



ADMINISTRATIVE POLICY

Policy Title	Purchasing Policy and Procedures Manual
Policy Subtitle/Subject	Purchasing requirements
Responsible Executive(s) (RE)	Patrick Norton, Senior Vice President and Chief Operating Officer
Responsible Office(s) (RO)	Materials Management
Primary Point of Contact from RO	Director Central Procurement Services
Contact Information (email and phone)	tknittel@tulane.edu 504-862-8696
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Permanent

Temporary

1.0 POLICY STATEMENT

It shall be the procurement policy of the university to obtain supplies, equipment, and services at the most advantageous basis to the university that is consistent with quality, service, value, price, continuity, and availability of the items at the time of purchase and in compliance with applicable laws, regulations, and funding source requirements. In conforming to this policy, the capability, capacity, and performance of the vendor historically may be considered and weighed in the decision process. Competitive bids will be solicited whenever required, possible and practical. Tulane strives to be diverse and inclusive in its Supply Chain Management.

2.0 PURPOSE AND SCOPE

One of the functions of the Procurement Services Department (which is under Materials Management) is the organization and administration of centralized purchasing services for all departments of the university. Performing these services in accordance with sound and prudent business practices and in compliance with applicable laws and regulations, the department seeks to realize for the university the maximum value for every dollar expended.

The Materials Management Department is responsible for the following:

- Obtaining competitive bids when required and whenever possible to obtain maximum value from the expenditures of university funds.
- Maintaining liaison with the vendors that service the university.
- Coordinating the procurement of goods and services for the academic, administrative, and research activities of the university.
- Developing sources of supply to assure that the university departments have an adequate number of vendors from which to obtain goods and services.
- Performing administrative duties to assure delivery of promised goods and services, prompt payment of invoices, and assistance with the return of damaged or incorrect items.
- Monitoring federal, state, and local governmental regulations to ensure that purchase transactions made under governmental contracts and grants are in compliance with those regulations.
- Creating a more diverse and inclusive supplier base by meeting with minority owned, woman owned, disadvantaged, small and diverse businesses and identifying diverse suppliers to increase business opportunities to provide services to university.

3.0 APPLICABILITY OF THIS POLICY

This policy applies to all Tulane departments that make purchases for the business of the university.

4.0 WEBSITE ADDRESS FOR THIS POLICY

www.policy.tulane.edu

5.0 CONTACTS

Subject	Contact	Telephone	E-mail/Web Address
Clarification and General Information Regarding Purchasing	Procurement Services	504-862-8696	tknittel@tulane.edu

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7.0 DEFINITIONS

Blanket Order - Repeated purchases of the same type of supply item made by one or more departments from the same vendor; establishment of a single order covering multiple purchases.

Emergency situations - Any situation which, if not corrected immediately, includes the following: would result in a hazard to persons or property, could result in damage to buildings or facilities, would result in a violation of law, statute or ordinance established by governmental or other regulatory agencies, or in any other fashion, if not acted upon, and/or would be seriously detrimental to the interest of the university

Lease - An agreement conveying the right to use property for a specified time and for a specific amount of money.

Price Reasonableness – A determination that a price is fair and reasonable, as per FAR (Federal Acquisition Regulation Part 15). Cost analysis should be used to evaluate the reasonableness of any quotation or certified cost. Cost analysis could be in the form of evaluating past invoices and pricing, competitive pricing, or historical pricing to name a few. The research establishes the fact for making the decision on reasonableness.

Materials Management – Materials Management is comprised of Procurement Services, SciQuest Administrators, Contract Management, Travel Management, and Tulane’s Corporate Card Services.

Procurement Department – Procurement Services is under the umbrella of Materials Management and reports up to the Controller. Procurement Services do not maintain or control any campus inventories, nor do they participate in any receiving or shipping responsibilities that rest under the purview of the Campus Services Organization, which resides under Facilities Management.

8.0 POLICY AND PROCEDURES

8.1 Purchasing Authority

8.1.1 Authority for Procurement

Tulane University's Procurement Services of Materials Management is a division under the University Controller.

