscription agents/vendors rather than directly with the publisher to save costs of issuing checks, claiming, and other staff-intensive tasks that would otherwise be required. Procedures agents follow include:
 - i. Renewal Checklist: Agents produce a renewal checklist that is based on the previous year's orders and prices. This checklist is sent to University Libraries in the summer to review and make corrections, and is then used as a basis for renewal of subscriptions for the next calendar year.
 - ii. Master Service Agreements: University Libraries has Master Service Agreements with major Serial Agents that are renewed annually. As part of the agreement, the Agent provides evidence of financial solvency to the University. Also, as part of the agreement, the Serial Agent guarantees that the publisher has been paid prior to sending University Libraries an invoice. Agents normally begin making renewal payments before the next subscription year begins to publishers in order to assure timely renewal and receipt of issues by University Libraries.
 - iii. Payment to Publishers: To verify that the Serial Agent has paid the publisher, University Libraries contacts publishers that represent the largest amount of expenditures with that Agent, using a sampling method approved by the University. University Libraries may also use the webpage of the publisher that lists payments if available or, in some cases; e-mail notification by the publisher of payment is accepted as proof of payment from the serial vendor.
 - iv. Tracking Invoice Payments: University Libraries receives detailed invoices regarding the subscription period and payment amounts from the Subscription Agent after the publisher has been paid. These detailed invoices are recorded by Acquisitions and Metadata staff in the INNOVATIVE Acquisitions and Metadata system against the purchase order record.
- d. Direct Orders. For orders that are placed directly with publishers or producers of information, orders are sent to the supplier and invoices are received and processed for payment by Acquisitions and Metadata and Accounting staff, respectively, similar to the process for monographs.
- e. Serials/Periodicals Receiving and Invoice Processing

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

- i. Receiving Procedures. Acquisitions and Metadata/Serials staff record the receipt of issues for ongoing print subscriptions in the check-in record in INNOVATIVE.
- ii. Serials Invoice Processing
 - a) Electronic Invoices. Major serials vendors supply invoices for new and renewal orders in electronic and paper format. The electronic invoice files are made available to the Libraries on the vendor's website, where the Acquisitions and Metadata/Serials staff retrieve them and download them into the University Libraries' online system (INNOVATIVE). After verifying the accuracy of each charge, the electronic invoice is moved into the online pay file in INNOVATIVE, and paperwork is forwarded to the Libraries Accounting office for payment processing. A copy of the paper invoice is maintained in the Acquisitions and Metadata/Serials office, and the official paper invoice is filed in the Libraries Accounting Office.
 - b) Paper Invoices. Many publishers may provide paper invoices for new and renewal orders. The accuracy of each charge is verified by Acquisitions and Metadata/Serials staff against existing purchase orders and the invoice is manually keyed directly into a pay file in the online INNOVATIVE system. The paper invoice is then forwarded to the Libraries Accounting Office for payment processing and filing.
 - c) Prepayment procedure. If prepayment is required by the supplier, the original copy of the initial or renewal invoice should be stamped with the "received" stamp, but "prepayment" and current date should be entered in the block "Date Received." Acquisitions and Metadata staff enter fund and purchase order number information in the appropriate fields and secure the signature of an authorized individual of the Libraries Acquisitions and Metadata Services Department.

C. Securing payment for materials ordered on Libraries' Purchase orders.

1. Vendors for Libraries Purchase Orders:
The Library Technician III in Monographs of Acquisitions and Metadata Department is designated as the staff member responsible for establishing new vendor records in Innovative and sending the information to the Kualu Financials (Kuali). The vendor

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

fields must match both Innovative and Kualii formats. Prior to paying invoices, Acquisitions and Metadata staff ensure that the vendor record exists in Kualii.

2. Invoices that have been approved by Acquisitions and Metadata staff in the INNOVATIVE automated acquisitions system are considered processed, and are stored in INNOVATIVE's pay files until the pay file is posted, and then permanently stored in the system's order record. Libraries Accounting staff post the pay files: posting is the process where the system assigns voucher numbers and batches the invoices to prepare them for electronic transfer to Kualii. After the files are batched in Kualii, Libraries Accounting staff review the batches in Kualii for accuracy before transmitting the batch to the check-writing module in Kualii (under the jurisdiction of University Accounts Payable) for payment. Original vendor invoices are retained by Libraries staff for six years, plus the current year. Copies are forwarded to University Accounts Payable upon request by vendor or when a University document is used for payment (i.e. University Purchase Order.)
3. When prepayment is required by the vendor, a copy of the purchase order and invoice is forwarded to Accounts Payable to be sent with the check to the vendor. Libraries Accounting staff note the check attachment information on the original paper invoice before filing it.
4. The INNOVATIVE documentation consists of a Posting Register (summary of transactions for each fund), an Invoice Register (detailed list of each invoice including purchase order numbers), an Invoice Summary (list of voucher numbers, vendors, and invoice totals), and an Encumbrance Register (list of purchase orders encumbered since last posting).

D. Authorized Signatures.

1. Libraries Acquisitions and Metadata and Accounting staff are authorized by the University Business and Financial Services Office and the Dean of Libraries to perform the above procedures. The Acquisitions and Metadata Services Coordinator authorizes staff to allow access to specific segments of the INNOVATIVE system that involve ordering and serials check in. Functions within the INNOVATIVE system are password protected. The Accounting Director authorizes access to Kualii. The Dean of Libraries signs all contracts/agreements on behalf of the Library as Board Designate/Department Head. The Assistant Deans are designated Controller Designees and may sign in that capacity when appropriate (see also Section D. 7).
2. When purchase orders are created in INNOVATIVE, University procedures require that a purchase order over \$1,000 be reviewed and approved by a higher level supervisor than the staff member creating the purchase order. Normally, the Coordinator for Acquisitions

COLORADO STATE UNIVERSITY PURCHASING MANUAL

and Metadata Services approves these purchase orders in Innovative by entering his/her inputter initial.

