# Wichita State University

## Administration of Procurement Policies

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Section I  **Authority and Delegation**

KSA 76-769 grants authority to the Kansas Board of Regents to adopt policies regarding the acquisition of any supplies, materials, equipment, goods, property, printing or services to be acquired by a state educational institution, and any lease of real property entered into by a state educational institution.

The Board of Regents has directed the President of Wichita State University as the Chief Executive Officer of one of the state universities to develop and implement the policies required to administer and operate with all terms, conditions and requirements detailed in KSA 76-769 and Board Policies.

The President of Wichita State University may delegate the administration of the policies and procedures developed to the appropriate staff and departments on the campus at his/her sole discretion.

**Section I a  Administration of the Delegated Authority**

Effective July 1, 2010, the President of Wichita State University shall delegate to the Wichita State University Director of Purchasing all purchasing authority. The Wichita State University Director of Purchasing may further delegate their authority to persons in university departments for the efficient operation of the university in accordance with the terms of this Wichita State University Administration of Procurement Policies document.

Consistent with the provisions of this document, the Wichita State University Director of Purchasing may adopt operational procedures governing the internal purchasing functions of the university, including purchases at the department level.
Section II  Purpose

This Wichita State University Administration of Procurement Policies document is intended to establish the parameters of a purchasing program that is specifically designed to support and facilitate the instructional, research, and public service missions of the University by applying best methods and best business practices when the University is acquiring supplies, materials, equipment, goods, property and services.

Within the context of the University environment, this document and the attached policies are intended to promote the development and use of purchasing processes that promote the pursuit of excellence and the best interests of the University while maintaining the highest possible integrity, broad based competition, fair and equal treatment of the business community and increased economies and efficiencies in the purchasing process. (See Appendix A) Examples include seeking lower higher education pricing in lieu of governmental pricing, utilizing procurement processes and procedures that allow shorter processing times, developing specifications that are University specific, and dramatically increasing the flexibility of the purchasing process.

The University shall communicate and collaborate with the State of Kansas Division of Purchases and state universities to insure that all procurement opportunities where mutual benefit can be obtained are achieved. Examples include participating in state sponsored contract development meetings, utilizing state contracts when they meet the needs of the University and allowing state agencies and other state universities to access contracts and pricing agreements entered into by the University whenever possible.

The Wichita State University Director of Financial Operations and Business Technology and/or Director of Purchasing and members of the Wichita State University Office of Purchasing shall work collaboratively with the University Director of Internal Audit as operating procedures and reporting mechanisms are developed and audits of individual departments are conducted to insure adherence to proper purchasing policies and procedures.
Section III  Applicability

A. General Applicability

These Policies apply to the acquisition of all supplies, materials, equipment, goods, property, printing or services to be acquired by a state educational institution, and any lease of real property entered into by a state educational institution and are paid for with state funds.

B. Exclusions

The attached policies do not apply to purchases made with funds from the Wichita State University Foundation.
Section IV  Ethics and Conflict of Interest

A. Code of Ethics

All parties involved in the negotiation, performance, or administration of the acquisition of any supplies, materials, equipment, goods, property, printing or services to be acquired by a state educational institution, and any lease of real property entered into by a state educational institution are bound to act in good faith. Any person employed by the University who purchases supplies, materials, equipment, goods, property, printing or services to be acquired by a state educational institution, and any lease of real property entered into by a state educational institution, or is involved in the purchasing process for the University, shall be held to the highest degree of trust and shall be bound to the Wichita State University Procurement Code of Ethics. (See Appendix A)

B. Conflict of Interest

The Wichita State University “Conflict of Interest Policy” defines the processes to be followed in articulating and resolving conflicts of interest at the University. When the Wichita State University Director of Financial Operations and Business Technology and/or Director of Purchasing has reason to believe that a conflict of interest may exist in the acquisition of goods and services, he/she will direct the affected department to comply with the procedures described in this policy.

Please refer to the Kansas Board of Regents Policy and Procedure Manual, Chapter II, Section F (13), http://www.kansasregents.org/academic/policymanual.html
Section V  Competitive Bids

A. Competitive Bid Policy

It shall be the policy of the University to purchase all required supplies, materials, equipment, goods, property and services in a manner that affords vendors a fair and equal opportunity to compete.

B. Competitive Bid Thresholds

1. Informal Bid Solicitation from $5,000 to $9,999 – The Wichita State University Director of Purchasing may delegate authority to campus departments for all purchases of required supplies, materials, equipment, goods, property, leases of real property, services, including professional services, in accordance with KSA 75-37, 131 and KSA76-769 and approved purchasing policies and procedures.