The authority to make purchases from university funds for services or materials is conveyed to Materials Management by the departmental Senior Vice President, Division Head, Department Head, or their departmental delegate on the requisition or the electronic forwarding of an online requisition

to Materials Management. Approval to spend budgeted external research funds may be subject to prior approval of Sponsored Projects. Due to the nature of certain procurements, transactions occur at the university outside the scope and responsibility of the Department of Materials Management's procedures. A non-inclusive list of such transactions includes contracts for new construction/renovations, purchase of merchandise for re-sale, legal services, and Library books. Such transactions, though Materials Management may be involved in the encumbrance of funds for payment, are guided procedurally by the responsible areas.

8.1.2 Purchasing Department Organization

The Procurement Services at Tulane is located downtown at:

Downtown Campus
1555 Poydras Street
New Orleans, LA. 70112
7th Floor Suite 727

The downtown office is responsible for the procurement of supplies and equipment used on all campuses of the university. A non-comprehensive list of items purchased through these offices includes maintenance supplies, printing, vehicles, office equipment, computers, office supplies, athletic equipment, furniture, maintenance contracts, leases, and moving services.

Materials Management is also responsible for the procurement of supply and equipment items in support of the research and clinical laboratories of the university. Examples of the categories of products purchased include medical and surgical supplies, medical and laboratory equipment, laboratory supplies, scientific supplies and equipment, other life science commodities, and compressed gases.

Procurement Services also manages the Linen Room located in the J. Bennett Johnston Building at 333 S. Liberty Street.

8.1.3 Purchasing Functions

Depending upon the university's requirement, Materials Management may perform the following functions as needed:

- Prepare purchasing policies and procedures and ensure compliance
- Assist in audits and reviews
- Evaluate and manage the performance of vendors
- Prepare reports for management
- Conduct training programs
- Identify cost reduction and cost avoidance opportunities
- Monitor markets and the supply chain
- Conduct price/cost analysis
- Investigate supply sources
- Participate in development of specifications and standards
- Maintain specifications, standards, and purchasing history records
- Determine the correct purchasing method to fulfill requirements at the lowest acquisition cost
- Prepare and issue requests for bids
- Analyze quotations and/or bids

- Evaluate and select suppliers
- Participate in shared/group purchasing
- Schedule purchases and deliveries
- Determine mode of transportation and carrier
- Interview sales representatives
- Maintain vendor records
- Negotiate contracts
- Write and issue contractual arrangements (such as purchase orders, open-end agreements, blanket and standing orders, equipment leases and rental arrangements)
- Consult on legal conditions and special terms of contracts
- Reconcile invoices referred by accounting (not in agreement for payment)
- Negotiate adjustments with suppliers
- Negotiate contract changes
- Prepare and issue change orders as required
- Release requisition and purchase order commitments and encumbrances
- Terminate contracts
- Conduct supplier/vendor/contractor sanctions/debarment verifications

8.1.4 Issuing Office for University

The Department of Materials Management shall be the point of origin at Tulane University for all information pertaining to on-going and future procurements. The Materials Management Office may participate in competitive bid quotations, Requests for Proposals, contract documents, purchase orders and purchase order changes, and correspondence relating to any of the above documents or projects, and support campus on any other procurement related activities. This policy is designed to accomplish several positive goals simultaneously:

- The bid/proposal documents will be uniform in their organization and content, complete with terms and conditions of the solicitation that vendors must agree to before returning their offers.
- Because of the static organization of the bid documents, Tulane increases the clarity of its needs in the eyes of its vendors and the offers received from vendors should be correspondingly organized in a manner easier for the university to evaluate.
- The Department of Materials Management is established as the centralized clearinghouse for vendor questions or inquiries regarding specific projects or universal questions concerning procurement activities at the university.
- The control of purchasing information having some legal and/or procedural ramifications on the University is placed with individuals who routinely handle such matters.

8.2 Purchasing Forms

8.2.1 University Requisitions

Departments must use Tulane's online eProcurement application to initiate a requisition using either one of the catalogs or the appropriate non-catalog form to describe the supplies, equipment, or services that

they need to purchase. In addition to description of the needed items or services, these forms contain delivery requirements and locations, budget charge accounts and natural accounts, and approval signatures or authorizations necessary to establish a purchase order.

