

Purchasing Policies and Procedures for Departments

1.0	Procurement Policy	4
1.1	Purchasing Mission and Objectives.....	4
1.2	Authority For Purchasing	5
1.3	Purchasing Organization	5
1.4	Purchasing Functions	6
1.5	Issuing Office for Vanderbilt University.....	7
2.0	University Policies and Business Ethics	7
2.1	Delegation of Authorization Policy (Contract approval & signatures).....	7
2.2	Confidentiality Policy and Public Relations.....	8
2.3	False Claims Act Policy	8
2.4	Ethics	9
2.5	Conflicts of Interest	9
2.6	Gifts and Gratuities	9
2.7	Personal Purchases.....	9
3.0	Purchasing Processes	10
3.1	Purchasing Methods	10
3.3	Oracle Purchasing and Purchase Orders.....	11
3.5	Payment Credit Card (One Card)	13
3.6	Purchase Order Changes	13
3.7	Acknowledgements.....	13
3.8	Purchase Order Terms and Conditions	14
3.9	Insurance Requirements.....	14
3.10	Sales Tax Exemptions and Vanderbilt classification numbers	15
4.0	Oracle Requester	15
4.1	Oracle Approver responsibilities	15
4.3	Oracle Transaction Justification (Business Purpose)	15
5.0	Receiving Process	16
5.1	Receiving	17
5.2	Inspecting	18
5.3	Testing	19
5.4	Acceptance	19
5.5	Product Returns for Credit/Refund	19
5.6	Accepting or Rejecting Services.....	20
6.0	Purchase Order Types	20
6.1	Service/Maintenance Agreement Orders	20
6.2	Blanket Orders.....	21
6.3	Emergency Orders.....	21
6.4	Lease / Lease Purchase / Rental Orders (Equipment).....	22
6.5	Procedures for Negotiating & Processing Leases	23
7.0	Contracting Process	24
7.1	Standard Contract Templates.....	24
8.0	Capital Equipment Purchases	25
8.1	Capital Equipment	25
8.2	Negotiation of Purchase Price and Acquisition of Equipment	25
8.3	Capital Equipment Specifications Guidelines	25
8.4	Conditions of Acceptance	26
8.5	Equipment Repairs and Upgrades	26
8.6	No Charge Equipment Agreements.....	27
8.7	Equipment Evaluation Agreements	27
8.8	Used Equipment Purchases	27

8.9	Equipment Rentals	28
9.0	Competitive Sourcing	28
9.1	Solicitation of Proposals and Quotations	28
9.2	Purchasing from Approved Suppliers / Gold Guide	29
9.3	Competitive Sourcing Methods	29
9.4	RFP Process Guidelines	30
9.5	Revisions to the Request for Proposal	31
9.6	Ownership of Materials	32
9.7	Withdrawing Proposals	32
9.8	Confidentiality of Proposals	32
9.9	Late or Unsolicited Proposals	32
9.10	Errors in Proposals / Right to Reject Proposals	32
9.11	Supplier Protest Resolution process	33
9.12	Proposal Request Checklist	33
9.13	Exceptions to Competitive Sourcing	34
9.14	Non-Competitive (Sole Source) Purchasing	34
9.15	Supplier Diversity & Small Business Program	35
9.16	Green Purchasing Program	36
9.17	General Supplier Policies and Procedures	37
10.0	HIPAA Business Associate Agreements	37
11.0	Surplus Property and Recycling Programs	38
11.1	ReUse Program	38
11.2	Waste and Recycling Programs	39
12.0	Financial / Payment Information	39
12.1	Chart of Accounts (COA)	39
12.2	Payment Terms	39
12.5	Payment Services Non PO Payment Requests	40
12.6	Year End Closing Procedures	41
12.7	Purchasing Activity Reports	42
13.0	Specialized Purchases	42
13.1	Internal Vanderbilt Requisitions	42
13.2	University Business Operations	42
13.3	Software Store	42
13.4	Material Purchases for Capital Construction Projects	42
13.5	Contracts for Facility Renovations or Modifications	42
13.6	External Consultants and Independent Contractors	43
13.7	Facility Rentals and Leases	44
13.8	Performing Artist / Guest Speaker Contracts	44
13.9	Research Animal Purchases	44
13.10	Controlled Substances	44
13.11	Radioactive Materials	44
14.0	Vehicle Acquisition & Licensing Process	45
14.1	Managed Vehicle Fleet program	45
14.2	Vehicle Purchases	45
14.3	Alternative Transportation	45
14.4	Vehicle License Renewals	45
14.5	Disposal of Vehicles	46
14.6	Emissions Testing	46
14.7	Traffic and Parking Violations	46
15.0	International Shipments & Customs Brokers	46
15.1	What is a Customs Broker?	46
15.2	Why Use a Customs Broker?	47
15.3	When to use a Customs Broker	47
15.4	Approved Customs Brokers	48
15.5	Standard Customs Documentation	50