2. Formal Bid Solicitation $10,000 and over – purchases of required supplies, materials, equipment, goods, property, leases of real property, services, including professional services, shall be accomplished by utilizing an approved competitive solicitation type, or by an approved non-competitive process as determined by the Wichita State University Director of Purchasing in accordance with the terms of this document and approved purchasing policies and procedures.

C. Competitive Bid Notification

All competitive bid transactions, regardless of type of competitive solicitation utilized, shall be advertised in a manner that provides reasonable notice to the public of the competitive bid opportunity. Reasonable notice may include but is not limited to electronic bulletin boards, posting of hard copy documents in a public location, publication in appropriate newspapers and trade journals and other means as deemed appropriate by the Wichita State University Director of Purchasing in accordance with approved purchasing policies and procedures.

D. Specifications

Specifications shall be developed in a manner that are not unduly restrictive while recognizing the purpose of these Policies as detailed in Section II of this document.

E. Competitive Bid Openings

Competitive transaction bid openings shall be open to the public in accordance with approved purchasing policies and procedures.
F. **Evaluations and Award**

All competitive bid responses shall be evaluated as outlined in the bid solicitation. The Wichita State University Director of Purchasing shall ensure the award decision treats all vendors equitably and is made in accordance with the specifications, terms and conditions utilized for the competitive transaction as well as the terms of this document and approved purchasing policies and procedures. Unless otherwise specified in approved purchasing procedures and in the specific bid documents governing a transaction, the criteria for award shall be on the basis of lowest responsible bidder meeting the specifications, terms and conditions established in the bid documents.

G. **Determinations Required**

Any decision or finding required to administer the scope of the purchasing program shall be supported by a written determination prepared or approved by the Wichita State University Director of Purchasing in accordance with approved purchasing policies and procedures.
Section VI  Vendor Suspension

The Wichita State University Director of Purchasing may issue a written determination to suspend a vendor from doing business with the University pending an investigation to determine whether cause exists for debarment in accordance with approved operating procedures.

A written notice of the suspension, including a copy of the determination, shall be sent to the suspended vendor with a copy to the Wichita State University Director of Financial Operations and Business Technology.

The suspension period will be effective upon issuance of the notice of suspension.
Section VII  Vendor Debarment

A. A vendor may be debarred for any of the following reasons:

1. Conviction of a criminal offense in relation to obtaining or attempting to obtain a Wichita State University contract or in the performance of such contract;

2. Conviction under State of Kansas or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records or receiving stolen property;

3. Conviction under State of Kansas or Federal antitrust statutes arising out of the submission of bids or proposals;

4. Failure to perform in accordance with the terms of one or more contracts following notice of such failure, or a history of failure to perform, or of unsatisfactory performance of one or more contracts;

5. The vendor is currently under debarment by any other governmental entity that is based upon a settlement agreement or a final administrative or judicial determination issued by a federal, state or local governmental entity.

Following completion of the investigation to determine whether a vendor has engaged in activities that are cause for debarment, the Wichita State University Director of Purchasing may debar the vendor for a period of time commensurate with the seriousness of the findings.

B. A written notice of debarment shall be sent to the vendor. The notice shall:

1. State the debarment period; and

2. Inform the debarred vendor that any person(s) representing the debarred vendor during the debarment period may conduct no business with the University and that any solicitation responses received from the debarred vendor during the debarment period shall not be considered.

C. The debarment period will be effective the date of the written notice being sent to the debarred vendor and all University departments.
Section VIII Dispute Resolution

A. The Wichita State University Director of Purchasing is authorized to resolve, in accordance with approved operating procedures, any protests regarding any and all purchasing matters including but not limited to:

1. Any protest concerning the solicitation or award of a contract or purchase order; and

2. Any controversy arising between the University and a contractor by virtue of a contract or purchase order between them, including, without limitation, controversies based upon breach of contract, mistake, misrepresentation, or any other cause for contract modification or rescission.

B. The Wichita State University Director of Purchasing shall render a written decision regarding the protest within seven (7) working days after the protest and/or any subsequently submitted information is received. The Wichita State University Director of Purchasing shall furnish a copy of the decision to the protestor in writing in accordance with approved purchasing policies and procedures.

C. The protesting party may appeal the written determination of the Wichita State University Director of Purchasing. If the protesting party desires to appeal, he/she must submit his/her written request for appeal to the Wichita State University Vice President for Administration and Finance within seven (7) calendar days after receipt of the written determination of the Wichita State University Director of Purchasing. The decision of the Vice President of Administration and Finance shall constitute the Final Agency Order regarding the matter.
Section IX  Procurement Records

Procurement records are subject to disclosure pursuant to the provisions of the Kansas Open Records Act.
(http://www.kslegislature.org/legsrv-statutes/index.doc)

Procurement records shall be retained and disposed of in accordance with applicable records retention policies of the State of Kansas and Wichita State University.
Appendix A

Wichita State University Procurement Code of Ethics

The conduct of all persons involved in the procurement process at Wichita State University should be characterized by integrity and dignity, and he or she should expect and encourage such conduct by others.

