

**WAKE FOREST UNIVERSITY
FACILITIES AND CAMPUS SERVICES
Procurement Policy**

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I. Procurement Charter

The purpose of this policy is to establish the scope of authority and responsibility for the University's procurement function within the Facilities and Campus Services Department.

The mission of this charter is to provide effective and efficient procurement services for the University. These services are intended to ensure that (1) the University receives optimum value for each procurement dollar, (2) requestors receive prompt, courteous and efficient service and (3) all qualified suppliers are given an equal opportunity to compete for WFU business in a fair and open fashion.

This policy is not intended to restrict the exchange of communication, ideas and information between divisions and suppliers; however, the commitment of funds or intent to commit funds will be communicated to suppliers only by Procurement personnel or their designees.

II. General Facilities and Campus Services Purchase Guidelines

1. All purchases in Facilities and Campus Services must have an approved budget and a Purchase Order prior to committing to purchase with a supplier (see exceptions in Section III for Purchase Orders). Any exception to this must be approved by the Assistant Vice President of Facilities and Campus Services or must be deemed an emergency situation by Manager level or above. Emergency situation purchases should be documented appropriately at the first available opportunity.
2. To issue a Purchase Order the following steps must be taken:
 - a. A work order with the correct budget must be created in Facilities and Campus Services' system of record.
 - b. A Purchase Requisition must be submitted by the Facilities and Campus Service personnel requesting the material or service.
 - c. The Purchase Requisition must be routed to each member of the employee's chain of command (or appropriate designee) until the appropriate approval level is reached and the Requisition is approved.

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- d. Once the Purchase Requisition is approved, the appropriate procurement personnel will convert to a Purchase Order ready for distribution to the supplier.

III. Non-Requisition Type Purchases

The purpose of this section is to detail the items and services that may be acquired without processing a Purchase Order. If being charged back to a customer, part of project funding, or for budget tracking purposes within Facilities and Campus Services system of record, then these items or services will need a method of being attached to a work order and/or project. Invoices for said purchases should be approved by the requestor after receipt of the item or service and routed directly to Procurement Assistant for correct processing. Items paid for by procurement cards should follow the appropriate documentation and procedures detailed with that function. Purchase Orders may be processed for non-requisition purchases in instances where clarification of expectations and/or tracking of the fulfillment of the request would be desired.

Non-requisition items include, but are not limited to:

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| 1. Contracts for personnel services including speakers, temporary employment agencies and entertainers | 8. Permits |
| 2. Dues and subscriptions | 9. Artists, original works of art, photographers, authors and writers |
| 3. Travel fees including travel agencies, airlines, car rentals and hotels. Charter agreements for buses and air are not included in this list. | 10. Booth space at conferences, exhibits, fairs and product shows |
| 4. Utilities | 11. Security and Police Officers provided by local governments |
| 5. Academic testing services and accreditation fees | 12. Workshop, conference, convention, or training fees |
| 6. Newspaper ads | 13. Insurance |
| 7. Building or space leasing | 14. Food |

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15. Advertising
16. Other items as specified by the
WFU Reynolda Campus
Purchasing Department.

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IV. Returns, Repairs, Defective Items and Credits

The purpose of this section is to describe how to process defective items, unwanted items or items that must be returned to a supplier. From time to time, merchandise must be returned to suppliers for repair, like-kind replacement or for monetary credit to the University. There are guidelines that need to be followed in order for the University to properly account for these transactions.

Non-Warranty Repairs:

1. A properly authorized Purchase Requisition should be sent to the Warehouse for repairs. It is understood that in many cases estimates will be made for repairs.
2. The Warehouse or Procurement Assistant will contact the supplier and obtain a Return Authorization.
3. The Warehouse or Procurement Assistant will ship/return the items to the supplier when the Return Authorization is received.
4. In the case of old equipment, the Warehouse or Procurement Assistant may request the requestor to provide a maximum repair charge so as to make a repair/buy-new decision. Alternatively, a requestor may be asked to provide a "not to exceed" number, which is the maximum amount that the requestor is willing to pay in order to have the item repaired.