IV. Special Procedures.

- A. Deposits: In a few cases, the Library subscribes to electronic document delivery services where access to articles or indexes must be purchased in advance. Examples of such services include First Search from OCLC. To assure uninterrupted service to these electronic services for the University's faculty and students, University Libraries makes a deposit of funds to the vendor that handles the service. The deposit is for a specific number of searches or is an estimated amount based on past use of the product. The amount of the deposit is determined by a committee of Acquisitions and Metadata, Accounting and Collections staff in University Libraries. Every month, University Libraries receives and verifies statements from the vendor on how many searches have been performed or articles have been delivered to Library patrons.
- B. Cancellations. Library Purchase Orders which have been issued and encumbered may be cancelled because the book is not available at the vendor due to being out of print, out of stock, not handled by that vendor, etc. A cancellation may also be initiated by University Libraries prior to shipment due to notice of an unacceptable increase in price, change in requirements, error in ordering, etc. When an order is cancelled in INNOVATIVE, any encumbrance is automatically disencumbered when the payfile is posted to Quali by Accounting Staff.
- C. Refunds. Refunds may be received from vendors when prepaid orders cannot be filled. The refund is treated as a reduction of expense.
- D. Credit memoranda. Credit memoranda may be initiated by University Libraries or by the respective vendor. Credit memoranda are normally issued when incorrect, duplicate, damaged, un-ordered, etc., books are received. Since numerous books, ordered on various Purchase Orders, may be billed on one invoice, the credit memoranda are effectively used as a means of correcting these types of incorrect charges so that the total invoice may be promptly closed out. The credit memoranda are applied against the next payment to the respective vendor. A refund check is requested if no order is contemplated in the near future.
- E. Purchases from fund account prefix 5-3. Contract and Grant (account prefix 5-3) monies terminate with the end of the contract or grant rather than at the end of the fiscal year. Refunds or cancellations received after such termination are required to be referred to the Sponsor for disposal action. University Libraries should contact the Office of Sponsored Research for appropriate action.
- F. Unsolicited Items. On occasion, unsolicited material is received from vendors for review by the Libraries. University Libraries may choose to purchase such items, but is not required to do so

COLORADO STATE UNIVERSITY PURCHASING MANUAL

after due consideration. If chosen, the transaction is processed according to normal policy and procedure.

- G. Electronic Products and Contracts. The Libraries purchase access to many electronic products to aid in the research and teaching needs of faculty, staff and students of the University. These include abstracting services, full text journals, database services with document delivery options, or other information databases that may be in CD-ROM format or accessible via the Internet. Library subject librarians review these products for suitability to the collection and usefulness to patrons. Since these represent ongoing commitment of funds, the Collections Coordinator normally conducts a meeting of the whole group to review and approve new orders for such resources. Approved requests are forwarded to Acquisitions and Metadata staff to generate a purchase order in the INNOVATIVE automated acquisitions system. Before purchase orders are generated, however, many of these products typically require University Libraries to sign a license agreement to obtain access to the product.
- H. Generally, once terms are negotiated, the Dean of Libraries is delegated responsibility for signing the license agreement as Dean/Department on behalf of University Libraries for these products regardless of price and is also the designated Board Designate for University Libraries. University Libraries Board Designate is authorized to sign contracts as Board Designate up to \$50,000. University Libraries also has a Controller Designate, approved by the University and State. University Libraries' Controller Designate is authorized to sign contracts up to \$50,000. When ordered, the item is assigned an INNOVATIVE purchase order number, which also serves to provide a contract tracking number through normal library procedures. These products are uniquely assembled by the producer and often have special search strategies or other features that do not make competitive bidding possible.
1. \$5,000 or less: Vendor contracts for products that cost \$5,000 or less may be signed by the Dean of Libraries without further review by Procurement Services and do not need the Contract Acceptance Form. The Libraries' designated Controller's designee also signs to signify funds are available and the contract has been reviewed for legal sufficiency. The University Libraries Terms and Conditions form is attached to the vendor contract.
 2. \$5,000 to \$50,000: For any electronic product with a license/contract between \$5,000 and \$50,000, University Libraries' Controller's Designee verifies fund availability and legal compliance, and signs the contract as Controller Designee. Library Acquisitions and Metadata staff do a preliminary review of the license/contract for legal compliance and negotiate with the vendor as needed to insure legal compliance, and to see that needs of library users are met. If there is a legal concern, the contract is forwarded to Contracting Services for their review. In general, any contract over \$5,000 is signed on the University's Contract Acceptance Form as revised for the University Libraries.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

3. \$50,000 or over: Products that require license agreements/contracts that cost \$50,000 or over are always routed by Acquisitions and Metadata staff to the Department of Contracting Services for review and signatures after the Vendor's and Dean's signature are acquired. Contracting Services is responsible for routing the contract for appropriate reviews and authorized signatures.
 4. Library signatures: The Dean of Libraries or her/his designated backup who is normally one of the Assistant Deans, signs all agreements/contracts on behalf of University Libraries. The Assistant Dean who serves as the Controller Designee cannot sign as backup to the Dean of Libraries.
 5. Sole Source: Sole source documentation is not required for resources purchased for the Libraries collections given the unique nature of materials for a library collection. The assumption is that there is not a conflict of interest. All employees sign a conflict of interest form as required by the University.
 6. Amendments to current licenses. University Libraries uses the University Contract Amendment form to handle signatures for amendments to existing licenses. The total dollar amount of the contract includes the costs **from the original license in addition** to the amount on the amendment(s) and will determine the type of review and signatures required.
 7. Electronic Resource Management: The Libraries Acquisitions and Metadata department maintains files of signed license agreements and retains copies of ceased agreements for six years plus the current year after a contract is discontinued. Copies of the Libraries' decision forms for electronic products are also kept with the license agreement in the Acquisitions and Metadata Department. University Libraries uses the Electronic Management Module of Innovative (ERM) to maintain information about each resource that has a license attached. ERM stores license terms and conditions and makes them accessible online to other library staff and patrons. This enables University Libraries to meet the contract requirement to inform its users of the allowed and restricted uses of the product that contracts for many electronic products require. University Libraries also links a digital copy of each license and pertinent documentation to the resource record for convenient review.
- I. Consortia Agreements: University Libraries participates in consortia of other libraries to share collections and do cooperative purchasing to leverage resources. Two such consortia are the Alliance of Research Libraries (CARL) and the Greater Western Library Alliance (GWLA). The consortia brokers deals on behalf of its members with publishers that allow libraries to have access to titles purchased by any library within the consortia as well as capping inflation during the period of the contract with the publisher. University Libraries has a master service