16.0	Travel Program	51
16.1	Travel Policy	51
16.2	Travel Services.....	51

1.0 Procurement Policy

In accordance with the policies authorized by the Board of Trust of Vanderbilt University and the Chancellor, all purchases, irrespective of sources of funds, will be governed by the following policy:

It shall be the procurement policy of the university to obtain all supplies, equipment and services at the lowest cost to the university that meet or exceed the customer's specifications for performance, quality and availability at the time of purchase. In conforming to this policy, the capability, capacity and historical performance of the supplier will be considered and weighed in the decision process. Sourcing decisions will also be tempered by supplier diversity and environmental impact considerations. Competitive bids will be solicited whenever possible and practical and in compliance with all applicable federal regulations and university policies.

1.1 Purchasing Mission and Objectives

The responsibility for the purchase of all products, supplies, furniture, equipment, vehicles and services at Vanderbilt University is assigned to Purchasing & Strategic Sourcing, which is part of the Purchasing and Payment Services department in Finance. The terms "Purchasing" and "Purchasing & Strategic Services" will be used interchangeably throughout this policy document.

Purchasing is responsible for overseeing the commercial relationships between Vanderbilt University and its suppliers and insuring that all aspects of our relationships are held to the highest ethical and professional standards. Our suppliers contribute significantly to the ongoing success of Vanderbilt University and Purchasing in turn actively supports our suppliers and helps them achieve their objectives. The Supplier Diversity program, which promotes commerce with small, disadvantaged and diversity owned businesses, is one example of this support.

Purchasing's mission is to cooperatively develop and execute sourcing strategies with Vanderbilt University departments for products and services that meet or exceed university requirements, and to perform these services to the highest ethical and professional standards. Purchasing:

- Provides leadership through contract negotiation, supplier management and efficient transaction processing using modern eCommerce purchasing technologies
- Promotes small, disadvantaged and minority-owned businesses through the Small Business and Diversity Supplier program
- Supports the university's commitment to environmental responsibility
- Supports the university's commitment to outreach to the local business community
- Assists departments involved in federal contracts and grants in maintaining compliance to all applicable regulations
- Assists departments in maintaining compliance to all university policies regarding contracting and purchasing.

1.2 Authority For Purchasing

Purchasing & Strategic Sourcing is part of Purchasing and Payment Services a department in the Division of Finance and reports to the Vice Chancellor for Finance and Chief Financial Officer (CFO). The university has delegated certain specific responsibilities for the administration of procurement policies and procedures to the Director of Purchasing.

The authority to make purchases from allocated departmental budgets for services or materials is delegated to Purchasing by the signature of the departmental administrator on the Purchase Requisition. Approval to spend budgeted funds may be subject to prior approval of Contract and Grant Accounting or Finance. Purchases on restricted center numbers must be authorized by the Principal Investigator and reviewed and approved by Contract and Grant Accounting before being processed by Purchasing.

