

**Xavier University of Louisiana**  
**Procurement Policy and Procedures Manual**

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**TABLE OF CONTENTS**

<b><u>DESCRIPTION</u></b>	<b><u>PAGE REFERENCE</u></b>
1.0 Purchasing Mission and Authority	2
2.0 Purchasing Forms	8
3.0 Equipment Purchases	10
4.0 Purchase Order Types	11
5.0 Competitive Bidding	14
6.0 Vendors	24
7.0 Ethics	26
8.0 Surplus Property	29
9.0 Fiscal Interfaces	30
10.0 Required Prior Approvals	33
11.0 Miscellaneous	35
12.0 Vendor Listing	37
<u>ATTACHMENT I – Sole Source Form</u>	1
<u>ATTACHMENT II – Competitive Bid Form</u>	1
ATTACHMENT III – Direct Pay Requisitions Memorandum	1
ATTACHMENT IV – Office Supplies Memorandum	1
ATTACHMENT V – Travel Memorandum	1

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**1.0 Purchasing Mission and Authority**

**1.1 INTRODUCTION**

For the past several years, Xavier University of Louisiana has utilized a decentralized procurement system to obtain supplies, equipment and services necessary to perform the many functions and activities of the University. However, as mandated by the President of the University, Xavier University of Louisiana (the University) will organize and administer a centralized purchasing function for the procurement of all supplies, equipment and services.

The responsibility to establish a centralized procurement function has been assigned to the Office of Fiscal Services, resulting in the establishment of a Procurement Department and the preparation of a Procurement Policy and related procedures that are required to be utilized by the University's departments, faculty and administrative staff.

The Procurement Policy and Procedures outlined in this Manual are required to be complied with by all departments and personnel of Xavier University of Louisiana.

**1.2 PURCHASING POLICY**

In accordance with the authority delegated to the Vice President for Fiscal Services by the Board of Trustees of Xavier University of Louisiana, through the President and the Senior Vice President for Administration, all purchases, irrespective of sources of funds, will be governed by the following overall procurement policy:

It shall be the Policy of the Procurement Department of Xavier University of Louisiana to obtain all supplies, equipment and services at the lowest cost to Xavier University (the University) that is consistent with quality, service and availability of the items at the time of purchase. 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 possible and practical.

**1.3 MISSION AND OBJECTIVES**

One of the functions of the Procurement Department 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, the Procurement Department seek to realize for the University the maximum value for every dollar expended.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**1.3 MISSION AND OBJECTIVES, continued**

The Procurement Department, governed by the policies as delegated by the Board of Trustees, President, and Senior Vice President for Administration, is responsible for the following:

1. Obtaining competitive bids when required and whenever possible to obtain maximum value from the expenditures of University funds.
2. Maintaining liaison with the vendors that service the University.
3. Coordinating the procurement of goods and services for the academic, administrative, and research activities of the University.
4. Developing sources of supply to assure that the University departments have an adequate number of vendors from which to obtain goods and services.
5. 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.
6. Monitoring federal governmental regulations to ensure that purchase transactions made under federal contracts and grants are in compliance with those regulations.
7. Assisting in the meeting of small business and other procurement goals.

**1.4 AUTHORITY FOR PROCUREMENT**

The Board of Trustees, the President of the University, and the Senior Vice President for Administration have delegated certain responsibilities for the administration of procurement policies and procedures to the Vice President for Fiscal Affairs, who manages the Procurement Department.

The authority to make purchases from all sources of University funds for services or materials is conveyed to the Procurement Department by the signature of the departmental administrator on the requisition or the electronic forwarding of an online requisition to the Procurement Department. Approval to expend budgeted funds may be subject to prior approval of the Senior Vice President for Administration. Due to the nature of certain procurements, transactions occur at the University outside the scope and responsibility of the Procurement Department's procedures. A non-inclusive list of such transactions is as follows:

- contracts for new construction/renovations
- purchase of merchandise for re-sale
- equipment leases and rental agreements.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**1.4 AUTHORITY FOR PROCUREMENT, continued**

Such transactions, although the Office of Fiscal Services/Procurement Department may be involved in the encumbrance of funds for payment, are guided procedurally by the Senior Vice President for Administration and certain other responsible departments.

**1.5 PURCHASING FUNCTIONS**

Depending upon the University's requirement, the Procurement Department may perform the following functions as needed:

1. Prepare purchasing policies and procedures
2. Assist in audits and reviews
3. Evaluate performance of vendors
4. Prepare reports for management
5. Conduct training programs
6. Identify cost reduction opportunities
7. Conduct market and trend studies
8. Conduct price/cost analysis
9. Investigate supply sources
10. Participate in the development of specifications and standards
11. Maintain specifications, standards, and purchasing history records
12. Determine the correct purchasing method to fulfill requirements at the lowest acquisition cost
13. Prepare and issue requests for bids
14. Analyze quotations and/or bids
15. Evaluate and select suppliers
16. Participate in shared/group purchasing

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**1.5 PURCHASING FUNCTIONS, continued**