COLORADO STATE UNIVERSITY PURCHASING MANUAL

agreement with the Alliance that allows the Alliance to broker such deals on behalf of CSU. Substantial savings result from these arrangements.

- J. PCard procedures. The Acquisitions and Metadata Services Department is authorized to use a University issued commercial credit card to assist in ordering and obtaining materials for the collection which are available via e-commerce vendors. The Coordinator for Acquisitions and Metadata Services designates staff for the Department who are cardholders and these staff names are forwarded to the Libraries Director of Fiscal Services for approval by the University. Cardholders are then authorized for specific amounts of transactions by Procurement Services. Cardholders follow Library and University procedures for card security, tracking, and reporting expenditures. The P.O.s for PCard purchases are entered in the Innovative System and receipt of associated materials is also recorded in the Innovative System.
- K. Other PCard Use: Staff in Accounting, Interlibrary Loan, and Preservation also use credit cards, and follow University procedures for handling PCard.
- L. Office Manuals: Manuals for staff use in offices are purchased from supply money, not from the funds for the collections.
- M. Special Library Services. Negotiated contracts and/or CSU Purchase Orders when appropriate are initiated as outlined in respective sections of this Purchasing Manual. If periodic “on call” services are required, an Open Purchase Order is appropriate. If an Automatic Purchase Order (APO) is appropriate for special services, the reimbursement shall not exceed \$10,000. Special services such as bookbinding, microfilming, etc., required by University Libraries are processed by the Preservation or Acquisitions and Metadata Librarian. Only binderies that are certified by the Library Binding Institute are used. University Libraries’ Accounting Office initiates Open Purchase Orders for special services as instructed by appropriate library departments. Examples of services that require an open purchase order include: services for contract cataloging, for physical processing of library materials, for Table of Contents services, for authority control, etc.
- N. Document certification. Internally initiated purchasing documents are approved by authorized personnel in accordance with the Colorado State University Financial Rules. Receiving documents are signed by specific personnel designated and authorized by the Dean of Libraries.
- O. Book disposal. The Director of Central Receiving/Mail Services/Surplus Property authorizes the Libraries to dispose of surplus books, periodicals, etc., according to practices of the trade. In general, the Libraries offers these materials to other libraries and public agencies. When the materials are of little or no value to other agencies, the Libraries may decide to offer these free on a first come, first serve basis, by placing the books in public areas of the Libraries for claiming by the public. Materials purchased with non-government funds or without other restrictions may be sold in a book sale. Proceeds from the sale are deposited with Surplus Property and are returned to the Libraries after all criteria have been met. If materials are in

COLORADO STATE UNIVERSITY PURCHASING MANUAL

extremely poor condition or judged to be of no interest as free materials, the material may be discarded. The Libraries Gifts and Exchanges Section maintain records of the numbers of materials that are disposed of by the above processes.

V. GIFTS

A. General. Most books and other items for the Libraries are secured by purchase procedures outlined in this section using State appropriated funds. There are, however, some materials that the Libraries accept as gifts to the Collections. In 2011, the Libraries revised its policies on accepting gifts, restricting gifts to materials published by Colorado State University Faculty or primary or rare materials that would be of benefit to the Libraries' Special Collections or Archives Collections. Policies are defined on the Libraries Web Site.

B. Policies.

1. All cash and gifts in-kind (with value) to the University are received and acknowledged by the University Foundation office if the Libraries should receive a gift in exception to the policy no longer to receive gifts for the regular collections. However, since the Libraries has limited Gifts in-kind for the library collection to Special Collections and Archives, reporting to the University Foundation Office follows the special procedures for non-depreciation developed by the Libraries Archives and Special Collections.

a. Books. All books accepted after selection by the Libraries are:

- i. To be an integral part of the Libraries' collections;
- ii. To be fully cataloged. Gift plates are only used in special situations;
- iii. To be shelved with other publications according to subject fields;
- iv. To be available to all patrons in accordance with the rules and regulations for borrowing for that type of material.

b. Gifts of money. All money gifts shall be:

- i. Forwarded to the University Foundation office immediately to be deposited in the correct Foundation Fund through the Director of Fiscal Services.
- ii. Expended by the Libraries in accordance with the terms of the gift.

c. Appraisal of Book Gifts.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

The Libraries follows the following policy of the University as stated by the Director of the Development Fund, June 12, 1974:

“... it is the responsibility of the donor(s) to obtain a qualified appraisal of the item(s) being contributed to the University.”

In accordance with the tax laws passed by Congress in 1984, effective January 1, 1985, the Libraries requires a copy of an appraisal done by a qualified appraiser for any gift which the donor values at \$5,000 or more. The appraisal and tax forms are forwarded to the University Foundation for relevant signatures of receipt of gift.