All persons should adopt and be faithful to personal values that:

- accord respect to self and others;
- preserve honesty in actions and utterances;
- give fair and just treatment to all;
- accept intellectual and moral responsibility;
- aspire to achieve quality;
- refuse conflict, or the appearance of conflict, between personal and institutional interests; and
- engender forthright expression of one's own views and tolerance for the views of others.

All persons should act with competence and should strive to advance competence, both in self and in others.

All persons should understand and support his or her institution’s objectives and policies, should be capable of interpreting them within and beyond the institution, and should contribute constructively to their ongoing evaluation and reformulation.

All persons should communicate to institutional colleagues the content of this Code of Ethics and should strive to ensure that the standards of professional conduct contained therein are met.

In discharging his or her duties in accordance with this Code of Ethics, all persons should enjoy the following rights:

- the right to work in a professional and supportive environment;
- the right to have a clear, written statement of the conditions of his or her employment, procedures for professional review, and a job description outlining duties and responsibilities;
- within the scope of his or her authority and policy, the right to exercise judgment and perform duties without disruption or harassment; and
- freedom of conscience and the right to refuse to engage in actions that violate the ethical principles contained in this Code or provisions of law.

NACUBO Code of Ethics w/ modifications
April 15, 1993
Appendix B

Wichita State University Purchasing Policies and Procedures

14.01 / General Purchasing Policies (Revision Date: September 9, 1998; August 1, 2009)
14.02 / Purchasing Less Than $5,000 (Revision Date: August 20, 2009)
14.03 / Purchasing Greater Than $5,000 (Revision Date: August 20, 2009; August 1, 2010)
14.04 / Planning Major Purchases (Revision Date: August 1, 2009)
14.05 / Specifications (Revision Date: August 1, 2009)
14.06 / Canceling or Modifying a Purchase Order
14.07 / Follow-up on a Purchase Order (Revision Date: August 20, 2009)
14.08 / Ethical Conduct and Vendor Representatives (Revision Date: August 1, 2009)
14.09 / Receiving, Inspection, and Acceptance of Merchandise (Revision Date: August 1, 2009)
14.10 / Externally Sponsored Research Programs (Revision Date: March 1, 2010)
14.11 / Transfer of Equipment (Revision Date: August 1, 2009)
14.12 / Ordering from Kansas Correctional Industries and the Dept. of Social and Rehabilitation Services (Revision Date: August 20, 2009)
14.13 / Independent Contractor (Relocated to Section 3.35)
14.14 / Radioactive Materials
14.15 / Printing (Rescinded August 1, 2009 - See Section 15.03)
14.16 / Travel Center (Out-of-State Travel) (Rescinded November 1, 2007 - See Section 3.28)
14.17 / Guidelines for Installment Purchases (Revision Date: August 1, 2009)
14.18 / Anti-Kickback (Effective Date: July 1, 1998)
14.19 / Tools to Facilitate Purchasing Needs (Effective Date: August 1, 2009; Revision Date, August 18, 2009)
14.01 / General Purchasing Policies

All purchases of materials and contractual services in the amount of $5,000 or more will be made by the Office of Purchasing. This office also manages and controls the system for direct departmental purchases less than $5,000. The Office of Purchasing establishes contractual service agreements for professional services and service maintenance agreements and maintains all statewide open-end contracts. The Office of Purchasing cannot purchase items for individuals for their personal use and as a general policy, no University purchase orders will be awarded to University employees.

State Contracts for Supplies and Services:
Contracts for commonly used equipment, supplies, and services have been developed by the State of Kansas Division of Purchases. A complete listing of state contracts is available at the Office of Purchasing. Copies and updates of these contracts are maintained by the Office of Purchasing and are forwarded to departments expected to have need for the items covered by the contract. State contracts for commonly used equipment and materials must be utilized unless it can be clearly demonstrated that an alternative purchase would be in the best interest of the University. Approval by the Office of Purchasing is required when deviating from this policy, prior to acquisition.

Contracting Policy:
The President, the Provost and Vice President for Academic Affairs and Research, and the Vice President for Administration and Finance are the only individuals authorized to contractually bind the University by the execution of a contract. (The reader should refer to the Execution of Contracts Policy at Section 1.04 of this manual.) The Vice President for Administration and Finance has further delegated limited authority for the execution of purchase orders to the Director of Purchasing.

Vendor Information:
The Office of Purchasing maintains a current library of vendor product information and maintains a program of vendor evaluation on the basis of quality, service, delivery practices and price. Procurement officers are apprised of current market conditions, scarcity of materials, new product availability, delivery information and state and federal excess property. Procurement officers also explore new and improved sources of supplies, materials, processes, and ideas which will better serve the needs of all University departments.