These forms should be used for any type of supplies, certain services, and disposable equipment. The approval path of this form prior to its receipt in Materials Management may vary from department to department and/or school to school. To avoid delays, we recommend that you familiarize yourself with the procedure for approval of requisitions in your area. Refer to the user's training guide for guidance on preparing requisitions.

8.2.1.a Low Value Purchase Authorization

All purchases under this limit may be executed by campus personnel designated by each department. The current threshold limit for low value orders is set at \$2500. These orders, when placed through eProcurement, non-catalog, go directly to the supplier unless the purchase is over the spending limit of said campus personnel.

The campus procurement department is responsible for ensuring that training is available to all employees who will have this authorization to ensure observance of good business practices and compliance with University Purchasing Policy. Individuals delegated such purchasing authority shall have a functional responsibility to the Director of Procurement who shall ensure that all purchasing policies and procedures are followed.

Purchases shall be limited to goods and services not available either through campus laboratory stores or through local or strategic sourcing agreements, such as eProcurement punchout catalogs and to repairs not available internally or through established maintenance agreements.

Specific Restricted Commodity workflow exists within Jaggaer for the procurement of certain goods and services and are reviewed and approved by individuals within the Office of Environmental Health and Safety (OEHS) and Property Management. Examples include but are limited to inventorial equipment, controlled substances and other chemicals, narcotics and dangerous drugs, firearms, precious metals, explosives, and other hazardous materials, and consulting services. Where these specific restricted workflows do not exist, attempted purchases of prohibited goods or services determined to be inappropriate by the Director of Procurement will be rejected.

Transactions shall not be artificially divided to falsely create multiple small purchase orders that will exceed specified bidding requirements. Periodic appraisals shall be conducted by internal auditors cognizant of this procurement policy, to ensure proper performance under this authorization and to provide a basis for adjusting or discontinuing the authorization for specific individuals as the audit findings indicate.

8.2.2 University Purchase Orders

A Purchase Order is a contractual document that, once sent and accepted by a vendor, binds the performance of both parties to the transaction. There is only one purchase order form used in the university. It is generated out of the eProcurement application and may be used in various manners, depending on the type of purchase made and the frequency of the department's recurring need for some items.

A Purchase Order is prepared by Procurement Services within the eProcurement from an appropriately authorized Requisition form for all orders over \$2500(might change dollar value) for catalog items and all non-catalog items. Once prepared, copies are distributed to the vendor and appropriate departments as required.

The most common use of a Purchase Order form is for the one-time purchase of any goods or services required by the requisitioning department. When used in this manner, it is referred to as a Regular Purchase Order.

When a department has frequent, recurring needs for a variety of incidental items, the Purchase Order form may be used as a Blanket Order. This type of order has a definitive expiration date and dollar amount for each transaction but does not constrain the number of items to be purchased from a single vendor. Such orders generally apply constant discount percentages across a breadth of products. See "Blanket Orders", Section 8.4.3 for details. Blanket orders require a quote, price sheet, or price schedule to be attached to the PO for department oversight and audit.

8.2.2.a Purchase Order Changes

Requests for modification of Purchase Orders must be initiated through the change order function within the purchase order found in the SciQuest application. No changes to the purchase order amounts will be made without initiating the change order function.

When the situation requires it, an official notification will be sent to the vendor in the form of a revised Purchase Order.

8.2.2.b Acknowledgement

Purchase orders that are issued without a prior vendor quotation are contingent upon the acknowledgment and acceptance of the supplier. This is accomplished either by written acknowledgment of acceptance and projected shipping dates, or shipment of the order. This acknowledgment constitutes a legal contract between the two parties and confirms the supplier's acceptance of the buyer's terms and conditions.

When delivery dates and/or exact product shipments are critical to the successful conclusion of any project, confirmation of purchase order requirements should always be requested from the vendor. The acknowledgment/confirmation should be filed with the purchase order for reference.

8.2.2.c Unauthorized Purchases

Responsibility: An individual who has not been delegated purchasing authority who makes an unauthorized purchase of goods or services may be responsible for payment of the charges incurred. At the discretion of the University's Policy Exception Authority:

- The unauthorized individual may be required to pay either the full amount whenever the purchase is found to cover unneeded items or items whose purchase would not otherwise be authorized and the transaction cannot be cancelled, or the amount of any cancellation charges incurred within cancellation of said order; or

- The unauthorized individual may be required to pay the difference between the charges such individual incurred and those the University may reasonably have incurred if the purchase had been properly executed.
- The unauthorized individual may be required to reimburse the University for unauthorized purchase of goods or services.
- Reimbursement or payment of unauthorized purchases require policy exception by a locations policy exception authority and or designee(s).

