

Refer to PROCUREMENT GUIDELINES located in OK Corral for the most updated information.

Oklahoma State University Policy and Procedures

PURCHASING

**3-0145
BUSINESS & FINANCE
MARCH 1990**

INTRODUCTION AND GENERAL STATEMENT

1.01 The Oklahoma State University Purchasing Department is administered by a Director whose line of administrative responsibility for Oklahoma State University is through the University Business Manager to the Vice President for Business and Finance.

1.02 It is the mission of the Purchasing Department to procure needed materials, equipment, and contractual services on a timely and economical basis within accepted standards of quality and service so that the basic functions of Oklahoma State University are fulfilled.

1.03 This Policy and Procedures Letter is intended to list the general policies, procedures and practices which have been established to facilitate the procurement processes for Oklahoma State University and its constituent agencies.

1.04 This policy is presented in three sections. Section I presents the various state statutes and Board of Regents' policies which prescribe the practices that the University follows in conducting procurement and contracting activities. Section II presents University policy for bid openings, the criteria for sole source affidavits, other policy information, and processing transactions for orders such as maintenance agreements, office supplies, vehicle fuels and repairs, and carpeting. Section II also contains the policy for equipment purchases which would have significant impact on a building's utility service or cause structural changes. The final section, Section III, presents guidelines and procedures for activities such as completing requisitions, completing receiving reports, and handling instructions for unordered or damaged materials.

1.05 It is accepted that no policy and procedure statement can cover all eventualities. Exceptional cases will be resolved as circumstances and prudent business practices warrant.

1.06 Purchasing activities are routinely audited for compliance with University and Board of Regents' policies by the OSU and A&M Board of Regents' auditor and the

Board's external auditors. In addition, the State Director of Finance examines all expenditure vouchers for compliance with state law. A random sample of claims is also reviewed monthly by a representative of the Board of Regents for compliance with Board policy. The University Purchasing Department shares responsibilities with other University administrators in carrying out procurement functions in such a manner that all transactions will pass these numerous audit tests.

Section I

BOARD OF REGENTS POLICY AND STATE LAW

2.01 Senate Bill No. 211 of the 27th Oklahoma Legislature enacted the Oklahoma Central Purchasing Act which created within the State Board of Public Affairs a centralized purchasing division. In general, this statute requires state agencies to make acquisitions through the State Board of Public Affairs. The Board of Regents for Oklahoma State University and the A&M Colleges is not subject to the terms of the Oklahoma Central Purchasing Act by virtue of specific legislation enacted in 1968 exempting institutions of higher education. The University, however, by Board of Regents' policy, generally follows the requirements of the Central Purchasing Act by adhering to various state statutes and the rules promulgated by the Office of Public Affairs.

2.02 The policies and procedures subsequently described in this section were established in conjunction with the purchasing policies adopted by the Board of Regents for Oklahoma A&M Colleges on April 4, 1950 and revised October 13, 1967. The following resolution states the Board's intention for procurement and bidding requirements:

- a. Purchasing for all agencies under the jurisdiction of the Board of Regents for Oklahoma A&M Colleges shall be unified and integrated--a Director of Purchasing shall coordinate these purchases. The Director of Purchasing is the only person authorized to make purchase awards, commitments, or contracts for the University, unless specific delegation of authority is made to another employee.
- b. Purchases shall be made on a valid purchase order document. Without this document properly approved by the Director of Purchasing, the University is not obligated to commitments for purchases.

2.03 Consistent with Board of Regents' Policy approved December 15, 1989, competitive bidding is required on most acquisitions or contracts in excess of \$1,500 as prescribed by the following:

a. No acquisition or contract shall be made without the submission of competitive bids except as provided in this section.

(1) Any acquisition or contract for an amount of \$1,500 or less shall be exempted from competitive bidding procedures. Separate contracts or acquisitions for the individual components of a total project or service or split purchasing for the purpose of evading the requirement of competitive bidding shall be examined by Purchasing to determine if a policy violation occurred.