17. Schedule purchases and deliveries
18. Determine mode of transportation and carrier
19. Interview sales representatives
20. Maintain vendor records
21. Negotiate contracts except for construction, equipment leases and rental arrangements
22. Except for construction, equipment leases and rental arrangements write and issue contractual arrangements (such as purchase orders, open-end agreements, blanket and standing orders)
23. Reconcile invoices referred by accounting (not in agreement for payment)
24. Negotiate adjustments with suppliers
25. Negotiate contract changes except for construction, equipment leases and rental arrangements
26. Prepare and issue change orders
27. Release requisition and purchase order commitments and encumbrances
28. Terminate contracts except for construction, equipment leases and rental arrangements

The Senior Vice President for Administration is responsible for the following:

1. Write and issue contractual arrangements for construction, equipment leases and rental agreements
2. Develop legal condition and special terms of contracts
3. Negotiate contract changes for construction, equipment leases and rental agreements

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**1.6 ISSUING DEPARTMENT FOR XAVIER UNIVERSITY OF LOUISIANA**

The Procurement Department shall be the point of origin at Xavier University of Louisiana for all information pertaining to on-going and future procurements. The Procurement Department should issue all 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. This policy is designed to accomplish several positive goals simultaneously:

1. 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.
2. Because of the static organization of the bid documents, the University 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.
3. The Procurement Department is established as the centralized clearinghouse for vendor questions or inquiries regarding specific projects or universal questions concerning procurement activities at the University.
4. The control of purchasing information having some legal and/or procedural ramifications on the University is placed with individuals who routinely handle such matters.

**1.7 PUBLIC RELATIONS**

The Procurement Department maintains regular contact with many individuals and companies seeking to initiate or expand business relations with the University. The professional manner in which these contacts are managed reflects on the entire University. University employees who come in contact with vendor representatives should be constantly aware of the perceived image and reputation it has with the vendor community and others with whom the Procurement Department interacts.

The attributes listed below are essential for all employees to be aware of in their communications with vendors of the University.

*Fairness*

The University's reputation for dealing in a fair manner must always be upheld and promoted by treatment of all vendors equally in a competitive environment. Without compromising the University's interests, we must work with the vendor community

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**1.7 PUBLIC RELATIONS, continued**

cooperatively in order for our needs to be met in the most efficient and effective manner.

*Integrity*

Employees must, at all times, maintain their integrity and that of the University by observing strict truthfulness in every transaction, respecting the confidence of each vendor and refraining from any personal obligation to a vendor.

*Courtesy*

The University's business cannot be conducted in a satisfactory manner unless all relationships, regardless of personal feelings, are maintained in a courteous and polite manner. This statement does not suggest that any employee should be less than firm in representing the University's interest. There can be no excuse for discourtesy even in the most difficult vendor relationships.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**2.0 Purchasing Forms**

**2.1 XAVIER UNIVERSITY OF LOUISIANA REQUISITIONS**

The Departments of the University should use the online Banner 2000 software requisitions (FPAREQN) to describe the supplies, equipment or services that they require to purchase. In addition to a description of the needed items or services, this form contains delivery requirements and locations, budget charge accounts and natural accounts, and approval signatures or authorizations necessary to establish a purchase order.

This form may be used for any types of supplies, certain services and equipment. The approval path of this form prior to its receipt in the Procurement Department may vary from department to department. 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 located at <http://www.xula.edu/downloads/pdt/Fiscal/Requisitions.pdf> for guidance on preparing requisitions.

**2.2 UNIVERSITY PURCHASE ORDERS**

A Purchase Order is a contractual document that, once sent and accepted by a vendor, binds performance of both parties to the transaction. There is only one purchase order form used at the University. It is generated out of the Banner 2000 software (FPAPURR) 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 only by the Procurement Department from an appropriately authorized Requisition form. Once prepared, copies are distributed to the vendor and appropriate departments as required. Only the Procurement Department is authorized to assign a Purchase Order number to a requisition.

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. Generally, the Procurement Department requires that most purchase orders specifically describe the type of materials or supplies that are required to be acquired. However, in certain instances, the Procurement Department has the ability to generate a flexible purchase order as in the case of the purchase of chemicals.

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.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**2.2.1 PURCHASE ORDER CHANGES**

Requests for cancellation or modification of Purchase Orders must be submitted to the Procurement Department in writing or electronically by an officially designated individual stating the reason for the change, as well as, referring to the Purchase Order number and the vendor involved. This policy particularly applies to those circumstances where increase in the dollar amount of the order is required. Requests of this nature must be routed for approval in the same manner as the original requisition form. No changes to the purchase order amounts will be made without this documentation, except when the amount of the change falls within the narrow tolerances allowed for Purchasing adjustments.

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

**2.2.2 ACKNOWLEDGMENT**

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 a 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.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**3.0 Equipment Purchases**

**3.1 CAPITAL PURCHASES**

Effective January 1, 2004 Xavier University of Louisiana's capitalization threshold will be \$5,000. 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 following series of natural accounts reserved for capital equipment:

- 7212 – Office Equipment
- 7213 – Computers & Accessories Equipment
- 7214 – Research & Laboratory Equipment
- 7215 – Furniture & Fixtures
- 7241 – Library Acquisitions – Main Library
- 7242 - Library Acquisitions – Pharmacy Library
- 7250 – Other Equipment

Items with extended unit costs below \$5,000 that work together to form a single unit with a cost equal to or exceeding the capitalization threshold should also be charged to the noted series of natural accounts. These items are tagged and maintained on a Banner asset database by the Office of Fiscal Services.