Defective Items:

1. The Warehouse or Procurement Assistant should be notified as soon as possible if items are defective. Requestors should open purchased items as soon as possible after receiving the item. The Warehouse or Procurement Assistant will make contact with the supplier to make the return/replacement; and the Warehouse will be responsible for logistically sending the item back to supplier.
2. The Warehouse will contact the supplier and arrange for a credit for the defective item and purchase a replacement item. If replacement is not needed, the Warehouse will obtain a credit invoice from the supplier which will be applied to the original Purchase Order.

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3. The requestor/receiver should save all packaging material until goods are inspected and there is no possibility of return.

V. Supplier Selection and Qualification

The purpose in this section is to define the responsibility for supplier selection and qualification.

The University's dependence on its suppliers, particularly with respect to the goods and services furnished and their ability to meet our delivery schedules, makes it mandatory that the University only do business with those suppliers who have the inherent capability and willingness to meet our requirements.

1. A primary responsibility of the procurement function of Facilities and Campus Services is to properly qualify and develop a listing of approved sources for major purchased commodities and services. The number of approved sources should be the minimum necessary in order to maximize purchase leverage and cost savings potential with suppliers. The process of supplier qualification should involve persons from those divisions necessary to provide input into the supplier qualification process.
2. Among the approved suppliers, procurement personnel in conjunction with other interested parties (see Section VIII, Item 4 for a detailed explanation) may designate "Preferred" suppliers who have demonstrated superior performance over a long period of time and/or those suppliers who have superior overall capabilities or participate in various government and/or educational purchasing contracts. Preferred sources may be given the first opportunity to supply requirements. If the purchase value reaches the threshold of Manager level approval (currently \$5,000) or more, at least three suppliers must be contacted for quotes. The three suppliers need not all be preferred suppliers.
3. Commodity bids may be used to determine a single supplier for a specified term in place of bidding each individual project or purchase. Procurement may also bid services on through job order contracting to establish a time and material rate for a group of suppliers. These types of services include (but are not limited to) painting, tile floor refinishing, electrical, plumbing, HVAC, rough carpentry, finish carpentry, and carpet

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cleaning. When job order contracting is established, jobs should be rotated through the group of suppliers on an equitable basis.

4. At a minimum, the following criteria should be considered when investigating a supplier's qualifications:
 - a. Financial soundness and responsibility
 - b. Adequacy of facilities and equipment
 - c. Engineering and technical competence
 - d. Ability and integrity of management
 - e. Record of past performance
5. In order to avoid potential conflict of interest, Facilities and Campus Services' normal policy is not to purchase from University employees. Any request to purchase materials or services from University employees or from companies in which an employee may have any pecuniary interest, either directly or indirectly, must be sent through the Assistant Vice President of Facilities and Campus Services for approval.
6. As a general rule, gifts or favors exceeding \$100 in value should not be accepted from any supplier by Facilities and Campus Services employees. Any exception to this must be approved by the employee's immediate supervisor.

VI. Certificates of Insurance

The purpose of this section is to detail the procedure for documenting Certificates of Insurance. A Certificate of Insurance is proof that a supplier has liability insurance coverage. In order to limit its liability, the University requires suppliers to have a minimum policy of \$1,000,000 of liability coverage. All suppliers designated as preferred suppliers or pre-qualified to bid in Facilities and Campus Services need to provide this documentation annually or as changes occur. Exceptions to this policy must be approved by the Assistant Vice President of Facilities and Campus Services.

1. Procurement personnel handling the specific purchase will contact suppliers to obtain a copy of their Certificate of Insurance before placing the order.

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2. Certificates should be scanned and filed electronically in Facilities and Campus Services then the original forwarded and filed in the WFU Purchasing Department.

VII. Supplier Terms and Conditions

The purpose of this section is to document the terms and conditions that are communicated to suppliers.

The documentation of the buyer/seller relationship is done via a Purchase Order and/or a Contract. A purchase order also provides the financial mechanism for processing invoices and making payments to a supplier.