(2) Contracts for architectural, engineering, legal or other professional services, as such term is defined in Section 802 of Title 18 of the Oklahoma Statutes, shall be exempt from competitive bidding procedures.

b. Acquisitions or contracts shall be awarded to the lowest and best bidder. Bid openings and bid awards shall be conducted consistent with the provisions of O.S. 74, Section 85.5. Bid openings are open to the public.

2.04 Consistent with Paragraph 2.02, the Purchasing Department is charged with the responsibility and authority to obtain all bids and formal quotations. Vendors are generally more responsive to an official request for bid or formal quotation issued by the Purchasing Department. Prices obtained by departmental personnel can, however, be used for budget purposes, preparation of requisitions or for "small order" purchases made by the department.

Purchases from University or State Employees

2.05 Under the provisions of Title 74 O.S. Supp. 1989, Section 4243 (A.1), Oklahoma State University cannot issue a purchase order or enter into any contract with a state of Oklahoma or University employee or with a business in which an employee holds a substantial financial interest unless the contract is made after public notice and competitive bidding. The requirements of this statute prevail regardless of the monetary value of a purchase or contract. Please refer to Policy and Procedures Letter 3-0148 for additional information.

Sole Source Purchases

2.06 A sole source contract is defined by state statutes as a contract for a particular service or item which, by the specifications for the item or qualifications needed by an agency, restricts the bidders to one person, to one business entity, or to one brand name. Procurement guidance is provided by State Statute Title 74 O.S. Supp. 1989, Section 89:

- a. Pursuant to the provisions of this section, a requisition for a sole source contract shall be exempt from competitive bidding procedures.
- b. Whenever a state agency requisitions any particular product or service by sole source contract, the chief administrative officer of such agency shall attach to the requisition an affidavit signed by such chief administrative officer in substantially the form as shown on Exhibit 1.
- c. Any ... (employee) of an agency affirming the affidavit required by subsection b of this section who knows such information to be false shall be deemed guilty of perjury and upon conviction shall be punished by fine or by imprisonment or both fine and imprisonment pursuant to law.

2.07 If a restrictive (sole vendor or sole product) purchase is necessary, the requesting department must prepare a sole source affidavit in accordance with the foregoing and forward it to the Purchasing Department along with a requisition. At Oklahoma State University, the sole source affidavits must be signed by the department head and/or administrative officer. The criteria for sole source purchases are presented in Section II, Paragraph 3.03.

Public Improvement Projects

2.08 Any competitive bid taken for the purpose of making public improvements, such as constructing or repairing buildings, with a cost of \$7,500 or more has to follow strict statutory procedural and public advertising requirements. Departments having purchase requirements that fall within this category must permit sufficient lead time in the project to allow 20 days for advertising in a newspaper of general circulation. These requirements, known as the Public Competitive Bidding Act of 1974, are established in Title 61, O.S. 1981, Sections 101-136.

Advance Board of Regents' Approval Policy

2.09 Regardless of funds used, advance approval by the Board of Regents is required for any purchase or expenditure of \$35,000 or more.

a. The following commodity categories are exempt from the advance approval policy:

- ∇ Food
- ∇ Forage and veterinary supplies
- ∇ Seed
- ∇ Items for resale through college bookstore, cafeteria, etc.
- ∇ Livestock
- ∇ Gasoline, oil, and fuel
- ∇ Athletic equipment and supplies
- ∇ Utilities

b. Regardless of funds used or dollar amount involved, prior approval of the Board of Regents is required for any purchase or contract for the following:

- ∇ Automobiles, trucks and aircraft
- ∇ Lease or purchase of land, buildings or building space (Refer to 2.11)
- ∇ Furniture or equipment for President's house

Purchase of Automobiles and Trucks

2.10 For procurement of automobiles and trucks, the following is applicable:

a. Most vehicle acquisitions are to replace existing vehicles which will be disposed of according to Board policy. Additions to the fleet shall be approved by the University Business Manager.

b. Automobiles and trucks are generally purchased from state contracts established by the Purchasing Division of the Office of Public Affairs.

c. In the event a required vehicle is not covered by state contract, bids shall be invited from dealers of all makes of domestic vehicles which will meet the required specifications.

d. In accordance with Title 74, O.S. Supp. 1989, Section 78a, all state agencies must make application to the Office of Public Affairs for all motor vehicle purchases. The application must include statutory authority for the purchase, type of vehicle, intended use, and whether or not it is a replacement vehicle. A copy of the approval application must accompany both the purchase order and the claim submitted to the Office of State Finance for payment.

e. All requisitions for vehicle purchases shall be accompanied by a completed Product Requisition Justification form (Exhibit 2).