Items with an extended unit cost less than \$5,000 are charged to account 7211 – Small Equipment.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**4.0 Purchase Order Types**

**4.1 STANDARD 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.

**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 Senior Vice President for Administration. Any request for maintenance service should receive prior review and approval from proper personnel within the department before forwarding to the Procurement Department.

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. The Procurement Department will provide instructions on the annual renewal process.

**4.3 BLANKET ORDERS**

When repeated purchases of the same type of supply item are made by one department from the same vendor, the Procurement Department may suggest the establishment of a single order covering multiple purchases. Referred to as a "blanket" order, such orders may be established for up to one year or the term of the grant. This allows materials to be shipped upon individual requests from the user department against the single 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.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**4.3 BLANKET ORDERS, continued**

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.

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. Annually, prior to the start of the new fiscal year, the Procurement Department will prepare renewal notices for orders set to expire at June 30. These notices will be routed to the department for their review and action. The Procurement Department does not prepare notices for orders expiring at times other than June 30. In certain instances, it will be practical to establish a blanket order for more than one year. Should such a potential exist, contact the Procurement Department for approval and instructions on how the request should be made when submitting the requisition.

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 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.

**4.4 LEASE/LEASE PURCHASE/RENTAL ORDERS**

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 (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.

Prior to entering into any lease arrangements, an analysis will be made of purchase alternatives to ensure the most economical and practical procurement is performed.

All forms of Lease, Lease Purchase, or Rental Agreements for the procurement of goods or services must be signed by the Senior Vice President for Administration subject to signature authority limits. The University may contract for leasing services. Contact the Procurement Department for information on our current provider and rate factors.

Regardless of the time period covered by such agreements, a formal Xavier University of Louisiana Purchase Order must be issued. The original copy of the Lease Agreement should accompany the requisition sent to the Procurement Department. Prior to accepting the Lease Agreement as submitted by the requisitioning department, an analysis will be conducted by the Senior Vice President for Administration and the Procurement Department to determine the economic soundness of whether the item or service should be a lease, lease-purchase or rental.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**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:

1. Would result in a hazard to persons or property
2. Could result in damage to buildings or facilities
3. 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
4. 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 Procurement Department for a purchase order number. He/she 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 Procurement 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 the Procurement Department, the date issued, and the words "Confirmation Only, Do Not Duplicate" typed on the form.

Since this procedure is for true emergencies and the Procurement Department 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.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.0 Competitive Bidding**

**5.1 SOLICITATION OF BIDS AND QUOTATIONS**

It is the policy of Xavier University of Louisiana to obtain competitive bids and quotations where possible on all products and services used by the University. All bids and quotations received will be evaluated by the Procurement Department and the soliciting department on the basis of quality, service and price, and any awards will be made in the best interest of the University. Any or all bids may be rejected when it is in the University's best interest to do so.

The bidding or negotiating process is utilized where the value and/or nature of the item/service warrants it and the item/service can be obtained from more than one source.

Unless approved for sole source procurement as defined in section 5.3, a small purchase as defined in section 5.4.1, specialty purchases as defined in 5.4.2, or otherwise covered under existing contracts, all requisitioned items/services totaling \$10,000 or more individually, or as a system including multiple components, will be handled by formal written competition.

The University must comply with government procurement regulations as specified in OMB Circular A-110, which require that certain procedural formalities be observed. As a result, certain procurements may require prior approvals below this bidding threshold before proceeding.

Positive efforts shall be made by the University to utilize women-owned, minority-owned, disadvantaged, and small business sources that are able to provide products and services of required quality on a timely basis at competitive prices.

**5.1.1 Formal Bidding**

Formal written solicitations will be utilized where circumstances indicate this method to be in the 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 the University's procurement management decision.

After bids are received and evaluated, the contract will be awarded to the vendor presenting the best combination of price, delivery, capacity to perform, and quality of service. The Procurement Department reserves the right to disqualify any or all bids and to make award decisions on factors other than price exclusively. However, The Procurement Department will utilize evaluative information from the soliciting department in making the final decision to award contracts.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.1.2 Solicitation and Documentation**

Bids may be solicited either orally (and subsequently documented) or in writing. In either case, the documentation will become part of the Procurement Department's permanent file.

Solicitation of competitive quotations is the responsibility of the Procurement Department with assistance provided by the soliciting department and shall be based on a clear and accurate 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 will require the direct participation of the requisitioner, and possibly others, such as department administrators, University counsel, engineers, etc. to ensure that the item purchased is as the requisitioner requires, and that such items as transit insurance, warranties, installation, transportation, etc., are adequately covered. Solicitations for goods and services will also provide for the following:

1. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals
2. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards
3. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation
4. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement
5. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment and are energy efficient

The Procurement Department will be responsible for determining that prudent procurement practices are followed and documented. All such documentation will be retained in the Procurement Department's files.