- d. Disposition. Gifts of books or other applicable items or items purchased with gift funds may be disposed of by University Libraries when obsolete, surplus, or otherwise not usable or required. Such disposal, unless prevented by donor intent, may be accomplished by donations to selected educational, governmental or non-profit agencies; by exchange; or by special sales authorized by the Director of Central Receiving/Mail Services/Surplus Property.
- e. Procedures. As noted previously, the Libraries no longer receives gifts on a regular basis but it should be noted that materials originally purchased with State or Federal funds cannot be resold by the Libraries.

VI. OPEN ACCESS

The Libraries participates in national efforts to encourage faculty to publish in open access journals. The Libraries has created a special fund within the materials budget that supports University faculty authors who publish in peer-reviewed open access journals. The fund helps support article processing fees; faculty must follow criteria established by the Libraries Administration. These criteria have been endorsed by the Faculty Council Committee on Libraries and are published on the Libraries' web page. Requests are approved by the Collections Coordinator and the Assistant Dean for Scholarly Communication and reimbursements are tracked in the Libraries accounting system via Quali by Acquisitions and Accounting staff authorized to work in this system.

VII. REPORTS TO THE UNIVERSITY

Periodic reports generated during the fiscal year are provided to the Libraries' Director of Fiscal Services at its close, who forwards them to the Department of Business and Financial Services. Acquisitions and Metadata Services staff compile the units and expenditures within their area for the following:

COLORADO STATE UNIVERSITY PURCHASING MANUAL

1. Unit Equivalents
2. Pre-Paid Serials for Auditors
3. Libraries Book Inventory Report
4. Year-End Physical Item Counts
5. Bindery Unit Costs

Archives and Special Collections provides annual valuation reports to CSU's Office of Risk Management & Insurance on January 1st. These reports include all new material accessions for Archives and Special Collections and their valuations (either exact or approximate). Staff in Special Collections update and maintain a spreadsheet, and a second spreadsheet is maintained for Archives. The staff also update valuations on these Risk Management spreadsheets if they receive new information about an item that has been previously listed. A condition assessment for the Special Collections items is also maintained.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

- A. Each conference program undertaken by Colorado State University Conference Services is tailored to the specific requirements of the sponsor. Facilities, food and academic services are generally provided by the University. Conferences Services is often required to provide additional and special materials, equipment and services which are generally specified in detail by the sponsoring company or agency.
- B. In many cases these requirements are established only a few days or even hours before the conference. In some cases specifications include designated brand products. The short time available and the detailed designation of product or service often makes compliance with standard University purchasing and bid procedures difficult and in some instances impossible.

II. POLICIES

- A. Colorado State University Procurement Rules will be followed except when specific requests of sponsors, limited time available or other unforeseen factors make compliance with such procedures difficult or impossible.
- B. Procurement of routine administrative and operational goods and services and capital equipment should be handled according to standard University purchasing procedures.
- C. Procurement Services should be requested to establish Purchase Orders for all applicable materials and services.
- D. True emergency requirements should be handled in accordance with Section PM-1 paragraph IV.C. of this manual.
- E. If the sponsor directs certain specific items be obtained but agrees that the University will take title either on receipt of the items or upon completion of the conference then such purchases should be handled according to instructions outlined above. If the sponsor is to retain title, Colorado State University purchasing procedures and facilities should not be used. Negotiations should be handled separately and billing should be made by the vendor directly to the sponsor and sponsor shall pay the vendor directly not through the University.
- F. If the University takes title to property, either upon initial receipt or upon completion of a conference, such property will be capitalized at the original purchase price.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

III. PROCEDURES

- A. Procedures for initiating a REQ are outlined in Section PM-2 of this manual and emergency purchasing procedures are outlined in Section PM-1 of this manual.

- B. When regular purchasing procedures and/or applicable competitive bidding are not possible or practical due to time limitations or product/service designations by the sponsor such facts should be documented. This documentation should be attached to the REQ and forwarded to Procurement Services for disposition by appropriate purchasing staff.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

The distance of Agricultural Experiment Station Research Centers (AES) from the CSU Main Campus and Procurement Services may result in potential delays in making purchases. To prevent potential delays, the Director of Procurement Services has:

- A. Authorized AES Research Centers to use the APO for the purchase of goods and services up to \$10,000 (Exception: purchases for goods up to \$50,000 made from certain contracted suppliers in KFS Shop Catalogs) , the DV for purchases up to \$5,000 and the PCard for purchases up to \$3,000 (unless a higher amount, up to \$5,000, has been approved for the cardholder by Procurement Services).
- B. Authorized quote procedures for amounts up to \$50,000 for goods and services as outlined below.

These procedures do not apply to purchases of livestock feed or to the purchase/sale of livestock, which are covered separately in this manual.

II. PROCEDURES

- A. Purchases totaling \$5,000 or less and no authorized commitment document required: The University has developed mechanisms for the purchase of most goods and services totaling \$5,000 or less and not requiring an authorized commitment document (purchase order or contract). Purchases in this category are considered Small Dollar Purchases which are defined in CSU Procurement Rules as the purchase of materials, equipment or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the aggregate total may not exceed \$2,000 per fiscal year.
 - 1. Disbursement Voucher (DV): AES is delegated the use of the DV via KFS for purchases totaling \$5,000 and less. The DV is a check request document only and should not be used as a purchase order. The DV is described in greater detail in Section PM-5 of this Manual.
 - 2. The University Procurement Card (PCard) may be used for purchases totaling \$3,000 or less (unless a higher amount, up to \$5,000, has been approved for the cardholder by Procurement Services) when the use of an APO or catalog vendor through KFS Shop Catalogs is not viable. For assistance in determining whether a catalog order may be made before using a PCard, contact Procurement Services. The PCard is described in greater detail in Section PM-4 of this Manual.
- B. Purchases totaling \$10,000 or less and authorized commitment document required: Purchases for goods and services where a purchase order or contract is required. Purchases in this category are considered Small Dollar Purchases which are defined in CSU Procurement Rules as the purchase of materials, equipment or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the

COLORADO STATE UNIVERSITY PURCHASING MANUAL

aggregate total may not exceed \$2,000 per fiscal year. Purchases in this category are considered Small Dollar Purchases which are defined as

1. Automatic Purchase Order: AES is delegated the use of the Automatic Purchase Order (APO) via the Kuali Financial System (KFS) for small-dollar purchases totaling \$10,000 and less. Exception: purchases for goods up to \$50,000 made from certain contracted suppliers in KFS Shop Catalogs. The APO is described in greater detail in Section PM-3 of this Manual.2.

