

PURCHASING PROCEDURES

Policy Number: 300GS

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Scope

This Policy on Purchasing Procedures applies to faculty, staff, predoctoral researchers, summer scholars and applicants ("Covered Individuals") of The Graduate School of the Stowers Institute for Medical Research ("The School").

Purpose

The purpose of this policy is to describe the procedures for purchasing materials and services using either SGC funds or funds from government-sponsored grants in accordance with applicable regulations.

The School is included in the Stowers Group of Companies ("SGC") Organizations and has adopted the following policy as its own.

Policy

Definitions

- Acceptable Vendor List – File containing approved vendors for procuring goods and/or services
- Purchase Requisition (PR) – Electronic form used to initiate the acquisition of supplies and services from a vendor
- Purchase Order – Document detailing products or services ordered from a vendor that obligates the SGC to pay contractual or agreed list price
- Capital Equipment – Equipment or furnishings having a useful life of two or more years and a minimum cost of \$5,000

General Rules and Procedures

Purchase Requisition

The Oracle Enterprise Resource Planning (ERP) System is used to initiate the procurement of most supplies, equipment, and services. The requisition is completed by an approved requestor and automatically forwarded to the appropriate approval authority, if necessary. Using the Oracle procurement module, the requisitions are sent to the designated buyer for review and placement of the order.

The Purchasing Department and Procurement Officer have authority to obligate the SGC for the purchase of all goods and services.

Covered Individuals in the Purchasing Department or the Procurement Officer review the requisition, attachments, approvals, charge numbers, vendors, and terms and conditions requirements. They will contact the requestor regarding incomplete requisitions not transmitted to the Oracle procurement module. A properly completed requisition will be assigned to a buyer, who will proceed with the transaction in accordance with established procedures. It is the buyer's prerogative to establish the method of purchase that is most economical.

The selected vendor must be on the approved vendor list maintained by the Purchasing Department (see Policy 311, Acceptable Vendor List).

Communication with Vendors

The SGC identifies the Covered Individuals authorized to make financial and contractual commitments. In accordance with this certification, the following rules will be observed:

1. Communications, both written and oral, with suppliers for the acquisition of all equipment, materials, supplies, research, and services will be made through the Purchasing Department or the Procurement Officer.
2. The Procurement Officer will conduct and conclude negotiations regarding such details of the acquisition/procurement process as price, terms and conditions, statement of work, and delivery, when requested by a buyer.
3. The SGC's commitments will be appropriately documented to specify contractual obligations of the SGC and the vendor.
4. The SGC's members may make contacts with vendors in order to secure technical information before the Purchasing Department initiates an action.
5. Demonstration or loaned scientific equipment is arranged through the Scientific Equipment Department. Such equipment will be received and signed for by the Receiving Department and requestor. The requestor will notify a member of the Scientific Equipment Department when loaned equipment is to be returned to the vendor.

Required Signatures and Approvals

The Purchasing Department or Procurement Officer is responsible for ensuring that the proper approval is obtained before issuing a purchase order.

Computer hardware and software requisitions require the approval of the IT manager or designee.

Research Operations maintains the approval matrix for each department. Department directors and managers may add or delete authorized signers at any time by notifying Research Operations in writing.

Issuance of Purchase/Electronic Orders

The Purchasing Department or the Procurement Officer is responsible for determining the reasonableness of price and/or need for negotiation. The buyer is responsible for obtaining the

best delivery schedule and most economical method of shipment, as well as establishing the shipping location most favorable to the interests of the SGC.

Copies of purchase orders, along with quotes, specifications, drawings, product data, and any other data supplied by staff or vendor, will be kept in the procurement files for a period of at least two years past the end of the fiscal year in which the purchase order was generated. Documents will then be filed by fiscal year before permanent archiving (by optical scanning). This is designed to meet Federal Records Retentions Requirements (subpart 4.7).

The Purchasing Department or the Procurement Officer may, at their discretion, use approved Internet systems for purchase orders and credit card transactions that meet the following criteria:

1. Favorable pricing reflecting SGC contractual and/or volume discount
2. Availability of product or service to meet current needs
3. Documentation of the products/services ordered and the prices paid
4. Appropriate shipping arrangements

Examples of Items Not Required to be Processed by Purchasing

- Utilities
- Telephone services, including mobile and cellular phone services
- Advertising
- Individual freight, postage, and shipping invoices
- Employee benefits services
- SGC insurance premiums
- Legal fees
- Lab coat cleaning
- Personal expense reports
- Travel expenses
- Catering and food purchases

Changes and Modifications

Changes or deviations in the items ordered, pricing, scope of work, period of performance, or other provisions of the purchase order must have proper authorization, either with a revised purchase order or contract addendum from the buyer of record.

Capital Equipment

Capital equipment is defined as equipment or furnishings having a useful life of two years and a minimum cost of \$5,000. Procurement authorization levels for capital equipment are reflected in the Approval Levels Matrix.

Equipment Charged to a Government-Sponsored Grant

A purchase requisition is prepared and submitted to the Purchasing Department with the approval of the project leader. The Procurement Officer will review the requisition to ensure compliance with appropriate grant regulations when requested by the buyer.

Chemicals, Radioactive Materials, and Controlled Substances

A list of all chemicals ordered is sent to the Environmental Health and Safety Department for review within one working day of the order.

The Radiation Safety Officer must approve requisitions for radioactive materials and requests for laser systems before the Purchasing Department or the Procurement Officer can process them. The Environmental Health & Safety Department must also review all requested supplies and equipment before they are ordered for new labs.

Requests for Material Safety Data Sheets (MSDS) are included with each purchase order placed for chemicals.

Controlled substances are ordered in conjunction with qualified personnel while observing all federal, state and local regulations.

All purchases of 190 or 200 proof Ethanol are logged by the Purchasing Department for the Environmental Health & Safety Department to review on a quarterly basis.

This policy was approved by the GSSIMR Board of Directors on September 5, 2018.
This policy was last updated by the GSSIMR Board of Directors on November 09, 2020.
This policy will be reviewed by the GSSIMR Board of Directors in 2022.