**5.1.3 Sole Source Exceptions**

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

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.1.3 Sole Source Exceptions, continued**

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 explanation is to be provided utilizing a sole source form as documented in Attachment I. The reasons should not include justification as to why or whether the requisitioner needs the item(s) to be purchased. Instead, it should document why one supplier is requested or required over others. Such justifications may include, but are not necessarily limited to:

- repair or replacement parts;
- supplementary components of the same manufacturers;
- as necessary to meet physical design;
- 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. (See "Sole Source Procurement", Section 5.3)

**5.1.4 Proprietary Information**

Xavier University of Louisiana holds all cost and price data, including bid information furnished to the University by others (suppliers), as private information. This information (cost, price and bid information) is not to be divulged. The only exceptions are those required by law, government contractual requirements, and release of such private information as deemed to be in the University's best interests. (See "Confidentiality of Quotations", Section 5.5)

**5.2 COMPETITIVE BIDDING**

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 possible. There will be circumstances when competitive bidding is not possible or advisable. Examples of such situations would be:

1. Emergency situations endangering the health and safety of faculty/staff, students or third parties
2. Proprietary or single source items
3. Individual items and/or total requisitions of less than \$10,000 (small purchases)
4. Specialty purchases

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.2 COMPETITIVE BIDDING, continued**

Competitive bidding may be conducted in two ways, primarily determined by the estimated dollar value of the project as follows:

1. For purchases exceeding twenty-five hundred dollars (\$10,000), but not exceeding twenty-five thousand dollars (\$25,000), contracts shall be awarded on the basis of the lowest responsive price<sup>1</sup> quotation(s) solicited by telephone, facsimile or other means of at least three (3) bona fide, qualified bidders. Written confirmation of verbal bids should be requested and received from vendors for all purchases greater than \$10,000.

Whenever possible, at least one (1) of the bona fide, qualified bidders shall be a business as defined in section 5.1. The University files shall document and list all solicited bidders and each bidder's contact person, summarize bid responses, indicate the awarded bid, and state the reason why any lower bid was rejected. If no bid was solicited from a business as defined in section 5.1, the University files shall contain a written explanation of why such a bid was not solicited. The University files should also contain written confirmation of the bid from the successful bidder and the basis for the contractor selection, award cost or price. On the basis of historical vendor costing and performance, the Procurement Department 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.

2. For purchases exceeding twenty-five thousand \$25,000, contracts shall be awarded on the basis of the lowest responsive price quotation(s) received pursuant to either facsimile or written solicitation to at least three (3) qualified bidders. Whenever possible, at least one (1) bona fide, qualified bidder shall be a business as defined in section 5.1. Facsimile solicitations shall allow for bids to be accepted for a minimum period of five (5) calendar days. Written solicitations shall allow for bids to be accepted for a minimum period of ten (10) calendar days.

All facsimile and/or written solicitations shall include the closing date, time, and all pertinent competitive specifications, including quantities, units of measure, packaging, delivery requirements, ship-to location, terms and conditions, and other information sufficient for a supplier to make an acceptable bid. Under no circumstances will the University utilize the cost-plus-a-percentage of cost or percentage of constriction

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<sup>1</sup> The terms "price and bid" are used interchangeable in these procedures to mean the amount of money offered as consideration for the sale of a specified item.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.2 COMPETITIVE BIDDING, continued**

cost methods of contracting. Precautionary measures shall be taken to safeguard the confidentiality of bid responses prior to the closing time for receipt of bids. No bid shall be evaluated using criteria not disclosed in the solicitation. The University files shall document and list all solicited bidders and each bidder's response, summarize bid responses, indicate the awarded bid, and state the reason why any lower bid was rejected. If no bids were solicited from businesses as defined in section 5.1, the University files shall contain a written explanation of why no bids were solicited. Also, the files shall contain the basis for the contractor selection, award cost or price.

All exceptions to the process shall be documented with such documentation being subject to review and approval by the Procurement Department before processing.

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 the Procurement Department encourages participation by as many vendors as possible in the competitive process, three bids are desired given the following: time constraints, potential vendors exist, and there is an opportunity for significant cost savings. Any exception to three participating vendors should be documented by the Procurement Department.

All competitive bid documentation, where feasible, will be maintained in the Procurement Department with the originating requisition and the resulting purchase order.

**5.3 SOLE SOURCE PROCUREMENT**

From time to time, situations arise where there is only one unique vendor for certain products or services. Such situations require supporting documentation explaining the exceptional circumstances of the purchase. See Sole Source Memorandum per Attachment I.

Explanations/justifications shall be completed when departments are requesting purchase without competition of equipment or services costing \$10,000 or more individually or in aggregate per requisition. In the absence of such justification, the Procurement Department will proceed with usual and customary procurement practices.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.3 SOLE SOURCE PROCUREMENT, continued**

Instances when sole source designation is applicable include the following:

- 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.

The Procurement Department has final responsibility in determining whether an item should be handled in this manner.