This policy applies to all purchases and commitments incurred on behalf of the university. Employees who make an unauthorized purchase or approve an improper purchase, while committing University funds, may lose their purchasing authority, face administrative disciplinary action, including termination of employment and be held personally liable for any costs incurred. A purchase involving university funds for personal benefit could result in fines and penalties imposed by the Internal Revenue Service on employees who benefit, authorize and or approve such purchases.

8.3 Equipment Purchases

8.3.1 Capital Purchases

Tulane University's capitalization threshold is \$2500. Items with an extended unit cost equal to or exceeding this amount are added to the university's property records and should be charged to the 8200 series of natural accounts reserved for capital equipment. Items with extended unit costs below \$2500 that work together to form a single unit with a cost equal to or exceeding the capitalization threshold should also be charged to the 8200 series of natural accounts. These items are tagged and maintained on a TAMS asset database by the Department of Property Management.

8.4 Purchase Order Types

8.4.1 Regular Purchase Orders

Standard purchase orders are purchase orders used to procure goods or services from a single vendor on a single occurrence basis. In general payment is made to the vendor upon shipment and acceptance of the goods or performance of the service in accordance with the terms and conditions of the purchase order.

8.4.2 Agreement Orders

Agreement orders are purchase orders used to procure maintenance services for equipment. These services are purchased when in-house expertise does not exist to maintain the equipment in proper working order or when it is deemed more cost-efficient to contract with an outside third party to perform the service requirement.

Agreement orders are initiated using a regular requisition. Any vendor maintenance agreements requiring institutional signature should be attached to the requisition for review and execution by the Director of Materials Management. Any request for maintenance service should receive prior review and approval from proper personnel within the department before forwarding to Materials Management.

Agreement orders are generally established for one year, or portion thereof, and generally renewed each July 1st for the new fiscal year or on the renewal date of a grant or contract. Materials Management will provide instructions on the annual renewal process.

8.4.3 Blanket Orders

A blanket order may be established for up to one fiscal year or one grant year. This allows materials to be shipped upon individual requests from the using department against the single purchase order number.

The blanket order often enables the university to obtain a lower contracted price, reduces administrative costs by eliminating multiple requisitions, and puts the user directly in touch with the source of supply.

The original requisition to establish a blanket order should contain specific information regarding vendor products, total dollar amount, timeframe, and authorized users. Only shipping dates are omitted. A blanket order should also contain a price quote, price sheet, or price table, attached to the requisition by the owning department, to ensure that the supplier is compliant with cost and for department oversight and audit.

Blanket orders must be renewed either annually on July 1st of the new fiscal year or on the renewal date of a grant or contract.

By the nature of its intended use, a large number of transactions may occur between a department and a vendor using the same blanket purchase order. It is important that the responsible department to whom the blanket purchase order is assigned monitor the purchases on a monthly basis to ensure the accuracy of vendor invoices and payment against them. Should a blanket order exceed \$25,000 in the aggregate, within a fiscal year, 3 quotes may be required to ensure Tulane Procurement compliance for orders exceeding \$25,000.

8.4.4 Lease/Lease Purchase/Rental Orders for Good or Services

A lease is an agreement conveying the right to use property for a specified time and for a specific amount of money. In a true lease, the property being used remains the sole property of the lessor (vendor), and the lessee (Tulane University) builds no equity in the leased property. A lease/purchase agreement allows the lessee to build equity and purchase the property from the lessor for a nominal amount at the completion of the lease.

Real estate Lease, Lease Purchase, or Rental Agreements must be signed by the Senior Vice President and Chief Operating Officer.

All forms of Lease, Lease Purchase, or Rental Agreements for the procurement of goods or services (e.g. equipment leases) must be signed by the Director of Materials Management subject to signature authority limits. The university may contract for leasing services. Contact Materials Management for information on our current provider and rate factors.