Rental or Lease of Land or Building Space

2.11 Board of Regents' advance approval is required for rental or lease of buildings, space, or land when the consideration is greater than \$3,000 per year or the duration is greater than three years. The President is authorized to execute agreements for lesser amounts and durations. Contracts requiring Board approval must be prepared and/or approved by the Office of Legal Counsel and signed by the Board Chairperson.

Lease-Purchase Agreements

2.12 The lease-purchase of data processing or other equipment by any state agency, whether or not such agency is subject to the provisions of the Oklahoma Central Purchasing Act, shall be processed by competitive bids through the Purchasing Division of the Office of Public Affairs. (Title 74, O.S. Supp. 1989, Section 85.4G). All requisitions for lease-purchases shall be accompanied by a completed Product Requisition Justification form (Exhibit 2).

Section II

UNIVERSITY POLICY

Bid Opening - Date - Time and Attendance

3.01 All formal competitive bids are opened at the time and date specified in the bid solicitation. Bid openings are open to the public, and bidders as well as University employees are invited to attend. Bid results become a matter of public record after the time of the bid opening. By statute, bid results must be open to public inspection at all regular hours of the University Purchasing Department. Please direct requests for bid results to the Purchasing Department.

Bid Evaluations

3.02 The University has the right to waive minor deficiencies or informalities in a bid provided that, in the buyer's judgment, the best interest of the University and the state would be served without prejudice to the rights of the other bidders.

- a. Competitive bids shall be evaluated on the basis of the lowest and best valid bid meeting or exceeding the advertised specifications, with the criteria being price, date and terms of delivery, and service.
- b. Bid evaluations will be coordinated with the ordering department. The ordering department will not be required to supply formal written evaluation on obvious low bids but may request copies of the bids from the Purchasing Department.
- c. When the lowest and best bid is not readily apparent or when bids substantially exceed the estimate, copies of the bids and an evaluation and recommendation form (Exhibit 3) will be sent to the ordering department. The ordering department shall respond with a detailed evaluation and recommendation. The signed form listing the recommended vendor or vendors shall be returned to the Purchasing Department. A purchase order will then be issued to the successful bidder.

Sole Source Affidavits

3.03 All sole source purchases shall require a sole source affidavit, consistent with Section 2.06. Sole source affidavits shall be required when the item or service is limited to one provider (sole source) or when the item is limited to one brand (sole product) which may be available from more than one source. Competitive bids will be solicited from all known sources on sole product purchases, and the bid shall include the statement "No Substitutes."

- a. At least two of the following criteria must be met for a Sole Source Affidavit to be valid and acceptable:
 - (1) The specified item is a replacement or repair part for existing equipment.
 - (2) The specified item must be compatible with existing equipment, and compatibility is an essential factor for effective utilization of the item.
 - (3) The specified item is the only product that will fulfill the need of the ordering unit.
 - (4) A unique and justifiable situation exists which restricts the purchase to a single source or brand.

b. The following are examples of circumstances which could justify sole source procurement:

- (1) Compatibility of equipment, accessories, or replacement parts is a paramount consideration.
- (2) A sole provider's item is needed for trial use or testing.
- (3) A sole provider's item is procured for resale.
- (4) The contractual provisions of an externally sponsored agreement restricts the purchase to one source.
- (5) The required service or item is available only from a specific manufacturer or the manufacturer's representative.

Orders Against State Contracts

3.04 University departments are encouraged to use "state contracts" established by the State Central Purchasing Division whenever departmental needs can be served adequately and economically. Requisitions submitted to the University Purchasing Department should indicate that the prices are based on "state contract." This can be done by giving the six-digit contract number and listing itemized prices as shown on the current contract and listing the product code and product number for each item. Departments may obtain copies of state contracts from the University Purchasing Department.