**5.4.1 SMALL PURCHASES**

Small purchases are defined as any procurement not exceeding \$10,000. This definition should not be confused with the Federal Government's small purchase threshold fixed at 41 U.S.C. 403(11) which is currently \$25,000. For such purchases, each requisitioning department should utilize the preferred vendor list to procure departmental supplies, equipment, etc. without the utilization of the competitive bid process. The preferred vendor list has been developed based upon historical departmental purchasing.

Small purchases that are made routinely which typically result in aggregate purchases exceeding \$10,000, shall be subject to the competitive bid process.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.4.1 SMALL PURCHASES, continued**

Contract modification changes that increase the contract amount by more than the amount of the small purchase threshold shall be subject to the competitive bid process.

**5.4.2 SPECIALITY PURCHASES**

From time to time, the University purchases certain items that are considered to be speciality purchases. Such purchases are described below and are not subject to competitive bid requirements except as noted:

1. Repair parts for equipment obtained from an authorized dealer
2. Vehicle body repairs covered by insurance recovery and in accordance with insurance requirements
3. Publications and/or copyrighted materials purchased directly from the publisher or copyright holder
4. Publications and/or copyrighted materials purchased by the library from either subscription services or from wholesale dealers which distribute for publishers and/or copyright holders
5. Educational training and related resources (except equipment) used to enhance the performance of employees, including memberships in professional societies and organizations, except for customized training
6. Materials, supplies, exhibitor fees, and booths at conferences, seminars, and work shops
7. Wire, related equipment, time and material charges to accomplish adds, moves, and/or changes to telecommunications systems not exceeding ten thousand dollars (\$10,000).

**5.5 CONFIDENTIALITY OF QUOTATIONS**

Price quotations and/or resulting prices through negotiation arrived at between vendors and Xavier University of Louisiana are considered confidential and shall not be revealed to any other vendor or unauthorized person. Not only is it unethical to discuss one vendor's pricing and/or proposal with other vendors, it may affect future negotiations with all vendors on the basis of lack of trust in the University.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.6 LATE BIDS OR QUOTATIONS**

It is the responsibility of all vendors to ensure that their quotations are received in the Procurement Department no later than the appointed hour and date for submission as stated on the University bid request or Request for Proposal document. Unless there are extenuating circumstances acceptable to the Procurement Department or it is deemed to be in the best interests of the University to do so, late bids will not be opened nor considered. There is no public opening of bids at the University.

All bids will be dated and time stamped to assure that they are received by the requested date and time on the bid document.

**5.7 ERRORS IN BIDS OR QUOTATIONS**

Vendors are responsible for the accuracy of their quoted prices. In the event of a discrepancy between a unit price and its extension, the unit price will govern. Quotations may be amended or withdrawn by the bidder up to the bid submission deadline, after which, in the event of an error, bids may not be amended, but may be withdrawn. After an order is issued, no bid may be withdrawn or amended without penalty to the vendor, unless the Procurement Department considers the change to be in the best interest of the University.

**5.8 VENDOR DIVERSITY**

Xavier University of Louisiana 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 solicit and identify qualified small, disadvantaged, minority or women-owned businesses and to provide and promote equal opportunities for such vendors within the University structure in order to promote vendor diversity.

In order to better meet the Vendor Diversity goal, the Procurement Department, under the direction of the Vice President of Fiscal Services, coordinates the efforts of the University in the following ways:

1. Submit listings of small, disadvantaged, minority and women-owned businesses to the departments of the University

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.8 VENDOR DIVERSITY, continued**

2. Participate 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
3. Arrange 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
4. Create 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
5. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises
6. Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises
7. Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually
8. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises

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

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**5.9 TERMS AND CONDITIONS**

When contracts are awarded to outside vendors, the Procurement Department provides 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 as provided below are 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 with the Procurement Department not allowing a proposed contract modification that would change the scope of a contract. In addition to standard provisions that define a sound and complete agreement, the following matters will be included in contracts and/or subcontracts:

1. Contracts in excess of the small purchase threshold will contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate
2. All contracts in excess of the small purchase threshold will include suitable provisions for termination, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts will describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor
3. Applicable negotiated contracts (except those for less than the small purchase threshold) will include a provision to the effect that the University will have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions
4. All federal contracts, including small purchases awarded by the University and the University's contractors will contain a reference to the procurement provisions of Appendix A to OMB Circular A-110

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**6.0 Vendors**

**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 and governmental legislation in order to conduct business with the University.

The Procurement 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 Procurement 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 Procurement 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 Procurement Department for assistance.

**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 integrity, record of past performance, financial and technical resources or accessibility to other necessary resources, meeting required specifications, comparative prices quoted on like items, prompt submittal of data, response to inquiries, delivery performance, special service rendered, and other intangibles.

In accordance with Federal regulations, the University is prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**6.2 VENDOR QUALIFICATIONS, continued**

procurement contracts for goods or services equal to or in excess of \$100,000 and all nonprocurement transactions (e.g., subawards to subrecipients).