Regardless of the time period covered by such agreements, a formal Tulane University Purchase Order must be issued. The original copy of the Lease Agreement should accompany the requisition sent to Materials Management. Prior to accepting the Lease Agreement as submitted by the requisitioning

department, an analysis will be conducted by Materials Management to determine the economic soundness of whether the item or service should be a lease, lease-purchase, or rental.

8.4.5 Emergency Orders

Emergency situations, for purposes of this policy, shall be defined as any situation which, if not corrected immediately, includes the following:

- Would result in a hazard to persons or property;
- Could result in damage to buildings or facilities;
- Would result in a violation of law, statute or ordinance established by governmental or other regulatory agencies, or in any other fashion, if not acted upon; and/or
- Would be seriously detrimental to the interest of the university.

Failure to anticipate an operating need is not, of itself, considered a bona fide emergency. To initiate an emergency purchase, the authorized person in the department may call the Materials Management Department for assistance. They/Them must state the nature of the emergency, vendor's name and address, the material required, the account number to be charged, and the estimated cost. This must be followed up with a confirming requisition sent to the Materials Management Department, utilizing the normal approval channel, within three (3) days of the date the purchase order was given. In addition to the information normally required for processing, this requisition must also note the purchase order number issued by Materials Management, the date issued, and the words "Confirmation Only, Do Not Duplicate" as a note to buyer on the form.

Since this procedure is for true emergencies and Materials Management has an obligation to ensure that companies performing emergency services are promptly paid, Departments abusing this procedure may be prohibited from requesting emergency purchase orders.

8.5 Competitive Bidding Requirements

8.5.1 Solicitation of Bids, Request for Proposals (RFP's), and Quotations

It shall be the procurement policy of the university to obtain all supplies, equipment, and services at the most advantageous basis to the university that is consistent with quality, service, value, price, continuity, and availability of the items at the time of purchase. All bids will be evaluated through this process. Any or all bids may be rejected when it is in Tulane University's best interest to do so.

Formal written solicitations will be utilized where circumstances indicate this method to be in Tulane University's best interest. Invitations for Bids should be sent to at least three qualified vendors, when available, who are capable and willing to perform the tasks specified. Sealed bids will be utilized when required by law, government contractual requirements, or Tulane University procurement management decision.

8.5.1.a Requests for Proposals (RFP)

- Requests for Proposals may be issued for projects of any practical dollar amount where

subjective service or skill levels are an important component to a timely and successful completion of the project.

- While Materials Management encourages participation by as many vendors as possible in the competitive process, three bids are desired given the following: time restraints, potential vendors currently exist, and there is an opportunity for significant cost savings. Any exception to three participating vendors should be documented by Materials Management.
- All competitive bid documentation, where feasible, will be filed in Materials Management with the originating requisition and the resulting purchase order.

The bidding or negotiating process is indicated where the value and/or nature of the item or service warrants it, and the item or service can be obtained from more than one source. Purchases from catalogs in the eProcurement platform under contract do not require additional quotations. Unless approved for sole source procurement or otherwise covered under existing contracts, all requisitioned items or services should be sourced and or quoted. For sole source policy see section 8.6 and 8.6.1.

After bids are received and evaluated, the contract will be awarded to the vendor presenting the best combination of price, delivery, capacity to perform, which includes eligible current Certificate of Insurance, eligible current Institutional Conflict of Interest, and quality of service. Materials Management reserves the right to disqualify any or all bids and to make award decisions on factors other than price exclusively.

In establishing university procedures, Tulane must comply with certain government procurement regulations applicable to the use of federal grant monies. These regulations are primarily embodied in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance or UG), which may require that certain procedural formalities be observed. These regulations may also be supplemented or modified by federal agency specific regulations, or when receiving a federal contract or subcontract, subject to the Federal Acquisition Regulation (FAR). Additionally, certain sponsored agreements may have additional bidding and or sole source purchasing requirements. Department personnel, including the Principal Investigator, should be familiar with the specific bidding requirements associated with their sponsored grants and contracts. As a result, certain procurements may require prior approvals, bidding requirements as noted, and the use of minority owned, women owned, disadvantaged, small and diverse businesses below these bidding thresholds before proceeding.