Used Equipment:
The University does not generally purchase used equipment. However, if it can be demonstrated that it is advantageous to do so, used equipment may be purchased from an established and reliable vendor of the type of equipment to be purchased. Normal purchase procedures are required for this type of purchase.

Departmental Services:
The Office of Purchasing procurement officers will visit departments to discuss current needs, future opportunities, and procedures. These visits are generally made at departmental request. A representative from the Office of Purchasing will visit with new department heads, researchers, administrative assistants, and secretaries to explain purchasing procedures and services. Contact the Office of Purchasing to arrange a visit.

SCT Banner:
All departments that wish to purchase goods or services with funds that are deposited in the state treasury, including research grants, will be required to use SCT Banner to submit requisitions to the Office of Purchasing. Department budget officers shall keep the Director of Purchasing informed as to who is responsible and authorized to submit requisitions on behalf of the department.

Revision Date:
September 9, 1998
August 1, 2009
14.02 / Purchases Less Than $5,000

Many items are required to be purchased using state or local contracts, University sources, Kansas State Use Catalog, or otherwise require advance approval from the University, the Kansas Board of Regents, or the State of Kansas. For those goods and services that are not available from one of the above sources, departments may be authorized to make purchases direct from any vendor when the delivered dollar value of the purchase is less than $5,000, no additional orders for like products or services will be placed again within 30 days (which would make the overall accumulated purchase exceed the $5,000 limit), or the purchase of the desired product or service is not otherwise restricted. Departments are responsible for checking to see if their desired purchases are restricted items and are encouraged to contact the Office of Purchasing for help in doing so.

Some contracts allow for an exception to be granted prior to purchase for items that are on contract, but are found at a lower price elsewhere with the same quality and specifications. A Prior Authorization for Off-Contract Purchase form shall be completed by the department and submitted, along with an indication of the funding source, to the Office of Purchasing for consideration. Certain items such as personal computer systems and certain vendors such as those in the Kansas State Use Catalog are not subject to granting of this exception.

The Office of Internal Audit and the Office of Purchasing will conduct periodic audits to determine whether or not items are being purchased that are available from University sources or from state-contracted vendors, unauthorized items are being purchased, and/or purchases are being split up into increments of less than $5,000 (in order to bypass procedures for larger purchases). They will also check to see how effectively departments are making follow-up inquiries to obtain credit on tax charged by vendors, accurate and prompt notification of items to the University's Accounts Payable Department, and whether adequate departmental control records are being kept. Departmental delegated purchasing authority can and will be revoked by the Director of Purchasing if found to be abused or used irresponsibly.

Revision Date:
August 20, 2009
14.03 / Purchases Greater Than $5,000

Contractual Service Agreements:
Contractual service agreements in the amount of $25,000 or more must be documented by a contract cover sheet (DA-146) and formal written agreement including a Contractual Provisions Attachment (DA-146a). The Office of Purchasing will work with the Vice President and General Counsel regarding preparation of any contract. Contractual service and appropriate documents shall be signed in accordance with the contracting policy referenced in Section 14.01.

Purchases of $5,000 or more:
Competitive bids on purchases of $5,000 or more, including purchases using research or grant funds, will be obtained by the Office of Purchasing, either by telephone or written request. The processing time for award of a purchase order could be a few days to multiple weeks depending upon the complexity of the purchase. The Office of Purchasing will conduct all negotiations with vendors in cooperation with the respective department. All bids, regardless of the source of funds, that are estimated to be in the amount of $50,000 or more, must be advertised and open for a minimum of two (2) weeks and processed with the receipt of formal written bids.

Revision Date:
August 20, 2009
August 1, 2010
14.04 / Planning Major Purchases

To ensure that regularly recurring or seasonal requirements are ordered on time, departments are encouraged to develop procurement planning calendars and share their procurement plans with the Office of Purchasing. Procurement personnel will be made available to assist if needed. When contemplating a purchase of complex nature, contact the appropriate procurement officer in advance of submitting a purchase requisition to develop a procurement plan.

Most purchases of $5,000 or more will be classified as a capital expenditure and will require a 400 series account. When major purchases of capital equipment require a service maintenance agreement, the source of funds for the service maintenance agreement must be established at the time of purchase.

Revision Date:
August 1, 2009
14.05 / Specifications

The Office of Purchasing has authority to challenge an ordering department concerning the quality, quantity, and type of material requested in order to serve the best interests of the University. However, the final decision and the responsibility for justification of the quality and quantity rest with the user department. A department will not be asked to accept inferior products, only to evaluate recommended alternatives.

Preparing Specifications:
Specifications should be developed with the knowledge that a bid shall be awarded to the bidder who submits the lowest price for a good or service that meets the stated specifications with delivery within a time frame that meets the University's need and is reasonable for the particular industry under current market conditions.