A reference must be made on each purchase order that the University's terms and conditions of purchase are located on the Purchasing web site at <http://www.wfu.edu/purchasing/terms.html>. Business with companies that have not consented to the University's terms and conditions is prohibited without the written approval of the University Controller. Acceptance of a Facilities and Campus Services Purchase Order or contract indicates supplier agreement with University purchasing terms and conditions and should be indicated on the document. Specific contracts may supersede these terms and conditions if so noted and approved by appropriate personnel.

VIII. Supplier Relations

The purpose of this section is to establish policy regarding supplier relations. Companies who supply the University materials and services significantly contribute to our success. Our policy is to treat all suppliers fairly, professionally and ethically.

1. Only qualified bidders will be given the opportunity to quote and compete for University business.
2. Prices and specific information received from suppliers are to be treated in strict confidence. At no time will such information be provided to other suppliers unless authorized by the original supplier.
3. Suppliers who have performed satisfactorily over a period of time are to be given every opportunity to retain our business on a competitive basis. Should a supplier fail to offer materials or services in a satisfactory

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fashion, the supplier will be considered non-qualified and will not be allowed to compete for WFU business for a period of at least one year.

4. Suppliers who out-perform competition in quality, service, assurance of supply, developmental/design contributions, lower costs, and/or participate in various government and/or educational purchasing contracts should be designated as preferred sources. Preferred suppliers will be identified by procurement personnel in consultation with Directors and WFU Purchasing Department. All commodities should have more than one preferred supplier designated. Any situation needing exclusive supplier relations should be approved by the procurement personnel, the Assistant Vice President of Facilities and Campus Services, and the WFU Purchasing Department. Preferred suppliers will be given the first opportunity to quote on new University business. However, this does not preclude any other procedures required for purchasing (see Section IX).
5. Whenever a supplier fails to meet terms of a contract or Purchase Order, the supplier involved should be fully advised of such problems and given appropriate time per the contract or Purchase Order terms to remedy the situation. Such problems should be brought to the attention of the procurement personnel as soon as possible.
6. Efforts should be oriented toward establishing mutually beneficial relationships with the best available suppliers in each significant area of need while maintaining equal opportunity for all qualified suppliers

IX. Supplier Bids and Quotations

The purpose of this section is to establish policy regarding when supplier bids and quotations must be obtained and to specify documentation requirements for all purchases with the exception Professional Services (section X).

The quality, price charged and delivery requirements for goods and services needed to operate the University are important factors in selecting a supplier. Except where prohibited by a lack of available suppliers, procurement personnel are responsible for ensuring that multiple suppliers of requested goods and services be identified and be used when required.

Each commodity/contract for the University shall be reviewed, including periodic competitive quotations, on a regular basis. Typically, reviews are

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conducted at least every three (3) years; however, the schedule of each commodity may be varied according to the needs of the Department.

1. The following table is intended to align with Facilities and Campus Services approval limits which may be adjusted periodically. This table will be followed in determining the appropriate process to be used for making purchases

Purchase Value	Minimum Quotation Process
Less than \$5000	No quotation needed. Purchaser should use best judgment and obtain from sources that provide best value to WFU. Purchases should be rotated among pre-qualified vendors to ensure fair competition and to avoid perceived discrimination. Procurement will conduct periodic reviews and discuss concerns with Project Managers/Directors/AVP.
Between \$5000 and \$10,000	Two (2) oral quotations will be obtained or a preferred supplier used through a commodity or job order contracting bid by procurement personnel. Telephonic, email or fax quotes are acceptable. Documentation should be made on the appropriate requisition(s) for audit purposes.
Between \$10,000 and \$25,000	Three (3) formal written quotations on supplier letterhead or by supplier email are required. Quotations and decision criteria for award should be attached electronically to the appropriate requisition for audit purposes.
Between \$25,000 and \$500,000	A written scope of work will be developed. Scope will be provided to at least three (3) qualified suppliers for bid. Suppliers to provide bids on supplier letterhead. Scope, bids and decision criteria for award should be attached electronically to the appropriate project or requisition(s) for audit purposes.

