

**West Liberty University
Purchasing Handbook
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PREFACE – ACQUISITION OF GOODS AND SERVICES

The University has two methods of acquiring goods and service.

(1) Credit Card

University departments are expected to use the State purchasing card whenever possible. The cardholder should make all non-restricted purchases up to the item limit and total limit of the card. When the vendor charges a premium for the use of the purchase card, inquire with the purchasing department for further direction.

(2) Purchasing

The purchasing system covers all non-purchase card transactions and is the subject of this handbook.

The following pertains to both the credit card and purchasing:

The University's Vice President of Finance & Administration and University President are the only individuals authorized to sign a vendor agreement or contract, regardless of the cost or method of payment. If the vendor has any terms and conditions on the agreement or contract the vendor must sign a WV-96 or the purchase cannot be accepted. The Vice President of Finance & Administration and President are the only individuals authorized to sign the WV-96 on behalf of the University. It is the acquisitioner's responsibility to obtain the required signatures prior to effecting any purchase.

OVERVIEW

West Liberty University Office of Purchasing assists faculty and staff with the acquisition of goods and services.

PURPOSE

Purchasing is a service department. Our primary goal is to purchase what you need as quickly and efficiently as possible at the best price from a responsible vendor.

AUTHORITY

The West Virginia State Code vests the Board of Governors with the authority to purchase and acquire materials, supplies, equipment, services, construction and printing for the State's colleges and universities. Authority is also given to the Board to set purchasing policy and prepare rules and regulations. West Liberty University's Purchasing Department adheres to the Higher Education Purchasing Procedures Manual. In accordance with the procedures, the President of the University appoints the Chief Procurement Officer (CPO) who is responsible for the procurement of all goods and services for the University.

ORGANIZATION

The Office of Purchasing maintains a central office, located in the Business Office, Shaw Hall Room 315.

AUTHORITY TO PURCHASE AND OBLIGATE FUNDS

All of the guidelines and directives governing University purchasing policy are described in detail in State law, the Higher Education Purchasing Procedures Manual, and this handbook.

The University's Vice President of Finance & Administration, University President and delegated designees are the only individuals authorized to effect and sign non-credit card and non-essential services purchases, agreements or contracts for West Liberty University. Faculty and staff outside of Purchasing may not obligate University funds, regardless of source. Contracts and agreements are included, too; for the Attorney General, the Audit Division, and the Department of Finance and Administration only accept purchasing documents signed by procurement officers. Only University procurement officers or designees may issue confirming orders to vendors.

AFTER-THE-FACT PURCHASES

Purchases made without the prior approval of Purchasing are unauthorized purchases and become the personal responsibility of the person making the purchase. Known as "after-the-fact" purchases, they will require an explanation and justification that will be subject to approval. The chief procurement officer will review purchases of this nature. These purchases must also be approved by the appropriate departmental dean or higher-level administrator. Original letters, e-mails, or faxed correspondences will be acceptable. Besides explaining why the University policy was not followed, an explanation shall be included that addresses efforts to preclude it from happening in the future.

ENCUMBRANCE OF FUNDS

West Virginia State law requires that all expenditures be made within the limits of available appropriations, funds, and budgets. Funds must be encumbered in advance of any purchase, agreement or contract being awarded. Exceptions require the prior approval of the chief procurement officer. Estimates are encouraged.

FUND SOURCES

All funds deposited with the University, regardless of source, are University (State) funds and must be managed in accordance with University policy. There are generally five kinds of funds at the University: Tuition and fees, State appropriated, State special appropriated, Federal grant and private funds in the West Liberty University Foundation, Inc. Each fund may have different expiration dates or other spending restrictions.

VENDOR REGISTRATION

In accordance with the West Virginia State code, every person, firm or corporation selling goods or services to the University in excess of \$25,000 per order must complete and file a Vendor Registration and Disclosure Statement (Form WV-1 or WV1A) with the State Purchasing Division. A Vendor only has to register once. However, if the ownership, services offered or organizational structure change, the vendor must update the original registration by filling out a new form. The State Purchasing Division in Charleston prior to award of a bid must receive the registration. A vendor may obtain a registration form by contacting the University Purchasing Office or the State Purchasing Division.