In obtaining material or equipment which meets the requirements for performance and quality, the preparation of clear and complete specifications is essential. Specifications may be as simple as a list of requirements that could be described over the telephone, or very complex requiring detailed explanation in writing. Kansas statutes prohibit specifications from being fixed in a manner to effectively exclude any responsible bidder from offering a comparable product or service. The Office of Purchasing will assist in the preparation of specifications upon request.

In general, specifications should be as simple as possible while specific enough to assure that no loophole exists by which a vendor may take advantage of competitors or the buyer. Specify the brand and model number of the desired equipment (e.g., Model 351OD ATT facsimile or equivalent) including the names and model numbers of two or more manufacturers whenever possible. Identify the features and/or characteristics considered essential to the function or intended use of the product. Flexible specifications allow more competition and better pricing.

Specifications should be edited for nonessential proprietary features of characteristics of the named brands which tend to effectively exclude competition in bidding. Minor deviations in size and operational characteristics from those set forth in the specifications will be considered when such deviations do not deter the user from accomplishing the intended use or function at the desired level of performance.

Revision Date:
August 1, 2009
14.06 / Canceling or Modifying a Purchase Order

When it is necessary to alter an open purchase order, contact the Office of Purchasing immediately. Minor changes can normally be made without penalty charges being assessed by the vendor, but approval by both the Office of Purchasing and the vendor is required.

The cancellation of an open purchase order without just cause constitutes the breaking of a contract and will require the vendor's approval. If the vendor has incurred expenses regarding the order, prior to cancellation, a settlement for any nonrecoverable costs may be due the vendor.
14.07 / Follow-up on a Purchase Order

Purchasing will follow up and expedite delivery of outstanding purchase orders as requested. Contact the appropriate contracting officer as designated on the purchase order.

Confirming or Goods Received Requisition / Direct Payment Requests:
The Direct Payment of an invoice may be initiated by a department with the preparation of an Invoice Control Document (ICD) when the goods and services have been received and the department is ready to make payment (invoices must be paid in compliance with the Kansas Prompt Payment Act). The department should attach the invoice from the vendor and the Department Budget Officer must sign verifying receipt of said goods and services. Direct Payments should have the applicable invoice stapled to the back of the ICD. Direct Payments requesting prepayment to a vendor must have a proforma invoice attached. Subscription renewals, membership renewals, and maintenance agreements should be considered confirming requisitions to expedite payment of the invoices.

Confirming Purchase Order:
A Confirming Purchase Order is a telephone or fax confirmation of an order to the vendor using a purchase order number to expedite delivery. A purchase requisition must be prepared using the Banner Financial System and submitted to the Office of Purchasing before a confirming purchase order will be issued. The Office of Purchasing is the only authorized office to assign purchase order numbers for confirming purchase orders. After obtaining approval from the Office of Purchasing, if the department making the purchase plans to call or fax the order to the vendor, they should indicate on the requisition the following: Confirming telephone / fax order - Do not duplicate.

Revision Date:
August 20, 2009
14.08 / Ethical Conduct and Vendor Representatives

Departments should always contact more than one vendor whenever possible and be sure to provide each with exactly the same information to obtain multiple price quotes. Inform sales representatives that several sources are being evaluated, but do not discuss the amount budgeted for the purchase or prices offered by competitors. Discuss all aspects of the needed product using a life-cycle approach. Learn about the long-term implications of owning the product with respect to reliability, availability, and cost of maintenance and repairs, operational skills required for its use, trade-in-value of unit at the end of cycle, energy consumption, and other such operating concerns. Have the vendor provide all of the technical information needed to write a complete and detailed specification. Be wary of overreacting to vendor-created crises that call for a hasty decision such as an upcoming price increase or potential stock-out of the desired product and do not offer verbal commitments to buy (the University is committed only by means of an authorized purchase order). The purchase requisition should be submitted as early as possible and should include pertinent information about the suggested vendor such as the name of the company, their representative, address, and telephone and fax number.

Conflict of Interest:
The State of Kansas has statutory laws covering gratuities and conflict of interest which provide that, among other things, no state employee in his or her capacity shall participate in the making of a contract with any person or business with which the employee has a substantial interest. No employee of the State of Kansas may accept gifts, gratuities, or special discounts from persons or firms having business with any state agency or governmental entity. These laws apply to all individuals on the state payroll, regardless of the type of funds used (general use, restricted fees, research, endowment, etc.). Only gifts donated to the University through the WSU Foundation are acceptable.