Emergency Orders

3.05 When the need for services and materials requires immediate service, requisitions can be "walked through" to the Purchasing Department via the Accounting Department. Every effort will be made to give immediate attention to get orders placed with a satisfactory vendor. The project director or department head should prepare an accompanying memorandum explaining the need for the immediate service.

- a. If an emergency exists in which a department can show that the procedure outlined above is inadequate or if an unforeseen and dangerous situation threatens the peace, health, or safety of people or property, that department should contact the Purchasing Department. The Purchasing staff will assist in prompt placement of the order,

arranging for special deliveries and any other approval which may be required.

b. When an emergency occurs outside regular University working hours, a department may make a purchase commitment if it can be fully documented that procedures presented in Paragraph 3.05a are inadequate. A complete report shall be made to the Purchasing Department on the first regular day of work following the purchase. A requisition shall be prepared immediately and routed through regular channels to the Purchasing Department for the issue of a purchase order.

c. All "confirming orders" shall be made according to procedures presented in this section. The requisition and resulting purchase order shall state "Confirming Order: Do Not Duplicate."

Repair of Equipment

3.06 Repair of equipment not under maintenance contract is to be processed in accordance with the following guidelines:

a. Prepare a requisition with an estimated amount and route it through regular channels to the Purchasing Department for issuance of a purchase order. The requisition must give an adequate description of the equipment to be repaired and details of the service arrangements.

b. The department head or other authorized representative should make the necessary arrangements for the service engineer to visit the campus. In some instances, certain equipment items must be delivered to the manufacturer's repair facility or area service shop. If this is done, a letter of transmittal should be prepared by the department head to provide the vendor with full identification of the equipment and the kind of service desired. The department head should obtain a signed receipt or bill of lading which fully identifies any equipment removed from the campus for service or repair.

c. Upon completion of the service as requested, the vendor should mail the official invoice direct to the ordering department. Promptly upon receipt of invoices, the department should send the invoice with the signed receiving report to the Purchasing Department.

Maintenance Agreements

3.07 Maintenance service agreements shall be processed by the following procedure:

- a. The University department head is responsible for determining the necessity of any contractual agreement that provides maintenance service for departmental equipment.
- b. If a maintenance agreement is required, a requisition should be issued for the contract period and forwarded to the University Purchasing Department. The requisition should be accompanied by a copy of the proposed agreement. The "description" space on the requisition must provide information similar to the following: "maintenance service for specified equipment for the period July 1, 19XX, through June 30, 19XX." Maintenance agreements must be signed by the Director of Purchasing to be valid and binding.
- c. The University Purchasing Department and/or the Office of Legal Counsel review all proposed agreements for compliance with University contractual criteria. If the proposal agreement meets the criteria, the agreement will be executed by the Director of Purchasing and copies will be mailed to the vendor and requesting department.
- d. The Purchasing Department will issue a receiving report after approval of the requisition and after each payment is made during the fiscal year period until final payment is made.
- e. When equipment under maintenance service agreement is traded in, sold, or transferred from one department of the University to another, the department head releasing such equipment shall give written notice to the vendor to cancel the maintenance agreement at the time of transfer. The purpose of cancellation is to stop the accumulation of service charges against departmental funds. A copy of the letter of cancellation is to be sent to the University Purchasing Department.
- f. Claims for payments of approved maintenance service agreements will be processed by the University Purchasing Department as follows:
 - (1) The University department head after verification of departmental possession and accuracy of charges, will sign all invoices and send them to the Purchasing Department with the signed receiving report. Invoices received by the University department on a monthly, quarterly, or semiannual basis (as per

terms of the contractual agreement) should be sent to the Purchasing Department with the receiving report for appropriate payment. The Purchasing Department will process the payment and send a new receiving report to the department for subsequent payment.

(2) The Purchasing Department processes some payments to certain vendors from a summary invoice which itemizes maintenance charges for each department. Departments are charged for the maintenance and pay it through the campus vendor invoice system when this procedure is used.

(3) All payments shall be made in arrears. Invoices and receiving reports should be sent to the Purchasing Department approximately 30 days before the due date.