University departments are encouraged to provide information to the Procurement Department on the performance of vendors and their satisfaction or dissatisfaction with vendor activities for use in future procurement decisions. The Procurement Department will utilize such information as well as its monitoring results to evaluate and document contractor performance.

**6.3 SOLICITATION BY SALES REPRESENTATIVE**

Permission to detail or attempt to sell within the University must be obtained through the Procurement Department. The Procurement Department will assist vendors in establishing appointments with potential users for discussion of their product line as necessary. It is the responsibility of the vendors to keep the Procurement Department informed of their activity on campus and the prospect for sale of their product to any particular user in the University.

In order for new products to be properly demonstrated, the Procurement Department should be contacted and a determination made as to where this product may be demonstrated in the University. The Procurement Department may suggest the individual who should be contacted, or it may determine that it is not suitable for demonstration within the University. This restriction is applicable to non-faculty personnel and is not intended to limit research faculty from contacting vendors.

**6.4 DEMONSTRATION OF SAMPLE MATERIAL**

University employees wishing to see samples or have equipment demonstrated on campus should contact the Procurement Department for assistance.

Should the department wish the equipment to remain in the department for trial and evaluation, this action should be supported by an executed "No Charge" requisition issued by the requesting department referencing the equipment retained at \$0 total dollars and the words "No Charge" on the face of the requisition. If a procurement decision is recommended following the evaluation period, requisition funding must be submitted by the requisitioning department in accordance with normal University procurement policy and procedure. No other representations should be made to vendors whose items are to be evaluated.

Vendors should always work through the Procurement Department to clarify their opportunities.

Vendors are to provide their own insurance coverage for any material left at the University.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**7.0 Ethics**

**7.1 ETHICS**

While purchasing is perceived to be a structured process, the decisions often require personal judgment and experience gained through personal contacts and relationships. The Procurement Department is responsible for the conservation and proper planning relative to expenditures of University funds. Moreover, the Procurement Department is custodian of the University's reputation for courtesy and fair dealing with vendors. For these reasons, a high ethical standard of conduct is essential. This position is a matter of being above suspicion of unethical behavior, as well as acting ethically. All University personnel share the responsibility for fair and ethical treatment of vendor representatives with whom they come in contact. Such consideration, among other issues, is reflected in the requirements of "Conflict of Interest" in the University's Personnel Handbook.

The following Code of Ethics has been formulated by the National Association of Educational Buyers (NAEB) and is practiced by the Procurement Department at Xavier University of Louisiana:

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline promotional gifts of more than nominal value.
4. Grant all competitive vendors equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**7.1 ETHICS, continued**

9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and co-operate with NAEB members and promote a spirit of unity and a keen interest in professional growth among them.

**7.2 CONFLICT OF INTEREST**

The University as a general rule does not enter into purchasing contracts with students, faculty, staff, or members of their immediate families. An acquisition from a business in which an employee has an interest is prohibited unless full disclosure of the background facts is presented in writing to the Procurement Department. Interest is deemed present if:

1. The employee and/or his/her spouse or dependent children (including stepchildren) own five percent or greater interest in any of the assets of a business entity or trust, or
2. The employee or a member of his/her family is in a decision-making capacity that would involve the use of a product sold by the company owned by them.

Situations that are not specifically covered by the University policy, such as a one-time purchase from an employee who is not in business, shall be judged using the following criteria:

1. Purchase of the item is in the University's best interest; quality and price are comparable to that of other vendors.
2. The employee cannot participate in the decision whether the University will buy from him/her.
3. Neither the employee who wishes to purchase, nor the employee who is selling, have the authority to set the price that the University will pay for the material/services. The buyer will obtain or verify the selling price from a qualified source.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**7.2 CONFLICT OF INTEREST, continued**

The full Xavier University of Louisiana's Conflict of Interest Policy will be provided to appropriate personnel.

**7.3 GIFTS AND GRATUITIES**

It is the policy of the Procurement Department, as well as other related personnel of the University, to accept no gifts of other than nominal value or those normally associated with promotional campaigns of the individual vendors. In no case should the gift exceed \$25.00 in estimated value. However, employees are not allowed to accept remuneration from an individual or company if said remuneration is intended to influence a decision for the University to enter into a contract or do business with said individual or company. Any employee found to be in violation of this policy will be subject to immediate dismissal.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**8.0 Surplus Property**

**8.1 SURPLUS PROPERTY POLICY**

For items purchased with University funds or funds from any external source, the management, control, and use of such equipment extends to its final disposition. For those property items that are no longer needed by the initial procuring department, it is University policy to manage the redistribution or disposition of the surplus items centrally through the Office of Fiscal Services.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**9.0 Fiscal Interfaces**

**9.1 ACCOUNT NUMBERS**

The Office of Fiscal Services for the University is responsible for establishing account numbers that represent the source of funds (department or function). Account numbers may represent also the type of revenue or expense to be transacted.

Each department is assigned an account number(s) in order to detail and control expenditure activity for their area(s) of responsibility. All Requisitions must carry the complete account number to be charged in order that required approvals may be obtained prior to its receipt in the Procurement Department and for proper encumbrance and payment once the procurement process is complete.