Efforts to create a more diverse and inclusive supplier base shall be made by Tulane University by identifying and conducting outreach to women-owned, minority-owned, disadvantaged, veteran owned, and small business sources that are able to provide products and services of required quality on a timely basis at competitive prices.

8.5.1.b Solicitation and Documentation

Bids may be solicited either orally (and subsequently documented) or in writing. In either case, the documentation shall become part of the bid packages permanent file which may include attaching all relevant documentation to the requisition or purchase order. The purchase order is then managed by Procurement Services.

Procurement Services may participate in all solicitation of competitive quotations and bidding and solicitations shall be based on a clear and accurate scope of work and description of the technical

requirements for the material, product, or service to be procured. Such a description shall not, in competitive procurements, contain features that unduly restrict competition. It is recognized and encouraged that highly technical equipment purchases, and service requests will require the direct participation of the requisitioner, and possibly others, such as department administrators, university counsel, engineers, etc. to ensure that the item or service purchased is as the requisitioner requires, and that such items as transit insurance, warranties, installation, transportation, etc., are adequately covered. Procurement Services will be responsible for ensuring compliance when involved with any solicitations as outlined by this policy and in various internal business processes and that prudent procurement practices are followed and documented when applicable within an electronically issued purchase order within Tulane's ERP platform. All such documentation will be retained electronically within the issued purchase order within Tulane's ERP platform and or within relevant Procurement Services e-files. Retention of such e-files are determined by Tulane's Document Retention policies housed with The Office of Records Management. [\(link\)](#)

8.5.1.c Competitive Bidding-Dollar Thresholds

To ensure that the resources of the university are protected and maximized, and to encourage participation in the university's procurement process by a variety of vendors, competitive bidding between and among suppliers should be used whenever reasonably possible. Competitive bidding will be used whenever required by applicable laws or regulations. There will be circumstances when competitive bidding is not possible or advisable. Examples of such situations would be:

- Emergency situations endangering the health and safety of faculty/staff, students or third parties as discussed in Section 8.4.5 above.
- Proprietary or single source items as discussed in Section 8.5.2 below.
- Individual items and/or total requisitions of less than \$5000, where one informal quote is required. The competitive bidding thresholds and requirements are stated below. Written confirmation of verbal bids should be requested and received from vendors. On the basis of historical vendor costing and performance, Materials Management may deem it more cost effective and efficient to confirm and award some low dollar purchases without the competitive bid process. Documentation of such action will be retained with the purchase records.

\$0 - \$4999. All requisitioned items or services between \$0 - \$4999 require one informal quote. An informal quote might be an email, a phone conversation, or a documented quote provided by the supplier, and should either be attached or referenced in the requisition or purchase order. Written confirmation of verbal bids should be requested and received from vendors. Exceptions to this process shall be documented.

\$5000 - \$9999. All requisitioned items or services between \$5000 - \$9999 require one written quote provided by the supplier. One quote from a minority owned, woman owned, disadvantaged, small and diverse business is preferred if applicable and if the good or service is not on an existing Tulane contract. Price reasonableness should be a consideration in making the procurement decision. The quote should be attached to the requisition or purchase order. Exceptions to this process shall be documented.

\$10,000 - \$24,999. All requisitioned items or services between \$10,000 - \$24,999 require two quotes provided by the suppliers. One quote should be from a minority owned, woman owned, disadvantaged, small and diverse business if applicable where the minority owned, woman owned, disadvantaged, small and diverse entity can then be awarded the business. Price reasonableness should be a consideration in making the procurement decision. The second quote may be from a non-small and diverse business. If unable to obtain a quote from a minority owned, woman owned, disadvantaged, small and diverse business, two quotes from a non-small and diverse business should be supplied and attached to the requisition or purchase order. Exceptions to this process shall be documented.

\$25,000 – Above. All requisitioned items or services totaling \$25,000 or more individually, or as a system including multiple components, will be handled by formal written competition. Three written quotes should be provided by the suppliers to purchase items or services over this dollar threshold of \$25,000. One quote should be from a minority owned, woman owned, disadvantaged, small and diverse business if applicable where the minority owned, woman owned, disadvantaged, small and diverse entity can then be awarded the business. The three quotes should be attached to the requisition or purchase order. Exceptions to this process shall be documented.