When registering, the Federal Employer's Identification Number (FEIN) of the firm or partnership must be given. If the registrant is an individual, his or her Social Security number must be supplied. After the form is completed, it must be signed, notarized, and filed with the State Purchasing Division.

SUBMITTING A PURCHASE REQUISITION

For better management of both the budget and purchasing processes, it is highly desirable that one person in the department be responsible for submitting purchase requisitions. It is the

responsibility of the department to accurately include all necessary accounting and purchasing data on the requisition form.

FORMS

There are several forms used to effect the purchase of goods and services for the departments at the University. (See Appendix C for examples)

Purchase Requisition Form – This form is used to notify the Purchasing Department of intent to purchase goods and or services from a vendor. This form initiates the purchasing process for any purchase over \$1000.

Agreement (WV 48) – This form is used to purchase the technical and professional services of individuals or companies, other than repairs, when the vendor does not provide his or her own contract forms.

Agreement Addendum (WV96) – This form is signed by the vendor and must be attached to all maintenance agreements, contracts or purchases, which include “terms and conditions.”

TYPING THE FORMS

Forms should be typed, or printed legibly on the correct version of the form. Old versions of forms will not be accepted. The most up to date forms can be found at <https://westliberty.edu/business-office/>

WRITING A SPECIFICATION

The specifications contained on a purchase order represent a combination legal document and technical paper. Specifications determine the quality level and basis for evaluation of bids and should be reviewed each time they are used. If your order is for items with special qualities, make specific references to the special requirements.

The following guidelines should be used in writing the specifications for your order:

1. Identify the minimum functional requirements necessary to accomplish your tasks.
2. Allow for competitive bidding (do not be restrictive to certain brands unless a compatibility requirement has been established).
3. List criteria on which each bid will be judged for compliance with specifications.

Although the specifications must be written to allow competitive bidding, this does not mean that the University must accept all bids regardless of quality. Items that are below the minimum quality level may be rejected on that basis. However, the specification sets the minimum acceptable quality. The low bid that meets this level must be accepted in most instances. It is, therefore, necessary that the specifications be clear and concise, as all awards and justifications will be based only upon those written on the request for quotation.

The most common type of specification used is a name brand or “equivalent” type. This type of specification uses a manufacturer’s name, catalog number, and provides for the submission of equivalent products. When writing this type of specification, it is incumbent upon the writer to list the characteristics of the item being ordered so that the proper evaluation of any alternatives can be made. Rejection of low bid because it does not have characteristics not specifically listed on your order, even though the catalog number on the item specified might indicate those characteristics, is difficult.

You can obtain specifications from several sources. They include catalogs, vendors, technical societies, associations of user manufacturers and the Purchasing Office. If you are unaware of

something, contact the Purchasing Department before submitting the requisition. This can avoid processing delays. If an omission or error is discovered in specifications after the bid is opened, this can result in all bids being rejected and a revised bid being issued, which takes more time and effort.

THE PURCHASING PROCESS

Credit card and essential services purchases shall be used to the maximum extent possible. All other purchases will be entered as requisitions. All requisitions received by Purchasing are processed similarly. When received, each is reviewed for accuracy and completeness. Erroneous or incomplete requisitions may be returned to the department for correction. The remainder are approved for purchase. Normally, this complete process requires no more than 1-3 days without bids, and about 18 days if written bids are required.

PURCHASES MORE THAN \$1,000 BUT LESS THAN \$5,000

Approval of purchases totaling more than \$1000 are required through the Purchasing Department. Submittal of and approval of a purchasing requisition form is required prior to purchase. Contracts, quotes, or any other documentation is required to be submitted with the purchase requisition. This is required regardless of funding source.

PURCHASES MORE THAN \$5,000 BUT LESS THAN \$50,000

Approval of purchases totaling more than \$5,000 but less than \$50,000 is required through the Purchasing Department regardless of the source of funds. Contracts and agreements are also included. The department desiring the goods or services is responsible for obtaining at least three competitive quotes unless the purchase will be made from one of the sources listed below, in which case only one quote is required.