Revision Date:
August 1, 2009
14.09 / Receiving, Inspection, and Acceptance of Merchandise

Receiving, inspection, and acceptance of goods transported by common carrier are the responsibility of the warehouse under the direction of the Physical Plant. All UPS shipments are delivered directly to the ordering department. As merchandise arrives at the delivery point, it should be received and inspected without delay. Acceptance of merchandise occurs when the receiver signs the carrier's bill of lading or other delivery document. Any shortages, overages, evidence of damage, or other inconsistencies must be clearly noted and outlined by the receiver on the carrier's bill of lading or other delivery document. If merchandise is accepted without notation of inconsistencies or if evidence of damage is not noted, the University is at risk of losing their rightful claim to reimbursement, credit or replacement.

When receiving personnel are unable to determine the validity of grade certificates or other certification regarding the quality of the goods received, the items in question should be received for storage only pending clear certification.

On F.O.B. destination shipments the seller owns the goods while in transit and title does not pass on to the University until the merchandise has been received and accepted in satisfactory condition. The receiver must carefully note any inconsistencies or evidence of damage and immediately notify the vendor to establish his claim. On F.O.B. shipping point transactions, the receiver should exercise the same care in receiving, inspecting, and accepting because the University owns the merchandise while in transit and is responsible for filing the required claims.

Concealed Damage:
When merchandise has been received and accepted with no evidence of damage being apparent and detailed inspection of the merchandise is not feasible at the time of delivery, but is performed at a later time, any damage discovered is referred to as concealed damage. Claims for concealed damage are most difficult to resolve because ownership responsibility has changed, the merchandise has been handled several times, acceptance without notation of damage has occurred, and responsibility for the damage is almost impossible to establish. Recourse action for agencies is limited and becomes more limited when merchandise is moved from the receiving area to another location or if there is a lapse of time before such damage is discovered. When the vendor, the carrier, and the agency all refuse to take full responsibility for the damage, the possibility exists that all carriers involved in moving the merchandise may share the cost.

In order to reduce the possibility of concealed damage, request that merchandise deliveries such as furniture or machinery, be shipped F.O.B. destination, uncrated, set-up or erected and ready for use in a specific location. Avoid moving crated or carton-packaged merchandise from the receiving area prior to detailed inspection and perform the detailed inspection as soon as possible after receipt of merchandise (within three to seven days). Report discovery of concealed damage to the carrier and request an inspection, then notify the vendor.

Freight and Express Payments:
Normally freight charges are included in the purchase order and designated as F.O.B. destination prepaid and allowed. Departments should closely analyze all freight invoices in comparison with the purchase order and price quote to determine their responsibility for payment. Identify each shipment to the related freight or express bill and to the related order. Write the account number and department name on the freight or express bill when the shipment is received.

Regulations of the Interstate Commerce Commission provide for the payment of freight within seven days after the bill is rendered, unless special arrangements are made with the carrier. Prepare an Invoice Control Document (ICD) to pay each original freight bill the University is obligated to pay, according to the terms of the purchase order. Contact the Office of Purchasing whenever a shipment is received "collect" that should have been "prepaid" in accordance with the purchase order. Do not pay any freight charges which are the contractual responsibility of the supplier.

Revision Date:
August 1, 2009
14.10 / Externally Sponsored Research Programs

Procurement for externally sponsored research programs must comply with the following: University policies; state or federal laws and regulations; and requirements of the funding source. All procurement for externally sponsored research programs will be processed through the Office of Purchasing. Federal procurement standards\(^1\) and any special constraints imposed by the sponsoring agency must be observed. Expenditures require funding approval from the Office of Research Administration and all applicable research budgets and purchasing requisitions shall be routed through the Office of Research Administration prior to forwarding to the Office of Purchasing.

**Subcontracting:**
The Office of Purchasing will prepare the appropriate bid documents to be used, unless otherwise agreed by the Office of Purchasing and the Office of Research Administration. The principal investigator and the contract specialist in the Office of Research Administration will develop the subcontract in cooperation with the Office of Purchasing. Upon approval by the principal investigator, the contract specialist or the Office of Purchasing will obtain the signatures of the subcontractor and the authorized signator for the University. Work shall begin only after completion of a signed contract.

Sole authority for issuing a change order and/or a change in the statement of work to the subcontractor belongs to the Director of Purchasing who will consult with the Office of Research Administration as necessary. The principal investigator shall receive reports and monitor progress of the subcontractor. Any requirement or request to redirect the subcontractor must be submitted to the Director of Purchasing for appropriate action.

Request for payment to subcontractors must be approved by the principal investigator and the Office of Research Administration. Approval by the principal investigator attests that the subcontractor has met all scheduled requirements under the contract in a manner that represents satisfactory technical/services/production criteria of the contract. Approval by the Office of Research Administration attests the monetary value is within the contract budget. Any variations noted by the principal investigator or the Office of Research Administration will cause the Office of Purchasing to initiate action with the subcontractor to resolve the concerns before payment is made. A Invoice Control Document (with invoice attached) is then processed through the Office of Research Administration and will then be forwarded to the Office of Purchasing for payment.