**9.2 FUND SOURCE**

All funds deposited with the University, regardless of source, are University funds and must be handled in accordance with University policy.

**9.3 INVOICE APPROVAL**

The Procurement Department encumbers all proper purchase orders into the Banner 2000 software system for matching and payment of invoices. All invoices should be received centrally by the Accounts Payable Department. If a computerized match within set tolerances is obtained with the purchase order and corresponding invoice, the invoice is scheduled for payment by the next scheduled pay date. Set tolerances are defined as follows:

- Amount of Invoice – Invoice amount versus purchase order amount variance is not in excess of \$500.
- Materials included on invoice – Materials per invoice versus materials per purchase order variance is not in excess of 5 items.

Any invoice amounts or materials per invoice in excess of the noted tolerances require the requisitioning department to issue an addendum to the initial purchase order. Should there be a problem regarding the item or services received under the purchase order, Accounts Payable is to be notified by the receiving department to withhold payment. The Procurement Department should be contacted by the department to assist in reconciling the problem.

Since the credit standing of the University is dependent upon its ability to pay its obligations on time, communications between the receiving department, the Procurement Department and Accounts Payable must be done in a timely manner.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**9.4 CANCELLATION OF ENCUMBRANCES**

The elimination of small residual encumbrances is the responsibility of the Office of Fiscal Services.

The department should request cancellation of such balances by providing the Office of Fiscal Services with a copy of the departmental report, indicating the purchase order balance that should be deleted. Electronic report versions are preferred. After reviewing the request, the Office of Fiscal Services will close the purchase order, thereby removing the encumbrance.

**9.5 REQUESTS FOR PAYMENT**

Departments should not use direct pay requisitions to purchase equipment, supplies, and services ordinarily obtained through the purchase order system.

Direct pay requisitions should be used to request payment of items such as described in Attachment III.

Additional restrictions and limitations regarding the use of this form may apply and vary among the various units of the University. Departments should become knowledgeable about the policies within their organizational unit before handling procurements and/or reimbursements using this form.

**9.6 TRAVEL EXPENSES**

Purchase orders are not to be used to pay for employee travel expenses. Occasions arise where conferences attended by University employees will allow pre-payment of registration fees only with a purchase order.

The Procurement Department will make that determination on a case-by-case basis. If approved by the Procurement Department, the department should forward a requisition to the Procurement Department to initiate a purchase order. See Attachment V for travel memorandum.

**9.7 YEAR END CLOSING PROCEDURES - ACCOUNTING**

The University operates on a July 1 - June 30 fiscal year for accounting purposes. In order to ensure that departments properly close the University current fiscal year purchases, the Office of Fiscal Services, will provide a schedule of dates for submission of requisitions and invoices and for completion of purchasing activities prior to the start of the new budget year. This schedule may change slightly from year to year.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**9.7 YEAR END CLOSING PROCEDURES - ACCOUNTING, continued**

In order for an item to be paid with current year funds, it must be ordered, received and invoiced in the current year. No invoice will be paid without the submission of a requisition by the department and the establishment of an order by the Procurement Department to set up a current year encumbrance.

There is no routine carryover of institutional operating budget funds. Budgets on restricted fund grants and contracts with project life continue for their prescribed project dates, fiscal year or otherwise.

Blanket Purchase Orders generally expire on June 30th and must be renewed prior to that date. The Procurement Department will send renewal notices to the department in advance of year-end to expedite this process.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**10.0 Required Prior Approvals**

**10.1 ALTERATIONS TO PLANT FACILITIES**

Requests for alterations or renovations to existing plant facilities must be coordinated through and approved by Facility Planning and Management. The amount and complexity of the changes and building location will dictate the department through whom the work will be coordinated. The Procurement Department will work with the coordinating department to obtain the required materials and necessary services to complete the project for the requesting department.

Regardless of the degree of construction that will be required for a project, it is advisable that the requesting department refer to the policies and procedures of Facility Planning and Management as appropriate, before proceeding with their planning.

**10.2 ANIMALS**

All purchases of animals must be made under the supervision and assistance of the Director of the Animal Care Facility. Each procuring department's administrative assistant must coordinate the acquisition of animal purchases with the Animal Care Facility and submit to the Procurement Department evidence of such efforts.

**10.3 CONTROLLED SUBSTANCES**

Application must be made for licensing to the United States Drug Enforcement Agency by appropriate individuals within a department wishing to buy controlled substances for use in University sponsored projects. Any department wishing to purchase controlled substances must get approval from the designated individual in either the College of Pharmacy or the designated department. The DEA number must appear on each purchase order released in order to obtain delivery.

All orders are shipped to the attention of the individual listed on the DEA license number in order to ensure proper record keeping for the DEA.

**10.4 RADIOACTIVE MATERIALS**

Requisitioning departments must obtain prior approval from the Radiation Safety Officer in order to purchase radioactive material. Orders must be shipped through the Receiving Department who is required to receive prior notice of the delivery of the radioactive materials. Once inbound shipments are cleared by the Radiation Safety Officer, material can be received by the requesting department.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**10.5 HAZARDOUS CHEMICALS AND SAFETY EQUIPMENT**

Requisitions for hazardous chemicals and some types of safety equipment require approval by the Bio-Hazard Committee prior to purchase.