- A general services administration contract (GSA)
- A group purchasing contract (GPO)
- A statewide contract (SW)
- A consortium contract
- A sole source vendor

To obtain quotes, each vendor should be given the same specifications for the product or service. All vendors should be notified of any changes in the specifications. Quotes may be obtained in writing or electronically. One no-bid response from a vendor may be included to satisfy the three (3) quote rule, however the requestor must provide evidence that a third bid was solicited. The original quotes must be forwarded to the Purchasing Office to review and process. The Chief Procurement Officers or designee will determine if it is in the University's best interest to obtain additional quotes or to solicit the goods or services through a formal bid process. The Purchasing Office shall issue a purchase order to the vendor with the lowest quote. Change orders may be issued to modify the original purchase order. Purchase orders may be cancelled in accordance with the Standard Terms and Conditions.

The Chief Procurement Officer or designee has the authority to waive the three (3) quote rule or to allow the purchase of goods or the acquisition of services to be made from a vendor who did not submit the lowest quote at his or her discretion. The area or department desiring the goods or services must submit a written request to waive the three (3) quote rule or to purchase goods or acquire services from a vendor who did not submit the lowest quote to the Chief Procurement Officer.

For services, an agreement or contract must be in place on or before the first day of services. Agreements should be forwarded to the VP of Finance and Administration for signature. The

contract or agreement forms listed below may be used. The WV 96 form can only be modified by the State of West Virginia Attorney General's Office.

- Agreement form WV 48 with standard terms and conditions copied on the reverse side of the form or otherwise provided to the vendor
- The vendor's contract or agreement with a WV 96
- An agency contract or agreement with standard terms and conditions copied on the reverse side of the form or otherwise provided to the vendor and/or a WV 96

PURCHASES FOR MORE THAN \$50,000

Purchase requisitions for more than \$50,000 additionally require that the request be advertised for bids. If the bid is over \$50,000, it is published as a legal notice in at least one local newspaper for a minimum of 14 days before the bid opening. If the item is competitive, bids are solicited from at least three vendors and will include the department's suggested vendors. The bids state an opening date and time. All bid openings are open to the public and may be attended by any interested party. After the bids are read aloud, they are evaluated by the Purchasing Department and when necessary by the using department. After the lowest responsible bid is determined, the award is made. However, certain awards may require further approval by the Attorney General or other State agencies. The vendor receiving the award is notified of the award by receipt of an approved, signed purchase order.

Generally, departments may not obtain their own bids. If only one known vendor can provide the goods or services, a letter of explanation must be submitted with the requisition by the department. Sole sources purchases must be verified by the Purchasing Department. These purchases, which are non-credit card and non-essential services, will also be initiated on a requisition form.

OPEN ENDED CONTRACTS

The University has the ability to enter into open-ended contracts with vendors under certain circumstances, generally for service-oriented contracts outside of projects. These contracts provide the University with a set labor and material rate. These contracts must be publicly bid if they are expected to exceed \$50,000. These contracts must be done in conjunction with the Purchasing Department.

OTHER POLICIES AND PROCEDURES

These additional policies and procedures apply to the purchase of all goods or the acquisition of all services:

- All public relations purchases regardless of price must be approved by the West Liberty University Office of Communications
- Office supplies should be purchased from the statewide contract
- All purchase orders must be paid through Accounts Payable.

PURCHASES FROM WEST VIRGINIA VENDORS

It is the policy of the Purchasing Department to purchase as many goods and services as possible from West Virginia vendors. Departments are actively encouraged to support this policy for the benefit of these vendors and the State's economy.

PURCHASING ALTERNATIVES

A major goal of the Purchasing Department is to provide alternative purchasing methods, which preclude an "after-the-fact" documentation of purchases of goods and services. Within the constraints of both State law and the Higher Education Purchasing Procedures Manual, it is possible for a department to properly process nearly all purchases of goods and services in

advance of the need. If one of the alternatives discussed below does not seem appropriate to your particular situation, please call the Purchasing Department.