**Other Statutory Requirements:**
There are several statutes and regulations which govern or are applicable to this area of purchasing. The Office of Purchasing or the Vice President and General Counsel will be available to assist in ensuring that a purchase requisition is in keeping with required guidelines when questions arise beyond the scope of this manual. The following is a non-exhaustive list of important considerations:

1. Complete documentation is required to support payments for all commodities and services.
2. All contractual service agreements must be documented in accordance with normal purchasing and contracting policies.
3. For all computer and telecommunication acquisitions, assistance from University Computing and Telecommunications Services is available for specifications.
4. Printing services must be performed in accordance with Section 15.03 of this manual.
5. Purchases of insurance is restricted by statute. Please contact the Office of Purchasing or the Vice President and General Counsel for specific requirements.
6. Rent or lease of space must be approved by the Vice President for Administration and Finance and the Secretary of Administration for the State of Kansas.
7. Observance of conflict of interest laws is required.
8. Compliance with the Kansas Prompt Payment Act is required.
9. See Section 3.35 of this manual regarding determination of independent contractor status.

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\(^1\)Federal procurement standards must be followed where they are more restrictive than the State of Kansas. These standards are contained in Office of Management and Budget (OMB) Circular A-110, Sections N and O. All goods and services must be eligible for payment from grant funds according to guidelines from the sponsoring agency. These guidelines for federal grants are found in OMB Circular A-21. Contact the Office of Research Administration or the Office of Purchasing for more information in these areas or for copies of the circular. **Revision Date:** March 1, 2010
14.11 / Transfer of Equipment

Transfer of equipment purchased by externally sponsored research projects to another college or university will be made only upon written approval by the Provost and Vice President for Academic Affairs and Research and a formal recommendation from the institution, including certification that:

1. The project investigator is moving to another academic institution and his financial report is also transferred by the granting agency without interruption;
2. The granting agency approves transfer in the new institution of equipment purchased wholly by grant funds;
3. Such equipment was specialized in nature, acquired specifically for the investigator for his particular program, and is essential to continuance of the program without undue interruption in the work;
4. The institution does not need the equipment in its current related research program; and
5. The entire cost of physical transfer of the equipment will be borne by the granting agency of the recipient institution.

Revision Date:
August 1, 2009
14.12 / Ordering From Kansas Correctional Industries and Organizations Listed with the Kansas State Use Catalog

There are a number of products and services available from certain state agencies and organizations listed with the Kansas State Use Catalog. Kansas law mandates that such suppliers be used by other state agencies. If the suppliers are unable to supply the product ordered or cannot meet delivery requirements, the ordering department will be notified immediately and the Office of Purchasing will work with the department to obtain the required statutory exceptions to proceed pursuant to normal purchasing policies and procedures. Departments seeking an exemption for the procurement of consumable supplies or services may do so through the Office of Purchasing on a case-by-case basis. If an exemption is granted, a copy of the written approval must accompany the purchase requisition.

To obtain the Kansas State Use Catalog, contact Envision, 2301 South Water, Wichita, Kansas 67213 (other contact information is available from the Office of Purchasing). Interfund vouchers are used to place orders with this supplier.

Products and services available include:

- Mops
- Brooms and brushes
- Basketball nets, aluminum tennis racquet, tumbling mats, wall pads
- Floor mats
- Ironing board pads and covers
- Throw rugs
- Dish towels
- Pillows, mattresses, box springs, and pads
- Laundry bags
- Air filters, ice scrapers
- Promotional ribbons and buttons
- Rubber stamps
- Construction stakes

To obtain the Kansas Correctional Industries Catalog, contact the Office of Purchasing. Departments wishing to utilize these products should prepare a purchase requisition addressed to the supplier as shown below.

Kansas Correctional Industries
Post Office Box 2
Lansing, Kansas 66043

Products and services available include:

- Soap products
- Paint products
- Janitorial products
- Signs
- Furniture - chairs, sofas, bookcases
- Furniture refinishing and repair (wood and metal)
- Reupholstering service
- Clothing - denim trousers & jackets, towels, chambray shirts, boxer shorts
- Mattresses
- Microfilming services

Revision Date:
August 20, 2009
14.14 / Radioactive Materials

To obtain radioactive materials or a radiation emitting device, an individual must first complete the procedures to obtain authorization from the Radiation Safety Committee. For purchases of radioactive materials or of nuclear reactor service irradiations requiring a specific license, the following additional procedures must be complied with.

Purchase requisitions for radioactive materials are sent to the Office of Purchasing with the words "Radioactive Order" clearly typed in the description section with authorization attached. The rest of the information should include the name of the project supervisor, the chemical, form, isotope, and amount of the radioactive material ordered including the catalog number. Shipping instructions should be clearly given as noted below.