<https://finance.vanderbilt.edu/purchasingervices/>

Purchasing has the delegated authority and responsibility to:

- Manage the assessment and selection process for all approved suppliers
- Negotiate terms and conditions for supply contracts, service agreements and capital equipment
- Review, award and sign contracts for the purchase of products and services subject to the requirements of the Delegation of Authority Policy,
- Review, award and sign equipment and vehicle leases
- Execute all purchase orders, regardless of format or process
- Conduct bids for general use products and services, as well as support department-specific sourcing projects
- Manage the ongoing business relationship with key suppliers

1.3 Purchasing Organization

Purchasing & Strategic Sourcing

Purchasing is the primary organization responsible for the purchase of all general supplies, furniture, equipment, vehicles and services for the university. The following is a representative but not exhaustive list of products and services sourced by Purchasing:

- Capital Equipment purchases / leases and service contracts
- Consultants, Contractors and Professional Services Forms and Printing services
- Furniture and interior design services
- Information Technology hardware and software
- Research laboratory equipment and services
- Research laboratory supplies
- Logistics services
- Maintenance / Repair / Operations (MRO) supplies and services
- Office supplies
- Office equipment (copiers, fax machines, printers)
- Performing artists and speakers contracts
- Telecommunications products and services
- Travel services and university event contracts
- Vehicles and transportation services
- Waste management, recycling services

Purchasing office

110 21st Avenue South
Suite 900 Baker Building
Nashville, TN 37203-2406
Phone: 615-322-2911
Fax: 615-343-6468

Purchasing organization chart and contact list is at: [Purchasing Contacts List](#)

Purchasing Sourcing Personnel Assignments

Within Purchasing there are two distinct personnel assignment classifications for managing contracts, commodities, suppliers and purchase order processing:

- **Sourcing Officers** – Sourcing Officers are responsible for managing all Requests for Proposal (RFP) projects, contract negotiations and key supplier contracts. They work closely with the Purchasing Agents to insure suppliers comply with our policies, procedures and contracts. Sourcing Officers also have delegated authority to sign contracts within specific limits.
- **Purchasing Agents** – Purchasing Agents are assigned by commodity or to specific groups of departments. Agents process all purchase order requisitions and manage all delivery, quality and price issues with suppliers. Agents also negotiate prices, terms and conditions with non-contract suppliers for spot purchases and assist departments in finding suppliers for non-contract purchases. Agents have delegated authority to sign purchase orders within specific limits. Purchasing Agents report to specific Sourcing Officers based on an alignment of key customers and commodities.

Website

The Purchasing website contains comprehensive information about Purchasing operations including approved suppliers, contract programs, organizational structure, Purchasing personnel contact information, commodity support assignments and information for suppliers. The website address is: <https://finance.vanderbilt.edu/purchasingservices/>

1.4 Purchasing Functions

While the services performed by Purchasing vary according to the individual needs of the university departments, the following is a partial list of services and responsibilities assigned to Purchasing:

- Review and process Purchase Orders (PO)
- Review and process PO change orders
- Prepare and issue Requests For Proposals (RFP) or Requests for Quotation (RFQ)
- Determine optimal ordering method to meet institutional or department requirements at the lowest possible cost
- Analyze quotations and proposals and make recommendations for contract awards
- Evaluate and select suppliers
- Evaluate performance of suppliers and related competencies / training requirements
- Manage general use supplier programs for the entire university (e.g., office supplies)
- Negotiate and review contracts
- Terminate contracts
- Manage the portfolio of commercial contracts using Oracle Contract Management
- Participate in development of customer project specifications and standards
- Negotiate and execute equipment leases and rental contracts
- Conduct training sessions for Purchasing programs and systems

- Identify cost reduction opportunities including:
 - off-contract spending
 - tier maximization
 - product and process standardization
- Conduct market trend studies
- Conduct price/cost analyses
- Participate in shared/group purchasing and manage GPO relationships
- Schedule purchases and deliveries
- Determine modes of transportation and carriers
- Negotiate adjustments with suppliers
- Administer Oracle Procurement and related functions
- Administer Aquiiire eMarketplace application
- Assist in audits and reviews
- Represent Vanderbilt University at trade shows and educational procurement conferences