CUSTOMER PICK-UP

Often it is desirable to pick-up supplies and equipment directly from a local vendor and give the vendor a purchase order at the same time. Such purchases can be “walked through” requisitions. After approval by the Purchasing Department, the vendor’s copy is given to the individual for pick-up at the store. Please note that this routine may not be used as a means for the department to call in an order to a vendor without prior approval from the Director of Purchasing.

CONFIRMING ORDERS

Occasionally, emergency orders, repairs, or some other critical situation occurs where it is not practical to type a purchase order in advance. Failure to plan ahead is seldom accepted as justification for an emergency or confirming order. However, when justified, the Purchasing Department can call a vendor and place the order over the telephone. This is known as a “Confirming Order”. Departments are expected to walk through a requisition before the order can be placed. Department personnel may not place confirming orders.

CONTRACT PURCHASES

West Liberty University utilizes State, WVNET, GSA, and University contracts that offer a guaranteed price for specific items for a specific period of time. The advantage of contracts is convenience. Orders for any amount can be placed without going through the standard bid procedure. Repetitive purchases are those items that best lend themselves to contracts, such as: oil, tires, lumber, medical supplies, lab supplies, paper, and office furniture. For more information on these contracts, contact the Purchasing Department.

SOLE SOURCE PURCHASES

When an item is available from only one source and costs more than \$1,000, an order may be placed without competitive bids if written justification is provided. A requirement for a particular proprietary item does not justify a sole source procurement if there is more than one potential offerer for that item. The following are examples of circumstances, which could necessitate sole source procurement.

- a. Where the compatibility of equipment, accessories, supplies, or replacement parts is the paramount consideration;
- b. Where a sole source supplier’s item is needed for trial use or testing;
- c. Where a sole source supplier’s item is to be procured for resale;
- d. Where public utility services are to be procured;
- e. Where specific items are called for on a grant or contract;
- f. When there is only one vendor who can provide the material.

For sole source purchases over \$25,000, an original signed quotation must be obtained from the vendor by the Purchasing Department. Copies or faxes of signed quotations are acceptable for purchases below \$25,000.

SPECIAL INSTRUCTIONS & GUIDELINES

Although the University is essentially its own manager in purchasing, numerous special instructions are often directed by outside agencies such as the Governor’s Office, the Attorney General’s Office, the Board of Governors, WVNET, or the Auditor’s Office. Both Purchasing and University departments are required to follow these guidelines.

MAINTENANCE AGREEMENTS

The request for a maintenance agreement for equipment is to be submitted on a requisition when there are terms and conditions present. The make, model, serial number and University tag number for the equipment must be stated. The vendor must sign the maintenance agreements and addendum (WV-96) first. The VP of Finance and Administration will sign for the University. Payments for maintenance can be made only after the services have been performed. If stated in the agreement, these payments may be made periodically as maintenance is performed. Dates of service should be kept within the State fiscal year of July 1 through June 30. In addition, maintenance agreements which have "terms and conditions" attached must have a WV-96 attached.

CONTRACTS

Purchasing enters into numerous contracts for the departments. These may include rental agreements, service agreements, consulting agreements, open-end contracts, and maintenance agreements. The Attorney General's Office must approve all open-end contracts and all contracts that total over \$50,000.

CANCELLING ORDERS

To cancel orders, vendors must be given 30 days written notice. The only situation where orders may be cancelled in less time is when the vendor gives cause and breaches the contract or order. Whenever an order must be cancelled, e-mail the Purchasing Department.

REPAIRS TO EQUIPMENT

Repairs to office, scientific, or educational equipment require the issuance of an approved University purchase order. This includes equipment, which must be shipped back to the vendor for repair.

When equipment is required on-site, the department must prepare a requisition and process it through Purchasing. If the vendor requires a confirming order number before the service call will be made, please advise the Purchasing Department. Although the exact charges may not be known, the charges should be estimated. List estimated charges as two separate items, one for labor and one for parts. Note: The department is solely responsible for all charges.