C. Purchases between \$10,000 and \$50,000:

For purchases between \$10,000 and \$50,000, written or electronic quotations must be obtained and attached to the Purchase Requisition (REQ) submitted to Procurement Services. Typically, a minimum of three (3) is required and the information may be included on the Informal Quote form. If fewer than three, provide a written explanation. Written or electronic quotes should include the following information:

- a. Name/address of firm bidding.
- b. Name and signature of person providing the quote.
- c. Telephone #/email.
- d. Terms of sale (net 30, 2% 10/net 30, etc.).
- e. FOB point (including who pays the freight charges).
- f. Complete pricing information. Include any discounts offered.

- D. When acquiring personal services (labor, time or effort), it is the ordering department's responsibility to request and obtain a certificate of insurance from the vendor showing general liability, worker's compensation, employer's liability, and auto liability coverages (see the Procurement Services website for instructions and coverage amounts).

- E. Purchases totaling \$50,000 and more: All purchases for goods and services totaling \$50,000 and more must be referred to Procurement Services.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

I. GENERAL

Purchase of livestock feed and bedding in the form of roughage feeds (hay, ensilage, etc.) and grain feeds requires special treatment since purchase negotiation, establishment of quality, method of payment, storage and delivery are often dissimilar to typical purchases covered elsewhere in this manual. These special requirements and related problems require special procedures outlined in this Section.

II. POLICY

The Director of Procurement Services hereby delegates authority to the College of Agricultural Sciences, the College of Veterinary Medicine and Biomedical Sciences, and Agricultural Experiment Station to make purchases by use of special procedures outlined in this Section for the procurement of livestock bedding and feed which includes; roughage, grains, and supplements.

III. PROCEDURES

A. Department Requirements

The department requiring livestock feed/bedding should:

1. Anticipate needs as far in advance as possible.
2. Supply all necessary information in writing to the designated feed buyer. Information should include:
 - a. Commodity needed.
 - b. Quantity desired.
 - c. Specifications and quality in detail (i.e., first cutting alfalfa, extra choice third cutting alfalfa, grass hay, wire tied, twine tied, etc.).
 - d. Delivery location and requirements.
 - e. Dates for beginning and completing delivery.
 - f. Desired source (vendors) if any.
 - g. Other information pertinent to the order, if any.
3. In addition, if required, the ordering department may:

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

- a. Perform actual field inspection prior to purchase.
- b. Take samples and have laboratory tests done when certain qualities are in doubt (i.e., moisture, nitrate level, T.D.M.s, etc.). Cost to be borne by ordering department.

B. Designated Buyers

1. All departments in the College of Agricultural Sciences will provide requirements to and secure vendors and prices for all livestock feed/bedding from a designated feed buyer within their College.
2. Departments in the College of Veterinary Medicine and Biomedical Sciences will provide requirements to and secure vendors and prices for all livestock feed/bedding from a designated feed buyer within their College.
3. Departments of the University on or near the main campus that do not fall within the College of Agricultural Sciences or the College of Veterinary Medicine and Biomedical Sciences will use the services of the College of Agricultural Science's designated feed buyers for the procurement of their livestock feed/bedding needs.

The same procedures for the ordering and receiving functions will apply to these departments as outlined in these instructions.

4. Agricultural Experiment Station may designate a feed buyer to make livestock feed/bedding purchases from local vendors due to distance from the main campus and special sources of supply available to the local center feed/bedding procurement requirements.
5. The respective colleges and Agricultural Experiment Station shall designate, in writing, the selection of designated feed buyers. A copy of such designation shall be forwarded to Procurement Services at the beginning of each fiscal year.

C. Buyer Procedures

Designated buyers should proceed as follows:

1. If the product is “Off the Shelf” please follow standard procurement rules for the value of the purchase. “Off the Shelf” is any standard product that can be purchased from multiple sources, ie. Purina feed or pre-packaged animal bedding.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

2. Secure bids. Upon receipt of a request from the ordering department, the applicable designated feed buyer should initiate the Purchase of Feed/Bedding form and contact potential vendors that can supply all necessary specifications, generally by telephone, to secure viable bids for each instance feed/bedding product is needed. A minimum of three viable bids should be secured and recorded in the "Bid Summary" section of the form. If a feed buyer is unable to secure (3) viable bids a written justification must be provided in the "Bid Summary". Indicate the vendor to be used on the basis of price, quality of product, availability, reliability of vendor, department specific directives (if any), and past performance of the vendor. Report any unusual condition or extra cost (if any) for hauling, stacking, etc., to the ordering department or experiment station at this point. The Purchase of Feed/Bedding form is available electronically from Procurement Services.
3. Keep department informed. Designated feed buyers should keep ordering departments informed of current price and availability of feed/bedding commodities. Inform departments of future anticipated changes in price and availability which might occur suddenly due to weather, economic conditions, change in federal government policies, transportation, strikes and other unforeseen circumstances.
4. Coordinate with other buyers. Coordination and cooperation must be maintained between the designated feed buyers of the University, not only to protect the University but to guarantee that designated feed buyers are not bidding against each other for a particular order of feed. This also assures that the University is not paying a premium price unless the quality of the commodity being purchased justifies a higher price.
5. Combine orders. If it is possible to combine orders to secure a better price, designated feed buyers should cooperate, investigate and follow up accordingly.