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Over \$500,000	A detailed written scope of work will be developed. Scope will be distributed within a Request For Proposal (RFP) package to multiple qualified suppliers and publicly advertised for open competition with a minimum of three (3) qualified suppliers. The RFP will specify a date, time and location for which suppliers must submit their bids in order to be considered for the purchase. The RFP will also specify criteria for award. RFP and all submitted bid information should be attached electronically to the appropriate project or requisition(s) for audit purposes.
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2. Quotations will be considered final with regard to the conditions of sale and the price submitted. Significant price variations on specified items should be investigated to ensure there is no misunderstanding regarding the requested goods or services. If there has been a misunderstanding, **ALL** suppliers must be given the opportunity to resubmit quotations.
3. Prices and specific information received from suppliers are to be treated in strict confidence and should only be revealed internally on a “need to know” basis. At no time will bid information be provided to other bidders unless authorized by the supplier that submitted the bid.
4. Alumni, local suppliers and other friends of the University are encouraged to participate in the bidding process; however, no special consideration will be given during the selection process.
5. There will be occasions when competitive bids cannot be obtained in accordance with this policy. A sole source form must be filled out and attached to the requisition for review by the Manager of Procurement who will either approve or reject the sole source. After approval by the Manager of Procurement, the Assistant Vice President of Facilities and Campus Services must approve the sole source requisition . The circumstances, with the AVP’s approval should be documented on the Comments Tab of the Purchase Requisition and on the appropriate project or work order(s).
6. The University’s Purchasing Department is supportive and leading the University’s efforts in the use of supplier partnerships, e-commerce, World Wide Web purchasing agreements and other sophisticated

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electronic means of procurement. Sound business practices with proper controls, not the urge to participate in fad agreements, should dictate these business arrangements.

7. Commodities may be bid on a time and/or material basis. For commodity bids, a detailed written scope of work will be developed. Scope will be distributed within a Request For Proposal (RFP) package to multiple qualified suppliers with a minimum of three (3) suppliers. The RFP will specify a date, time and location for which suppliers must submit their bids in order to be considered for the commodity. The RFP will also specify criteria for award. If a commodity contract is in place, the supplier must be used for all items within that commodity. Exceptions to this would need to be approved by the Manager of Procurement. No contractual arrangement/agreement should go longer than three (3) years without being subject to competitive quotations. Agreements longer than three (3) years must be approved by the Assistant Vice President of Facilities and Campus Services.
8. Wake Forest University–owned entities shall be given the same consideration as other suppliers.
9. Original contracts shall be stored in the central files of Facilities and Campus Services with a copy forwarded to the WFU Purchasing Department. An electronic copy should be attached to the project and/or work order(s). Contracts should be a template pre–approved by University Legal. Any significant changes to the template or vendor supplied contracts must be approved by University Legal prior to purchase.

X. Professional Services

The purpose of this section is to define Professional Services and to establish policy regarding when supplier bids and quotations must be obtained and to specify documentation requirements.

1. Professional Services are defined as any services whose deliverables are used to bid/permit or are intellectual (non–physical) in nature. Examples include (but are not limited to) design, documentation, reports, studies, summaries, assessments, guidelines, and consulting.
2. The following table is intended to align with Facilities and Campus Services approval limits which may be adjusted periodically. This table

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will be followed in determining the appropriate process to be used for making purchases for Professional Services

Purchase Value	Minimum Quotation Process
Less than \$50,000	Selection is based on review of qualifications and area of specialty for the scope of work. PM's must provide auditable documentation (in writing on the requisition) of selection criteria used, why the vendor is the best choice for the scope of work and this documentation is verified present on the requisition by the Procurement Manager and subject to review by the University Architect and the Director of Business Operations.
Between \$50,000 and \$500,000	A written scope of work will be developed. Scope will be provided to at least three (3) qualified suppliers for bid. Suppliers to provide bids on supplier letterhead. Scope, bids and decision criteria for award should be attached electronically to the appropriate project or requisition(s) for audit purposes.
Over \$500,000	A detailed written scope of work will be developed. Scope will be distributed within a Request For Proposal (RFP) package to multiple qualified suppliers and publicly advertised for open competition with a minimum of three (3) qualified suppliers. The RFP will specify a date, time and location for which suppliers must submit their bids in order to be considered for the purchase. The RFP will also specify criteria for award. RFP and all submitted bid information should be attached electronically to the appropriate project or requisition(s) for audit purposes.