1.5 Issuing Office for Vanderbilt University

Purchasing shall be the point of origin at Vanderbilt University for all information pertaining to on-going and future general purchasing contracts, processes and policies. Purchasing should issue all 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 goals:

- The RFP documents will be uniform in their organization and content, complete with terms and conditions of the solicitation to which suppliers must agree before returning their offers.
- The use of a standardized RFP process improves the quality of supplier proposals received and makes the evaluation process more competitive and comprehensive.
- Purchasing is the centralized clearinghouse for responding to supplier and public questions, inquiries regarding specific projects or general questions concerning procurement activities at the university.

2.0 University Policies and Business Ethics

2.1 Delegation of Authorization Policy (Contract approval & signatures)

The Delegation of Authority Policy outlines who may approve and sign contracts, legally binding agreements, business ventures and other agreements with external parties that obligate the university (including memoranda of understanding). Unless specifically named in the policy, department staff does not have the authority to enter into and sign contracts with suppliers.

The policy is comprised of three sections: The narrative serves as an introduction to the policy and offers guidance on how to use it. Exhibit 1 contains specific items requiring the approval of the Board of Trust. Exhibit 2 reflects the Chancellor's delegation of specific approval and signature authority for contracts and agreements. Those to whom the Chancellor has delegated specific authority are permitted to further delegate authority to others (referred to as "sub-delegates").

How to use this policy:

To determine who may sign a contract or agreement, first locate which section and/or sub-section in the policy best describes the agreement. Each section contains a list of approvers and a signer. Before the contract or agreement may be executed, all approvals must be granted in writing. With the appropriate approvals, the authorized signer may execute the agreement.

This policy is located at: [Delegation of Authority Policy](#)

The Delegation of Authority Sub-Delegations document identifies those to whom the Chancellor's delegates have sub-delegated authority for approval and signature on various types of contracts and agreements

Delegation of Authority Sub-Delegations Matrix

NOTE: Contract signature authority is not the same as requisition signature authority. Departments have delegated authority to commit budget dollars for their specific Entity or Financial Unit in accordance with the Chart of Accounts and their position.

<https://www.vanderbilt.edu/skyvu/financial-unit-managers.php>

Financial Unit Managers approve requisitions up to \$10,000

Central Approver Groupings approve requisitions up to \$1,000,000

Vice Chancellor Level approve >\$1,000,000

All transaction approvals are sequential and required. Higher level approvers cannot approve transactions pending lower level approval.

See Section 5.0 Contracting Process for information on how to route contracts for review or request assistance in drafting contracts.

2.2 Confidentiality Policy and Public Relations

Purchasing maintains regular contact with many individuals and companies seeking to initiate or expand business relations with the university. University employees who come in contact with supplier representatives should be constantly aware of Vanderbilt's image and reputation with the supplier community and always act in a manner that is fair, courteous and consistent with university policy.

Vanderbilt University is committed to fair and ethical business practices that encourages competition and enhances our supplier relationships. The university's compliance policy establishes our obligation to maintain the confidentiality of all materials pertaining to our business relationships.

A cornerstone of this policy is maintaining the confidentiality of all supplier proposals, quotations, prices, contracts and other proprietary materials by all Vanderbilt University employees. Confidential materials are not to be disclosed in any way to other suppliers, outside organizations or to any unauthorized persons, nor as a private university, are we in anyway obligated to do so. Disclosure of confidential materials is not only professionally unethical and damaging to Vanderbilt's negotiations with suppliers, it also exposes Vanderbilt to possible legal action. If you have questions about any request to provide information concerning Vanderbilt contracts, pricing, supplier proposals or other internal information, please contact Purchasing or the General Counsel's office for guidance.