D. Purchase Documents

Upon return of the Purchase of Feed/Bedding form from the designated feed buyer, the ordering department or experiment station should promptly initiate one of the following type purchase documents as appropriate:

1. Internal Order (IO). Use an IO if the purchase is made from another University department.
2. Automatic Purchase Order (\$10,000 and less). Authority for purchase and acknowledged receipt of feed/bedding should be documented on the APO. Instructions for use of the APO are outlined in Section PM-3 of this Manual. A copy of the approved Purchase of Feed/Bedding form, referencing the appropriate APO

COLORADO STATE UNIVERSITY PURCHASING MANUAL

number, and invoice must be forwarded to Accounts Payable. Purchases in this category are considered Small Dollar Purchases which are defined in CSU Procurement Rules as the purchase of materials, equipment or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the aggregate total may not exceed \$2,000 per fiscal year.

3. Requisition (greater than \$10,000). A purchase requisition (REQ) should be initiated by the requesting department or experiment station as outlined in Section PM-2 of this manual. Upon receipt of a purchase requisition and approved Purchase of Feed/Bedding form, Procurement Services will issue a purchase order. Please note: An approved University purchase order must be issued prior to requesting delivery of feed/bedding.

E. Receipt of Commodity

1. Receipt of Materials. The ordering department or experiment station will accept full responsibility for receiving the order. Each will establish procedures within their own operation to fulfill receiving requirements. These should include:
 - a. Inspection of the commodity upon delivery and noting any discrepancies in the quality or quantity. Upon coordination with the appropriate designated feed buyer, the ordering department or experiment station may refuse delivery of inferior commodities.
 - b. Making arrangements for storing commodities after delivery for protection against weather damage, theft, fire, etc.
 - c. Checking weight tickets with vendors at time of delivery and making certain that purchase order numbers appear on the respective tickets.
2. Secure invoice. Secure an invoice from the vendor. Weight ticket information should be listed on the applicable invoice. Be sure the appropriate purchase order number appears on the invoice.
3. Document disposition. The original invoice, approved by the appropriate designated feed buyer, should be forward promptly to Accounts Payable. Be sure the purchase order number appears on the invoice. The ordering department or experiment station should retain a copy of the invoice and Purchase of Feed/Bedding for their files.

F. Payment Procedures

**COLORADO STATE UNIVERSITY
PURCHASING MANUAL**

SECTION PM-15

LIVESTOCK FEED/BEDDING PURCHASING PROCEDURE

PAGE 5

Accounts Payable will mail a check directly to the vendor **or perform a wire transfer to vendor's bank** upon receipt of the proper documentation as noted above.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

- A. The purchase of livestock on behalf of the University requires special procedures because such livestock must be promptly paid for, is generally to be used for research and must possess special/specific qualities/characteristics for such use, may be required from a specific locality and may require special individual or herd historical records. Because such livestock is generally not available through regular sources, judgment of an expert or purchasing from a certified vendor is required to assure the specific required characteristics are met. Premium price may be warranted.
- B. Attempts shall always be made to secure the maximum amount of competition when buying livestock.

II. POLICY

- A. An Automatic Purchase Order (APO) is authorized for the purchase of livestock up to and including \$10,000. Purchases for livestock greater than \$10,000 must be accomplished by an approved purchase order issued by Procurement Services.
- B. Departments are required to use the appropriate object code (6227 for research acquisition or 6228 for production acquisition) for these purchases; however, the Institutional Animal Care Use Committee (IACUC) must approve a protocol if animals are used for research purposes.
- C. The Director of Procurement Services hereby delegates authority to the College of Agricultural Sciences, the College of Veterinary Medicine and Biomedical Sciences and applicable Agricultural Experiment Station centers to purchase livestock by use of special procedures outlined in this section.
- D. Any conflict of interest shall be fully disclosed according to the University's "Conflict of Interest (COI) Policy".

III. RESPONSIBILITY

- A. Procurement Services sets general policies that satisfy the special requirements of the University and ensure compliance with purchasing standards appropriate under the circumstances. Procurement Services monitors livestock purchase operations and the ordering department retains documentation as outlined in these instructions.
- B. Designated coordinators for the College of Agricultural Science, the College of Veterinary Medicine and Biomedical Sciences and Agricultural Experiment Station are responsible for

COLORADO STATE UNIVERSITY PURCHASING MANUAL

complying with these instructions in their respective organizations and serving as liaison with Procurement Services and Accounts Payable.

- C. Designated livestock experts of the University, who are familiar with the specific requirements of the research project, who are qualified to judge the qualities and characteristics of livestock required for research, and who are familiar with day-to-day prices for such characteristics are responsible for protecting the interests of the University, and under conditions outlined in these instructions, fulfill requirements for documentation and certification that prices paid were the best available to the University.
- D. The respective colleges and Agricultural Experiment Station shall designate, in writing, the selection of coordinators and designated livestock experts for the purposes outlined above for production livestock using object code 6228. A copy of such designation shall be forwarded to Procurement Services at the beginning of each fiscal year. For research animals using 6227 object code requests will route for Lab Animal Resources review to ensure IACUC requirements are in compliance and do not require a designation.
- E. All responsible parties must ensure that no conflicts of interest exist.