Rental and Lease of Equipment

3.08 Agreements to rent or lease equipment shall be established through the competitive bid procedure, except when the annual cost is \$1,500 or less. The following procedures are followed when rental or lease agreements are transacted:

- a. The ordering department shall prepare a requisition, including complete technical specifications for the required equipment. The requisition should indicate rental or lease terms of equipment and the estimated cost.
- b. Competitive bids will be obtained by the Purchasing Department for the first year, with options to renew for the second and subsequent years, if applicable. A formal quotation can be obtained for rental or leases with estimates of \$1,500 or less.
- c. Purchase orders will be issued to the successful bidder and all required formal lease agreements will be on forms acceptable to or provided by the University. Departmental personnel are not authorized to sign lease agreements, and only agreements signed by the Director of Purchasing will be valid and binding.
- d. Payments will be processed as are maintenance agreements, except that payments for farm equipment may be processed annually in advance.

Software License and Maintenance Agreements

3.09 Agreements for computer software shall be processed similarly to equipment rental/lease agreements.

- a. All software agreements shall be routed with a requisition to the Purchasing Department where they will be reviewed and, when appropriate, sent to University Legal Counsel for approval.
- b. All agreements shall be signed by the Director of Purchasing. Departmental personnel are not authorized to sign software agreements.
- c. Payment is generally made after receipt of acceptable signed agreements and the software.
- d. Annual renewals shall be accomplished by submission of a requisition accompanied by a copy of the renewal notice.

Obtaining Insurance

3.10 All insurance coverage must be secured by request addressed to the University Business Manager. The Risk Manager in the Business Manager's Office is familiar with property, casualty and liability insurance coverages and can advise or assist departmental personnel in matters pertaining to insurance.

Printing and Duplicating

3.11 All printing, duplicating and copying jobs, other than those to be performed by authorized divisional or departmental duplicating facilities, are to be referred to the Manager, University Printing Services, for review and approval prior to being submitted to the Purchasing Department. The following is generally applicable:

- a. Any service will be performed by the University Printing Services if it can be completed within the required time limits. If, in the judgment of the University Printing Services Manager, the time limit cannot be met, the job can be referred to an off-campus printer. Procurement for the off-campus service shall be handled by the Purchasing Department.
- b. Jobs are not to be taken off campus for printing, copying, or duplicating unless the foregoing policy statement is followed. As a matter of University policy, the University Printing Service will not bid against off-campus printers except by special administrative approval,

and departments are not authorized to request or procure off-campus bids for purposes of comparison.

Office Supplies

3.12 Office supplies are to be purchased from the Student Union Bookstore. If office supply items are not carried in stock, a department may process an itemized requisition to the Purchasing Department.

Vehicle Supplies and Repairs

3.13 Purchases of repairs, tires, tubes, batteries, antifreeze, gasoline, motor oil, and similar items for motor vehicles and other special-purpose vehicles, including tractors, based at Stillwater or the adjoining Agricultural Experiment Station shall be made through the University Motor Pool. Purchases of items in this category for field stations outside Payne County shall be made through the Purchasing Department.

Credit Cards—Gasoline and Car-Rental

3.14 Any credit card issued in the name of any University department shall be secured and registered by the Purchasing Department. Requests for credit cards are to be addressed to the Purchasing Department, which will secure the required approval from the University Business Manager. Requests for credit cards should include sufficient detail to clearly justify the need. The department head and dean or other administrative officer must approve and sign all such requests.

Repairs or Renovation to Buildings or Grounds

3.15 The following must be referred to the Physical Plant Department for technical review and disposition:

- a. Any equipment requisition that involves utility connections and/or building alterations.
- b. All building and ground structural changes or repairs. Refer to Policy and Procedures Letter 3-0812 for additional information.

Purchase of Used Equipment

3.16 As a general policy, the University specifies and purchases new equipment. However, if it can be demonstrated that it is advantageous to do so, used equipment may be purchased. Regular purchasing procedures are to be followed for this type of

purchase. When bids are required, the bid request will specify new equipment, with an alternate request for used equipment meeting or exceeding the specifications for the new equipment.