<http://vanderbilt.edu/compliance/includes/COIPolicy82412.docx>

2.3 False Claims Act Policy

Notice Regarding Compliance with False Claims Acts

Vanderbilt requires all of its employees and contractors/suppliers to report any known or suspected violation of the Federal False Claims Act or the Tennessee False Claims Act (collectively referred to as the "FCA").

A person violates the FCA by: *knowingly submitting, or causing another to submit, false claims for payment of government funds.*

For example, submitting a claim to Medicare for payment for services that were not rendered is a violation of the FCA.

Any company doing business with Vanderbilt that becomes aware of, or has reason to believe that, a FCA violation has occurred at Vanderbilt is expected to report this information to the Vanderbilt University confidential Help Line at 844-814-5935. Known or suspected violations of the FCA may also be reported directly to the federal government. Vanderbilt prohibits retaliation for good faith reports of suspected violations of the FCA and will take no adverse action against any person or company for making such reports.

2.4 Ethics

The following Code of Ethics has been formulated by the National Association of Educational Purchasers (NAEP) and is practiced by Purchasing:

- Give first consideration to the objectives and policies of my institution.
- Strive to obtain the maximum value for each dollar of expenditure.
- Decline promotional gifts of more than nominal value in compliance with university policy
- Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
- Conduct business with potential suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
- 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.
- Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
- Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
- Foster fair, ethical and legal trade practices.
- Counsel and co-operate with NAEP members and promote a spirit of unity and a keen interest in professional growth among them.

2.5 Conflicts of Interest

Vanderbilt as a general rule does not enter into purchasing contracts with students, faculty, staff, or members of their immediate families. The university's Conflict of Interest Policy Article II, Section B Business Relationships, governs the conduct of staff relative to business relationships.

<https://www.vanderbilt.edu/compliance/includes/CurrentCOIPolicy.pdf>

2.6 Gifts and Gratuities

The university's Conflict of Interest Policy addresses Gifts and Gratuities in Article II, Section C for the university. <https://www.vanderbilt.edu/compliance/includes/CurrentCOIPolicy.pdf>

2.7 Personal Purchases

Because of the tax-exempt status of Vanderbilt University, Purchasing cannot issue purchase orders for personal purchases.

Suppliers are under no obligation to offer discounts to university employees. If they choose to do so their offer does not obligate the university to do business with them in the future.

University employees should refrain from having personal packages shipped to their business address as it places unnecessary burdens on receiving personnel.

Human Resources manages a separate program offering discounts to employees as a benefit program of the university. Purchasing has no involvement in the formulation of those discounts nor is the university to be considered a party to any transactions resulting from the offer of such discounts. Those transactions of a personal nature are taxable.

3.0 Purchasing Processes

3.1 Purchasing Methods

The purchase of products and services at Vanderbilt University is accomplished primarily through Oracle Procurement and Aquire eMarketplace systems. The combined Oracle/Aquire system is a state of the art cloud-based platform that provides a fully capable means to shop, order, approve and dispatch electronic orders with a high degree of efficiency and without paper documentation. The purchasing payment card (One Card) has made purchasing from retailers and local suppliers more efficient for certain limited types of transactions. The list below describes the current purchasing methods:

1. **Oracle / Aquire.** Oracle is a fully capable cloud based electronic application for purchasing goods and services. The Aquire eMarketplace allows shoppers to browse online catalogs, do real time comparisons of price, features and availability, add items to a shopping cart and submit the requisition electronically through Oracle work flow for approval. Oracle Smart Forms are used to create non-catalog purchases of capital equipment, professional services, leases (equipment and real estate), equipment and software service and maintenance purchases, construction services, furniture and subcontracts. Completed requisitions are routed for approval in Oracle via electronic workflow. Requisitions to suppliers included in the Aquire eMarketplace automatically generate purchase orders and transmits them to the suppliers without additional Purchasing review. All other approved Oracle requisitions are routed to Purchasing Agents for review and approval before they are converted into purchase orders.
2. **Payment Cards (OneCard)** –The current Vanderbilt University card program is a U.S. Bank issued, MasterCard branded, corporate pay-corporate liability, credit card that enables authorized employees to use the card for approved business-related expenses. The OneCard is the preferred payment method for business related travel
3. Payment cards are not intended to replace or bypass any existing department's purchasing methods through Oracle. Note that items purchased on the OneCard that normally are purchased through Oracle, will not receive contract pricing and should be discussed with Purchasing prior to any purchases in question. Cardholders should also reference Purchasing's **Gold Guide** to identify approved suppliers and appropriate payment methods.
4. **Non Purchase Order Payment requests (NPO)** are used for the purchase and payment of a limited list of specific goods and services that cannot be made using purchase orders. The list of approved uses is posted to the Payment Services website **Non-PO Payment Request Guidelines**.