IV. PROCEDURES

A. Purchase of livestock.

- 1. Establishment of need and specifications. The need for the livestock should be established and approved by the designated coordinator. Any special characteristics required should be determined, documented, and when applicable, reference must be made to a specific research project.
- 2. Method and price of purchase. The method of purchase most advantageous to the University within the guidelines of this instruction and which meet the operational requirements of the department must be used. Such methods of purchase may include sealed bids, telephone bids, auctions or negotiated prices.
- 3. Documentation of purchase.
 - a. Automatic Purchase Order (\$10,000 and less). Authority for purchase and acknowledged receipt of livestock should be documented on the APO. Instructions for use of the APO are outlined in Section PM-3 of the University Purchasing Manual. A copy of the Purchase/Sale of Livestock form, referencing the appropriate APO number, must be forwarded to Accounts Payable. Note: Departments are required to use the appropriate object code (6227 for research acquisition or 6228 for production acquisition)

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

for these purchases; however, the Institutional Animal Care Use Committee (IACUC) must approve a protocol if animals are used for research purposes. Purchases in this category are considered Small Dollar Purchases which are defined in CSU Procurement Rules as the purchase of materials, equipment, or services where the aggregate total is less than \$10,000 per fiscal year. If the purchase is subject to the Davis-Bacon Act or Service Contract Act, the aggregate total may not exceed \$2,000 per fiscal year.

- b. Purchase Order (greater than \$10,000). A purchase requisition (REQ) should be initiated by the requesting department or experiment station as outlined in Section PM-2 of this manual. A copy of the Purchase/Sale of Livestock form must be attached to the REQ. Note: Departments are required to use the appropriate object code (6227 for research acquisition or 6228 for production acquisition) for these purchases; however, the Institutional Animal Care Use Committee (IACUC) must approve a protocol if animals are used for research purposes.
 - c. Purchase/Sale of Livestock form. The Purchase/Sale of Livestock form must be prepared for each purchase. The form must document the specific requirements. Bids should be secured when applicable and all bid data recorded in the Bid Summary section. If competitive bids are not secured, but other means of purchase are used such as auction, negotiation, trading, etc., this information shall be noted in the Special Circumstances area of the form. The designated individual must complete the certification. The coordinator and/or department receiving the livestock should retain the original. The Purchase/Sale of Livestock form is available electronically from Procurement Services.
4. Payment for purchase. Request the seller to send an invoice directly to Colorado State University, Accounts Payable. The invoice must reference the appropriate purchase order number. After receipt of the invoice, AP will mail a check direct to the seller. If payment is required upon purchase or delivery under the USDA Prompt Payment for Livestock Act (P&S Act) an advance payment check may be secured from Accounts Payable or use payment terms of Net 0 upon request.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

Occasionally, it is beneficial for the University to engage a search firm in order to broaden the scope of the search for important positions and better meet the University's goal of attaining a diverse pool of candidates. The Department or hiring authority engaging the services of a search firm is expected to convey to potential search firm(s) the University's commitment to and interest in obtaining a diverse pool of candidates.

II. AUTHORIZATION

The Director of Procurement Services authorizes all colleges and departments to engage the services of search firms using the procedures described herein.

III. TYPES OF SEARCH FIRMS

- A. Contingency Firms: Contingency firms usually work for a percentage of the first-year total cash compensation and generally focus on mid-level to lower-level positions. Contingency firms, thus, do not receive any compensation for services unless they are successful in placing a candidate.
- B. Retained Firms: Retained firms work on a retainer basis; that is, there is an up-front fee that is paid whether or not the firm successfully fills a position. The fee is based on the anticipated salary of the position. Retained firms generally handle higher-level and executive-level positions.

IV. PROCEDURES

- A. Upon making the decision to use a search firm, hiring managers should ask for proposals from at least three (3) search firms and check at least two (2) references from each of the potential firms. This will provide needed feedback to ensure the integrity and track record of search competency and diversity of applicant pools.
- B. In all cases involving the use of search firms, the department should take steps to ensure the quality and value of the services rendered. In particular, it is the policy of the University that the use of any outside search firm prefers three (3) proposals to be submitted and considered before a decision can be made. This policy allows for reasonable competition among outside vendors.
- C. Once a selection has been made, the hiring manager will provide a justification memo explaining the selection of the firm, along with all proposals, to Procurement Services. Procurement Services must approve the selection of the search firm prior to issuing a purchase order and engaging the search firm.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

SECTION PM-17

SEARCH FIRMS

PAGE 2

- a. Automatic Purchase Order (\$10,000 and less). For engagements of \$10,000 and less, and after the search firm is approved by Procurement Services, the hiring authority will issue an Automatic Purchase Order (APO) in the Kuali Financial System (KFS). The selection memo, all proposals and Procurement Services approval must be attached in the notes section of the APO. Departments shall not engage the search firm until an authorized APO is issued. Instructions for use of the APO are outlined in Section PM-3 of this Manual.
 - i. When acquiring personal services (labor, time or effort), it is the ordering department's responsibility to request and obtain a certificate of insurance from the vendor showing general liability, worker's compensation, employer's liability, and auto liability coverages (see the Procurement Services website for instructions and coverage amounts).
 - b. Purchase Requisition (greater than \$10,000). For engagements greater than \$10,000, and after the search firm is approved by Procurement Services, the hiring authority will enter a purchase requisition (REQ) into KFS. The selection memo, all proposals and Procurement Services approval must be attached in the notes section of the REQ. Upon receipt of a REQ, Procurement Services will issue a purchase order. Departments shall not engage the search firm until an authorized PO is issued. Instructions for use of the REQ are outlined in Section PM-2 of this manual.
- D. Hiring units should consult with Procurement Services on any contract terms set forth in writing by the search firm. All written agreements requiring the University's signature must be processed by Procurement Services, regardless of dollar amount.
- E. The hiring manager is expected to review the candidate pool to determine whether it is adequately diverse and, if not, she or he should consult with the search firm to consider extending the scope of recruitment efforts to obtain additional diversity. The University is the owner of all applications/resumes submitted to the executive search firm. Ultimately the hiring manager/search committee will be responsible for completing selection documentation on the candidate chosen for hire and supplying reasons for non-selection on all other candidates who were referred or sourced through any method of outreach.