**10.6 PUBLICATIONS**

The Office of Public Affairs and Communications must review publications containing the Xavier Logo prior to printing to ensure compliance with Xavier University of Louisiana Identity requirements.

**10.7 RESTRICTED FUNDS PURCHASES**

Requisitions, using grant account funding, for equipment and supplies, require prior approval by the Fiscal Services Department - Office of Grants and Contracts. Equipment purchases utilizing grant funds are required to be tagged and included in the Office of Fiscal Services Inventory report.

**10.8 ALCOHOLIC BEVERAGES**

The University's policy states that requisitions for/including the purchase of alcoholic beverages must be accompanied by approval from the Senior Vice President of Administration.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**11.0 Miscellaneous**

**11.1 DAMAGES AND SHORTAGES TO ITEMS RECEIVED**

When receiving items from freight companies, the number of packages received should match exactly the number on the common carrier's freight bill. If not, make sure the driver writes the number of packages received on the bill before signing. Inspect all packages for damage to the outside container. Any visual damage should also be noted on the freight bill before signing.

In cases of concealed damage, a report should be made immediately to the delivering carrier. The report should include the following information: Freight Bill Number, Purchase Order Number, date of delivery, vendor, extent of damage or shortage. In the event of damage, it is essential that you retain all of the original shipping cartons for inspection by a claims adjuster.

Government regulations require the University to file claims within a specific number of days. Failure to comply could result in the claim being disallowed. Notification upon first discovery is recommended, even if the extent of damage has not yet been determined.

Errors in shipping by the vendor causing shortages should be reported to the Procurement Department immediately by the department. Sufficient detail should be given in the report that will allow negotiation with and resolution of the error by the vendor.

**11.2 INSURANCE**

Prior to commencement of any work or services on the premises of Xavier University of Louisiana, the vendor must present evidence of appropriate insurance coverage to the Office of Facility Planning and Management.

The limits of liability should be determined by exposure and not the size of the contract. The amounts and types of insurance required for most contracts are listed below:

1. Workers' Compensation and employer liability insurance covering all of contractors' employees who are engaged in any work under contract.
2. Public liability and property damage insurance (construed as including contractor's protective and broad form insurance) that shall protect the contractor and any subcontractor performing work covered by the contract from claims for damages for personal injury, including death, as well as from operations under the contract, whether such operations be by the contractor or any subcontractor, or by anyone directly or indirectly employed by either of

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**11.2 INSURANCE, continued**

them. The limits shall be no less than \$2,000,000 each incident, \$4,000,000 aggregate and \$1,000,000 property damage or \$2,000,000 combined single limit.

3. Automobile bodily injury and property damage liability insurance when the services to be performed require the use of motor vehicles. Such insurance shall be secured from companies licensed to do business in the State of Louisiana. The limits shall be no less than \$500,000 each incident, \$1,000,000 aggregate bodily injury and \$250,000 property damage.
4. Contractor shall furnish the University with documentation for proof of insurance evidencing this insurance coverage before work is commenced under the Contract. All certificates of insurance shall provide that the insurance company will give the University thirty (30) days written notice prior to cancellation or any change in the stated coverage of such insurance.

In consultation with the using department, the Senior Vice President for Administration and the Procurement Department may waive or alter the suggested coverages as a result of the type work being performed by the vendor.

**11.3 RETURNS FOR CREDIT/REFUND**

When a vendor has shipped items as specified on a purchase order, they have legally complied with their part of the contract and are under no obligation to accept for credit/refund any of those delivered as specified. Acceptance of a return by a vendor is not automatic, and if accepted, a restocking fee of 5% - 25% of the original item cost is sometimes charged by the vendor. This charge will have to be borne by the requisitioning department.

When an item is received from a vendor that is not as specified on the purchase order, contact should be made by the department and/or the Procurement Department to that vendor requesting a Return Authorization Number. A label with the Return Authorization Number and other identifying information should be placed on the outside of the package to be returned for easy identification when received by the vendor. No item should be returned without prior authorization from the vendor.

Requests for the return of supplies and equipment for adjustment or credit must be coordinated through the Procurement Department. The appropriate Returned Goods form must be completed and forwarded to the Procurement Department to affect a return.

**XAVIER UNIVERSITY OF LOUISIANA**  
**Procurement Policy and Procedures Manual**

**11.4 UNIVERSITY BUSINESS ENTERPRISES**

The University departments are encouraged to support the activities of the enterprises of the University. This non-inclusive list includes the Bookstore, Printing Services, Document Imaging and Photography, and Food Services.

When items and/or services to be procured are available from any of the university enterprises and these items and/or services are comparable in quantity, quality and price, these enterprises should be given preference in order placement.

**12.0 Vendor Listing**

**12.1 VENDOR LISTING**

The Procurement Department will maintain a web based listing of vendors that are presently being utilized by the University to provide goods and/or services. The soliciting departments can add/delete vendors by contacting the Office of Fiscal Services and providing the required vendor information.