<i>Purchase Transaction Method</i>	<i>Primary Transaction Types</i>	<i>Limits</i>	<i>Comments</i>	<i>Purchase Order Number Formats</i>
Oracle/Acquire	All general supplies, services, capital equipment products, furniture, construction services, professional services, subcontracts	Approved suppliers in Oracle. No order size limit.	Online primary method for ordering most supplies, products and services	9 character PO number PYYxxxxxx P = Purchase Order YY = fiscal year xx = 6 digit sequential number
OneCard	Non-contract, local and retail spending; travel	Spending limits vary by department and card holder	See <u>One Card Policy</u> for details	None
Non PO Payment Requests (NPO)	Honoraria, awards, contributions, non-employee travel expenses, membership fees	Complies with same approval levels as purchase requisitions	Uses same Oracle Purchasing requisition Smart Form process	No purchase order is issued

Oracle Procurement - Oracle is Vanderbilt's primary electronic shopping and purchasing system that enables the creation and submission of requisitions. Products are selected using the Acquire" eMarketplace or requisitions may also be created by using Oracle "Smart Forms" for non-catalog products and services. Over 8,000 approved suppliers are available in Oracle. Based on the chart of account used and dollar amount on the requisition, Oracle automatically routes the electronic requisition for approval following a standard hierarchy:

Department's Financial Unit Manager approves orders up to \$10,000

Central Approver Group approves orders up to \$1,000,000

Vice Chancellor Group approves orders >\$1,000,000

Approval is sequential and higher level approvers cannot take action until the requisition is routed to their queue. Once approved by the applicable approver(s), the requisition is routed to Purchasing for review and approval. Approved purchase orders are then transmitted to the supplier via B2B, email or efax.

Oracle cannot be used to purchase restricted materials or purchase from suppliers not listed as authorized in Oracle.

More detailed information on Oracle and how to get access and training is available at:

<https://www.vanderbilt.edu/skyvu/>

3.3 Oracle Purchasing and Purchase Orders

Purchase Requisitions Oracle Procurement uses nine (9) distinct "Smart Form" requisition types to submit electronic requisitions to Purchasing to purchase the supplies, equipment or services desired. In addition to descriptions of the needed items or services, each electronic requisition contains supplier information, delivery requirements and locations, budget charge account and centers, and approval signatures required by Purchasing to create and issue a Purchase Order to the supplier. *Departments are required to attach copies of all relevant supplier documents such as quotes, proposals or contracts to requisitions to be submitted*, excluding requisitions to suppliers in Acquire or requisitions supported by established formal contracts. Examples of supplier documents include: quotes, proposals, contracts, supporting literature, specification sheets, emails, etc.