Should the equipment require off-site repair, proper packing of the equipment for shipment is the responsibility of the department. The department must prepare a requisition in advance to cover repair and shipping costs. If the exact charges are not known, an estimate is acceptable. Please include the serial number of the equipment, the University tag number, the building and room number, the name of the contact person, and a brief description of the problem. Forward the requisition to Purchasing. Departments cannot ship any equipment to a vendor for repair until they receive the vendor's copy of the order signed by a buyer. Departments are responsible for shipping the packages.

CANCELLING/CHANGING ORDERS

When it is necessary to cancel a purchase order completely or some portion of it, the department may request cancellation via a memorandum or e-mail to Purchasing. Changes to orders may be done similarly. It is essential that the memorandum clearly state what must be changed or cancelled. Please provide a reason for the cancellation or change, and reference the vendor's name, purchase order number, and the Banner fund.

TRADE-IN OF EQUIPMENT

Trade-in of used equipment may be permitted. However, your intent to trade a piece of equipment must be clearly stated on the requisition. Please provide all necessary descriptive data including the University property tag number.

LEASED SPACE

For all space leases, consult with the Purchasing Department.

LETTER OF JUSTIFICATION OF EXPLANATION

A letter of justification is expected from the department whenever they choose not to accept the low bid or a sole source purchase over \$5,000 is requested. A letter of explanation is expected from the department whenever the department has failed to utilize one of the procurement alternatives. If the situation was such that they could have “worked within the system” and did not, they have violated University policy and may be held personally accountable for obligating the University. Only the Chief of Procurement may approve letters of justification for “after-the-fact” purchases.

EMERGENCY PURCHASES

Emergency purchases may be made only when there exists a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or to meet bona fide emergencies arising from unforeseen causes, including delays by contractors, delays in transportation, and unanticipated volume of work, provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written letter of justification explaining the basis for the emergency and for the selection of the particular contractor must accompany the requisition. Emergency procurement shall be limited to those supplies, equipment, services, or construction items necessary to meet the emergency.

SHIPPING ADDRESS

The shipping address of supplies and equipment must be stated on the requisition. Changes in the “ship to” address must be approved by the Purchasing Department. All purchases must be shipped to the University unless approved in writing by the purchasing department.

LEGAL SERVICES

The acquisition of all legal services must be approved by the VP of Finance and Administration and the Attorney General’s Office prior to the acquisition of such services.

SELECTING A CONSULTANT OR PROFESSIONAL SERVICE

For the hiring of consultants, contact the Purchasing Department.

Special Note: The contractual services of West Liberty University faculty and staff must be paid through Payroll regardless of the amount.

AGREEMENT ADDENDUM (WV-96)

Many purchases from vendors are qualified by additional terms and conditions. Often these appear on the backside of quotations, maintenance agreements, and software licenses. In each instance, the vendor’s terms and conditions must be modified in order to conform to West Virginia law. Modifications are accomplished through the WV-96 Agreement Addendum, which can be downloaded from the forms site. Fax copies may not be used.

RECEIVING REPORT REQUIREMENT

Receiving reports are required for all commodities that are not strictly services. The reports may consist of packing slips, or the form developed for the p-card process. All receipts must be signed and dated within 24 hours of the receipt of the material. West Liberty University does not have a central receiving station therefore, in most cases; the delivery is made directly to the requisitioner or a representative of the requisitioner. If you are the requisitioner, follow the receiving instructions and forward the proper information to the Accounts Payable Office. If you are the requisitioner and did not directly receive the shipment, you must obtain the receiving

information from the person who did receive the shipment, verify the information, prepare the proper receiving papers, date, sign, and forward to the Accounts Payable Department. IF THE PURCHASE EXCEEDS \$5,000, YOU MUST FOLLOW THE INVENTORY RECORDING PROCEDURES PRIOR TO FORWARDING THE RECEIVING INFORMATION TO THE ACCOUNTS PAYABLE DEPARTMENT.

INVENTORY RECORDING AND MANAGEMENT

All commodities with a value of \$5,000 or more per unit must be accounted for in the inventory management system. Upon receipt of a commodity with a value of \$5,000 or more, you must immediately contact the purchasing department. Within eight working hours, we will properly enter the item in the inventory management system and co-sign the receiving report, which should then be forwarded to the Accounts Payable Department.