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

I. GENERAL

- A. The intent of the program is to provide small business concerns an equitable opportunity to compete for university business.
- B. The program assists the university community and encourages the utilization of small and diverse businesses and to ensure compliance with applicable federal regulations.
- C. Small business concerns are defined by the Small Business Administration and are subject to change. Current definitions are at <https://www.sba.gov/>
- D. The program champions sustainability, which includes a stated intent to spend with local, small, and diverse business to support positive social and economic impacts.

II. POLICIES

- A. Procurement Services is designated as the Small Business Liaison Office for the Small Business and Supplier Inclusion Program with the following responsibilities:
 - 1. Appoint a Small Business Liaison Officer (SBLO) to oversee the program and interact with the Small Business Administration on small business compliance and reporting.
 - 2. Identify small business concerns use by the university and maintain a list of vendors.
 - 3. Establish and implement procedures to be followed when a small business subcontracting plan is required, following regulatory requirements and guidance (including the Small Business Administration's Handbook for Small Business Liaison Officers).
 - 4. Coordinate activities between Procurement Services, the Principal Investigator (PI), department/laboratory administrator, and research administrator to ensure timely submission of meaningful and appropriate Plans.
 - 5. Establish goals for the utilization of small business concerns on research contracts when required and monitor the progress towards those goals.
 - 6. Maintain records and reports of compliance with and accomplishments under sponsor-approved plans as of March 31st and September 30th each year or as required by the SBA. The SBLO is responsible for submitting reports to the SBA and sponsor agencies, as required. These include the Individual Subcontract Reports (ISRs) and Summary Subcontract Reports (SSRs) that are submitted through the Electronic Subcontracting Reporting System (eSRS). This also includes final MBE/WBE reports for EPA grants over the simplified acquisition threshold.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

7. Submit reports of compliance and accomplishments under approved subcontracting plans to PIs, Subcontracting Plan Administrators, and cognizant Institute personnel.
8. Prepare and submit required reports of accomplishments under approved subcontracting plans to the contracting agencies.
9. Maintain relationships with and explain CSU's procedures to small business concerns.
10. When small business concerns are identified as potential suppliers, suggest them to major contractors to develop new contractual arrangements for second-tier suppliers.
11. Connect small business concerns to relevant purchasing agents and procurement opportunities on campus.
12. Evaluate procurement processes and find methods to increase equitable opportunity for small concerns, for example, developing courtesy notice lists of small and diverse suppliers for purchasing agents or updating questionnaires used in RFPS's around small business concerns and sustainability.
13. Continuous outreach to external organizations, such as economic development groups, Chamber of Commerce's, national councils, and trade fair and expos, as well as sharing information and training to the university regarding supplier inclusion.

III. PROCEDURES FOR SMALL BUSINESS SUBCONTRACTING PLAN

- A. The research administrator working in a pre-award capacity or the senior research administrator working in a post-award capacity of the Office of Sponsored Programs (OSP) determines, sometimes in consultation with Principal Investigator (PI) and granting agency, if a subcontracting plan is required on a federal contract. Additionally, the Small Business Liaison Officer will review an internal report monthly to ensure that contracts over \$750,000 have a related plan, as sometimes modifications on a research project lead to a budget going over the threshold.
- B. When it is determined a plan is necessary, the Principal Investigator (PI) and the department administrator is notified by OSP, and they are put in contact with the SBLO. The PI and department administrator return the plan outline worksheet, the statement of work, and the project budget. The following methods are used to develop the subcontracting goals:
 - Identification of all major requirements from the Statement of Work
 - Analysis of current supplier diversity subcontracting accomplishments
 - Analysis of make or buy decisions
 - Analysis of indirect cost elements with subcontracting potential
 - Identification of direct services and supplies

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- Identification of those items that can successfully be set aside for small business acquisitions
- Identification of suppliers' small business certification status through sam.gov and/or valid self-certification forms, keeping all certifications on file with the plan

C. Salaries and benefits of employees are excluded from the SBSP per (13CFR125.3(a)(1)(iii)), as are other employee benefits; payments for petty cash; depreciation; interest; income taxes; property taxes; lease payments; bank fees; fines, claims, and dues; Original Equipment Manufacturer relationships during warranty periods (negotiated up front with product); utilities such as electricity, water, sewer, and other services purchased from a municipality or solely authorized by the municipality to provide those services in a particular geographical region; and philanthropic contributions. Utility companies may be eligible for additional exclusions unique to their industry, which may be approved by the contracting officer on a case-by-case basis.

Exclusions from the subcontracting base include but are not limited to those listed above. Colorado State University does not include indirect costs in establishing small business goals for subcontracting plans. The estimated individual goals and percentages of an individual plan will cover the entire contract period with goals and percentages, based on the planned purchases of products and services needed to maintain this specific solicitation/federal contract. Vendors are verified by the SBLO through Sam.gov during the creation of the project and ongoing as the project continues as new sourcing needs arise.

D. The SBLO maintains a list of all internal accounts with subcontracting plans and shares those with the Purchasing Agents. When a procurement on one of these accounts enter procurement's queue, the SBLO and Purchasing Agent work together to source small business concerns. The SBLO will then work with PI to find an agreed upon vendor. Notes are made within the Requisition (REQ) in the Quali Financial System to outline efforts made to identify small business concerns.

E. The SBLO will run monthly reports to monitor progress on research contracts with small business subcontracting plans. The SBLO will run a monthly report to review all university contracts to evaluate if projects have gone over the threshold, and to review EA grants over \$250,000. Detailed information on the administrative processes is outlined in the Supplier Inclusion Procedure Manual.