All radioactive substances must be shipped to and received on campus by the Radiation Safety Officer unless prior authorization for other procedures has been granted by the Radiation Safety Committee. The charge must appear on the order form and in the shipping and billing instructions. The shipping address should be given as follows:
14.17 / Guidelines For Installment Purchases

While installment purchasing can be used to meet University needs when adequate funding is not immediately available, such purchases must be carefully monitored if the University is to maintain adequate financial flexibility for the future. The following guidelines have been developed to monitor the use of installment purchases.

All future installment purchases utilizing vendor financing, third-party financing, or master lease purchase program financing, must meet the following requirements:

1. The purchased items must be equipment - not consumable.
2. The purchase amount should exceed $10,000 per unit.
3. The finance period must not exceed 60 months.
4. Source of funding for installment payments must be specified.
5. Prior approval of all proposed installment purchases must be obtained from the appropriate dean, vice president, and from the Vice President for Administration and Finance.
6. All applicable purchasing laws, regulations and policies must be followed.

Upon written approval of the proposed installment purchase the Office of Purchasing will coordinate all financing activities with the state or the appropriate financing agency.

Revision Date:
August 1, 2009
14.18 / Anti-Kickback

Purpose:
To state University policy with regard to the establishment of procedures designed to prevent and detect possible violations of 41 U.S. Code Sections 51-58 (the Anti-Kickback Act of 1986).

Preamble:
The Anti-Kickback Act of 1986 was passed to deter subcontractors from making payments, and contractors from accepting payments, for the purpose of improperly obtaining or rewarding favorable treatment in connection with a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or service of any kind.

Policy Statement:
1. When the University has reasonable grounds to believe that a violation of the Anti-Kickback Act of 1986 may have occurred, the University shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting department or agency of the United States, the head of the contracting department or agency of the United States if the department or agency does not have an inspector general, or the Department of Justice.


3. The University shall incorporate the following language in all subcontracts entered into by the University to obtain supplies, materials, equipment, or service of any kind in connection with a University contract with a department or agency of the United States that exceed $100,000.

   a. When the university has reasonable grounds to believe that a violation of the Anti-Kickback Act of 1986 may have occurred, the university shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting department or agency of the United States, the head of the contracting department or agency of the United States if the department or agency does not have an inspector general, or the Department of Justice.


   c. The Contracting Officer may (1) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (2) direct that the Prime Contractor withhold from sums owed a contractor under the prime contract the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision c. (1) of this clause be paid over to the United States Government unless the Government has already offset those monies under subdivision c. (2) of this clause. In either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.

   d. The university agrees to incorporate the substance of this clause, including subparagraph d., in all subcontracts under this contract which exceed $100,000.

Implementation:
The Vice President for Administration and Finance shall have primary responsibility for the publication and distribution of this University policy.

This policy shall be included in the WSU Policies and Procedures Manual and shared with appropriate constituencies of the University.

Effective Date:
July 1, 1998 (Note: The reader should also refer to the Execution of Contracts Policy at Section 1.04 of this manual.)
14.19 / Tools to Facilitate Purchasing Needs

The State of Kansas and/or the University have provided the following mechanisms to facilitate the purchase of needed goods and services. All purchases made through these mechanisms must be in compliance with applicable University policies and state law.

**Business Procurement Card (BPC):**
Generally there are delegated limits lower than $5,000 assigned to the holders of BPC accounts. These limits are assigned by the BPC Coordinator in the Office of Purchasing when these accounts are opened. Cardholders will be advised of these account limits when they attend their training session prior to receiving their card. The limits are based upon state guidelines, departmental use and the request of the Department Budget Officer. BPC accounts are issued to a specific individual and are not transferable within the department. Account holders who let others use their account will have their card privileges revoked.

**Conference Registration Account:**
These accounts are held by a specific individual within a College or Vice President's Office that have elected to have such an account. These accounts are used solely for the payment of registration fees for conferences for which an attendee has received prior travel approval. The attendee should contact his or her Dean's or Vice President's Office to see if this type of account is available to assist them in conference registrations. If a unit does not have this type of account, an attendee who has a Travel Authorization Number may submit a request to pay for the registration on an Invoice Control Document, or pay for the registration and request reimbursement with their other travel receipts after attendance.

**Business Travel Card:**
The Business Travel Card is administered by the Travel Manager in the Office of Financial Operations and Business Technology and is available to pay for travel tickets in certain circumstances. The traveler shall have received the appropriate travel authorization and the ticketing must be made through the appropriate Travel Management Services contract, see Section 3.28.

**Effective Date:**
August 1, 2009

**Revision Date:**
August 18, 2009