8.5.2 Sole Source Procurement

From time to time, situations arise where there is only one unique vendor for certain products or services. When it appears impractical to obtain competition or when it appears certain that substitutes are not acceptable, purchase of a product or service may be justified to be made from a particular vendor only. In such cases, a full explanation from the requisitioning department, covering the reason or reasons for such restriction, is required. The reasons should not include justification as to why or whether the requisitioner needs the item(s) to be purchased. The reason should also not be due to time constraints related to lack of preparation. Instead, it should document why one supplier is requested or required over others. Such situations require supporting documentation explaining the exceptional circumstances of the purchase. Price reasonableness should be documented within the explanations and justification, including how it was determined that the sole source price is fair and reasonable. With respect to federally funded grants (governed by the Uniform Guidance) or contracts (governed by FAR), a cost analysis will be required, which must also examine profit as a separate element.

All explanations for sole source procurement requests must include explicit statements about whether anyone in the requisitioning department involved in the request (e.g., requisitioner, request initiator, approver) has or does not have any Financial Interests, Research Financial Interests, Leadership Roles, Research Leadership Roles and/or Secondary Commitments (collectively, outside interests), as defined in the [Tulane University Policies on Conflicts of Commitment and Interest](#) (see Appendix 1.) in the sole source. If such outside interests exist, the procurement request will require review by the Tulane University Conflict of Interest Committee and/or the Tulane University Institutional Research Conflict of Interest Committee prior to approval.

Explanations/justifications shall be completed when departments are requesting purchases without competition of equipment or services costing \$5000 or more individually or in aggregate per requisition. In the absence of such justification, Materials Management will proceed with usual and customary procurement practices.

8.5.3 Sole Source Exceptions

Sole source designation may be applicable in these instances. This list may not be all inclusive:

- Property or services can be obtained only from one firm or individual.
- Competitive bidding is precluded because of the existence of patent rights, copyrights, secret processes, control of raw materials or similar circumstances.
- Procurement of electric power or energy, gas, water, or other utility services where it would not be practical to allow other suppliers to provide such services.
- Procurement of technical services in connection with the assembly, installation, or servicing of equipment of a highly technical or specialized nature.
- Procurement of parts or components to be used as replacements in support of equipment specifically designed by a particular manufacturer.
- Procurement involves construction where a contractor is already at work on the site, and it would not be practical to engage another contractor.
- Procurement where only a single vendor in a market has the capacity to provide and/or maintain the equipment being purchased.
- Procurement of compatible additions to existing equipment where a differing manufacturer's equipment would be impractical for the specific need.
- As necessary to meet physical design.
- Procurements where specialized research services and data points should remain consistent, due to continued or prolonged sample testing. Often during multiyear grant award projects
- The requisitioned product will be made available to research participants by Tulane and there are legitimate ethical and/or operational reasons to utilize a specific product for the benefit of the research project or its participants.
- To comply with the university's standards programs; and
- As embodying specific characteristics essential to the proposed application not found in items of other manufacturer.

The Procurement Services Department has final responsibility in determining whether an item should be handled in this manner and may require additional justification for audit purposes and additional compliance due to grant funded procurements where other stipulations may be present and required under. Lack of planning or time constraints due to lack of preparation is not a justification for sole source.

8.5.4 Vendor Diversity

Tulane University is committed to the principle of diversity and equal opportunity in all of its endeavors and applies this principle in its procurement activity with the objective of encouraging participation by qualified vendors categorized as small, disadvantaged, minority or women-owned enterprises. The university believes that strengthening and expanding its vendor base in these business classifications not only may contribute to lowering our operational costs in providing education and research, but also contributes to the overall health of the greater business community within which we exist. It is a practice of the university to actively identify and contact outreach to qualified small, disadvantaged, minority or women-owned businesses to provide and promote equal opportunities for such vendors within the university structure.

- Creating a more diverse and inclusive supplier base by meeting with minority owned, woman owned, disadvantaged, small and diverse businesses and identifying diverse suppliers to increase business opportunities to provide services to university.