Purchase of Carpeting

3.17 Procurement of carpeting must be in accordance with University Policy and Procedures Letter 3-0818. This policy explains specific carpet requirements, areas which may be carpeted, and authorization which must be secured. Standard procurement procedures will be utilized after the necessary procedures have been followed.

State Surplus Property

3.18 Equipment and supplies declared surplus by the state or federal government are made available to the University through the State Agency for Surplus Property in Oklahoma City. Such items may be procured by following these guidelines:

- a. A departmental listing of persons authorized to purchase from the State Agency for Surplus Property should be recommended by department heads and sent to the University Purchasing Department for transmittal to the Director of the State Agency for Surplus Property. Each University department head assumes responsibility not only for prompt payment of invoices when due, but also for strict inventory control of all items obtained by departmental personnel.
- b. The department should prepare a requisition in advance for an estimated amount due the state for surplus property. This requisition should be processed through regular channels to the Purchasing Department for review and approval.
- c. When materials become available for allocation, authorized persons may visit the Surplus Property Warehouse, pick up materials for their department, and sign invoices covering the purchase.
- d. Each signed invoice must show the departmental name and identification exactly as it appears on the authorization list. The original official invoice will be mailed to the Purchasing Department for processing. After verification, the signed receiving report with supporting invoices should be forwarded to the Purchasing Department for payment.

Section III

PROCEDURES

Requisition Preparation

4.01 The principal means of communication between University departments and the Purchasing Department is through use of the requisition. Copies of requisitions should never be given or sent to vendors. When a department requires the purchase of supplies, equipment, or services, a requisition must be issued and forwarded to the Purchasing Department through approved channels. Requisitions (Exhibit 4) must be typewritten and provide complete technical specifications, delivery date desired, estimated or quoted cost, and full name and address of the preferred vendor. Specifications must be written to provide open competition.

4.02 Various items of like nature may be grouped on a single requisition. If all items cannot be shown, double spaced, on the face of the requisition, a "continuation sheet" shall be used. All items must be typed double spaced on the continuation sheet. A statement should be made on the requisition similar to the following: "Computer equipment as per the attached continuation sheet." Separate requisitions should be used for different classes of commodities not normally available from the same type of suppliers.

4.03 A requisition must be issued in advance for any anticipated purchase. Strict guidelines have been issued by the State Director of Finance which states in part, "Any invoice prior to the date of any encumbrance document shall be rejected by the Director of Finance." This directive has to be strictly followed in order to get invoices paid. Consequently, a purchase order must be issued prior to any purchase commitment. Ordering departments are not authorized to place orders with vendors except as provided by Policy and Procedures Letter 3-0147, Small Order Purchases.

4.04 Prior to the requisition being forwarded to the Purchasing Department, the following signatures must be secured: department head, dean or administrative officer, Accounting Department, and Grants and Contracts when required.

4.05 Individuals authorized by the dean or department head to originate requisitions for materials and services shall assume responsibility for the following:

- a. Anticipating requirements to permit a reasonable amount of lead time for the Purchasing Department to secure quotations or competitive bids and Board of Regents' approval, if required. (After a requisition arrives

in the University Purchasing Department, the competitive bid and evaluation requires two to four weeks.)

b. Combining requirements for similar types of material to facilitate bidding reasonable quantities of material.

c. Furnishing sufficiently detailed specifications to ensure that all prospective bidders will understand the product or service requirements. Other known alternates of acceptable quality may also be listed.

d. Include the desired needed date in the "wanted not later than" area on the requisition. The Purchasing Department will do everything possible to meet this date.

e. The "deliver to" portion of the requisition should direct the order to the exact delivery location. Indicate where and to whom the receiving report should be sent.

f. Specifications are to be established by the requesting department and will not be changed or substituted by the Purchasing Office without prior consultation with the department. Specifications shall be written to provide open competition and to ensure procurement of satisfactory merchandise. All critical, technical and performance data should be included. Catalog and/or manufacturer's model numbers may be used as a reference when properly identified, however, such numbers will not substitute for the description or specifications. Specifications may require the submission of samples that may be examined, tested and analyzed to determine if they meet the specifications. Departments also are encouraged to indicate preferred vendors, particularly in the case of special items not in common use or when the items can be purchased only from a limited number of sources. Other possible sources may be investigated by the Purchasing Department staff to stimulate competition.