To better meet the university's commitment to create a more diverse and inclusive supplier base, the university's Materials Management Department, under the direction of its director, coordinates the efforts of the university in the following ways:

- Provides listings of small, disadvantaged, minority and women-owned businesses to the departments of the university.
- Participates with local and regional minority purchasing organizations during seasonal opportunity fairs to not only share information regarding the university projects, but also to identify new potential vendors for participation in those projects.
- Arranges meetings with groups of minority vendors and others to acquaint them with the best methods of approaching university customers, our policies and procedures and pertinent current opportunities for business at the university.
- Creates periodic reports to monitor the volume of business done with small, disadvantaged, minority and women-owned businesses and discusses activity levels with the entire buying staff to promote understanding and business development.

Through these activities and the support of administrators throughout the university, Tulane recognizes the economic and social benefits derived by promoting equal opportunity for the small, disadvantaged, minority or women-owned businesses community.

8.6 Vendors

8.6.1 Vendor Selection

Vendors are screened, interviewed, and selected on the basis of their capacity to serve the needs of the university in the most economical and efficient manner possible. Pricing strategy, product line breadth, quality, and services offered are considered in their selection.

Vendors must comply with all applicable insurance license requirements required by Tulane, and any applicable federal, state, and local laws; guidelines and policies; and governmental legislation in order to conduct business with the university.

The Materials Management Department will maintain a list of all persons and firms who wish to bid on university purchases. Invitations to bid will be solicited from those vendors whom the Materials Management Department determines will stimulate competitive bidding and have proven they meet high standards of quality, service, and delivery. Not all vendors will receive an opportunity to bid on all projects due to the size of our vendor database.

In addition, the Materials Management Department will maintain, update, and promulgate a Small Business, Women-Owned Business, and Minority-Owned Business Vendor List to be used to promote greater procurement activity within these business groups.

University personnel desiring information regarding vendor representatives should contact the Materials Management Department for assistance.

8.6.2 Vendor Qualifications

All vendors doing business with the university are monitored as to how well they perform their contractual obligations. References are checked and interviews conducted to determine their qualifications as bidders.

Each competing supplier is evaluated on the quality and price of their products or services and their capacity to provide service to the university. Factors in this evaluation include meeting required specifications, comparative prices quoted on like items, prompt submittal of data, response to inquiries, delivery performance, special service rendered, and other intangibles.

University departments are encouraged to provide information to the Materials Management Department on the performance of vendors and their satisfaction or dissatisfaction with vendor activities for use in future procurement decisions.

8.6.3 Terms and Conditions

When contracts are awarded to outside vendors, Materials Management / Procurement Services may be asked to assist in providing the vendor with certain terms and conditions that form our expectations for their performance under the contracts, and that provide remedies to the university in the event of vendor non-performance. The terms and conditions would be general in nature and should not be confused with the product or service specifications set forth in the bid document. Vendors are expected to adhere to both the contract specifications and the terms and conditions governing their work.

9.0 CONSEQUENCE OF VIOLATING THE POLICY

If any employee violates this policy, they will be subject to discipline through the Human Resources process, up to and including termination.

APPENDIX 1. RELATED POLICIES OR PROCESSES

APPENDIX 2. ADDITIONAL PROCUREMENT POLICY DOCUMENTATION

APPENDIX 3. DECISION TREE MATRIX – In Progress

APPENDIX 1. RELATED POLICIES OR PROCESSES

Export controls and international purchases including but not limited to Foreign Influence

Export Control Office (exportcontrols@tulane.edu)

Please review the Research Compliance Office's [export control policies and guidance](#), including considerations of [improper foreign influence](#), to ensure that you comply with all relevant export control regulations and university policies.

Tax-Exempt status – Sales tax exemptions

Office of General Counsel (504) 865-5783

<https://counsel.tulane.edu/sales-tax-exemption>

AI vendor services

<https://ai.tulane.edu/>

FEMA requirements

emergencyprep@tulane.edu

Climate Commitments

<https://campusservices.tulane.edu/departments/sustainability>

Contact Office of Sustainability under Campus Services (campusservices@tulane.edu).

Federal Contracting and other compliance requirements – with cross reference to government access, flow down requirements, bonding requirements for construction projects

Conflict of Interest and Institutional Research Conflict of Interest

Office of General Counsel (504) 865-5783

<https://counsel.tulane.edu/conflict-interest-policies>