Purchase Orders

4.06 The University Purchase Order is a legal document (Exhibit 5) and when accepted by a vendor constitutes a contract between Oklahoma State University and the seller. The purchase order contains all pertinent details of the agreement, specifications, and other appropriate information. Purchase orders are issued only in conjunction with an approved requisition after receipt of competitive bids or other quotations and, where applicable, Board of Regents' approval.

4.07 Following receipt of a purchase order, vendors may proceed with delivery of the order. Merchandise delivered without an official University purchase order cannot be accepted.

4.08 All purchase orders are for official University business only, and no purchase can be made for an employee's personal use. Delivery of personal purchases cannot be made to any University office or building other than University-owned or controlled living facilities. University letterheads are not to be used for personal orders.

Receiving Reports

4.09 A copy of each issued purchase order designated as the "receiving report" will be sent to the requesting department. The department should immediately review the receiving report and report any discrepancies to the Purchasing Department. The requesting department retains the receiving report until completion and acceptance of an order.

4.10 In accepting delivery, it is the responsibility of the department to promptly inspect all orders. The department must determine whether the quality and quantity of the items purchased conform to specifications included in the purchase order. The department head or the authorized representative must certify receipt by signing and dating the receiving report. The signed receiving report bearing notations of any exceptions, deviations, or qualifications, and all related invoices, credit memos, freight or express bills, etc., are to be forwarded without delay to the Purchasing Department.

4.11 Vendors are instructed to send all invoices to the Purchasing Department; however, if invoices are sent to a requesting department in error, they should be forwarded to the Purchasing department. It is the policy of the University to make prompt payment to all vendors. It is, therefore, the responsibility of all persons concerned to expedite the inspection and verification of all deliveries, including the completion of and processing of all receiving reports as soon as possible after receipt and acceptance of order with or without an invoice.

4.12 Partial payments are authorized to take advantage of cash discounts offered for prompt payment when savings to the University amount to at least one dollar, or if such payment will serve the best interests of the University. Partial payments can be made to expedite payment to vendors if a substantial portion of the order has been delivered. Requests for partial payment must indicate items received and dollar amount to be paid.

4.13 Change Orders - If it is necessary to change a purchase order, the department is to provide written details to the Purchasing Department, which will implement the necessary changes with the vendor and State Finance Office.

4.14 Follow Up - The Purchasing Department should be advised when deliveries are not made as scheduled. The Purchasing Department will request verification of delivery dates and assist in expediting shipment of the order when requested by the department. If inquiries are made by the ordering department directly to the vendor, a copy of all correspondence should be sent to the Purchasing Department.

4.15 Receipt of Damaged or Unsatisfactory Goods - Most quotations are solicited for delivery to the University Receiving Station. This places the responsibility for damages on the carrier and the shipper. If a shipment arrives with visible damages, the Receiving Station personnel should insist that the freight bills be noted "Received in Damaged Condition" and proceed with arrangements for an "Inspection Report" by the carrier's representative. Save all boxes and packing materials until after carrier has made his inspection. In case of damage made to a parcel post delivery, contact the University Postmaster for instructions, then write the vendor with a copy to the Purchasing Department. Defective merchandise or substitute materials should be reported to the Purchasing Department by written memorandum containing the department's report of the complaint and suggestions or information sufficient to use as a basis for adjustment. The decision to accept an offer of adjustment must be mutually agreed to by the department head and the Purchasing Department.

4.16 Returning Material to Vendor - Do not return goods without first securing authorization and instructions from the vendor. When authorization is obtained, be certain that all shipping instructions are followed and attach all shipping labels or tags as directed by the authorization document. The requesting department should also send the vendor a letter of transmittal, with a copy to the University Purchasing Department giving full particulars of each returned shipment, including date, purchase order number, name of carrier, and an attached copy of the waybill.

4.17 Receipt of Merchandise not Ordered - If unordered or unidentified material is delivered, notify the Receiving Station promptly, since occasionally shipments are misdirected by vendors. The University will accept no responsibility for merchandise received, except when delivered in accordance with an official purchase order.

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July 6 1978

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