<i>Requisition Type Description</i>	<i>Application</i>
General Order by Quantity	For most one-time purchases of products, trade services, equipment repairs and short-term equipment rentals. Uses 2-way Match rule without Receiving
General Order by Total Cost	Once time purchase of trade services or for a specified dollar amount. Uses 3-way match with Receiving. Order examples include Catering and facilities contractor trade services
Blanket Order	For recurring purchases of goods or non-professional services with a maximum duration of one year and a maximum dollar amount. Blanket purchase orders are appropriate for suppliers who do not offer an online or hosted catalog of products. Uses 2-way match without Receiving
Capital	For capital equipment <u>purchases</u> only. If the equipment is leased, please select Lease. Capital equipment purchases may be subject to additional reviews and approval by Finance.
Construction/Furniture/Facilities	Limited to purchases of furniture, construction or renovation projects
Professional Services	All professional services including consultants. Professional services generally involve the purchase of intellectual property or expertise. Use General Order by Total Cost for all trade services.
Lease	Leases of equipment, vehicles and real estate.
Service / Maintenance	Equipment maintenance programs and software service agreements only. Use General Order by Total Cost for one-time equipment repairs.
Subcontract	Only used for Federal sub-contract purchase orders (Limited use).
Non PO Payment Request	<i>NPOs are used for the purchase and payment of a limited list of specific goods and services that cannot be made using purchase orders. (fka check requests)</i>

Oracle FAQs, materials and online training modules – The Learning Exchange:

<https://www.vanderbilt.edu/skyvu/>

A Purchase Order is a contractual document once sent to and accepted by a supplier, binds the performance of both parties to the transaction. Only Purchasing has the authority to issue Purchase Orders for the university. Purchase Orders created from Oracle requisitions are considered legally binding agreements.

Purchase Order Numbers – PO Numbers are 9 digit numbers beginning with “P” “**PYYxxxxxx**” where “YY” represents the last two digits of Vanderbilt’s Fiscal Year (Fiscal Year is 7/1-6/30) and “X” represents six sequential digits. PO Numbers are used for all Oracle orders.

Once a Purchase Order has been approved, it is transmitted either by secure B2B, email or by efax to the supplier. Only Purchasing is authorized to assign a Purchase Order number to a requisition.

IMPORTANT: An Oracle Requisition is NOT a Purchase Order. A Requisition does not have any legal authority and it cannot be used by departments to place orders with suppliers. The Requisition Number is **NOT** the same as a Purchase Order Number. The Oracle Requisition Number (**RYYxxxxxx**) is for internal document tracking purposes only.

Supplier invoices received for orders placed with a Requisition and referencing the Requisition Number will not be paid by Payment Services and will be rejected back to the supplier. A Purchase Order must be issued against the approved Requisition by Purchasing.

3.5 Payment Credit Card (One Card)

The Payment Card (One Card) is a U.S. Bank issued, MasterCard branded, corporate pay-corporate liability, credit card that enables authorized employees to use the card for approved business-related expenses. It is intended to provide limited buying power directly to the departments for low dollar purchases from retailers, local or online merchants or non-contract suppliers where the use of a purchase order is difficult to use due to time, proximity or the seller's established transaction policy. Departments should however use Oracle to purchase from contract suppliers.

The Payment Card program is administered by Payment Services.

The One Card is issued in the employee's name. However, under no circumstances should a One Card be used for personal purchases.

More detailed information on the One Card program and how to get access and training is available at:

<https://finance.vanderbilt.edu/payment-cards/>

3.6 Purchase Order Changes

Oracle allows certain types of Purchase Order changes to be submitted to Purchasing within Oracle. Changes to the price, quantity, delivery or accounting charges (Chart of Accounts) string may be done to existing PO lines and follow the same review and approval process as new requisitions. Once the change order is approved it is routed to the same Agent who issued the original PO.

Requests to add new lines to an existing PO must be done externally via email. Email change order requests must be from an authorized individual who has sufficient spending authority for the revised dollar value of the Purchase Order as confirmed by their Approval authority in Oracle. No changes to the Purchase Order amounts will be made without this documentation, except when the amount of the change falls within the limited range of adjustment delegated to the Purchasing Agents. If requested from the Supplier, a revised Purchase Order will be issued to confirm the authorized changes.

Revised Purchase Orders will be modified with a Change Order Suffix added to the PO number (for example, P18000123-1 (change order 1)).

3.7 Acknowledgements

Purchase Orders that are issued without a prior supplier 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 Purchase Order terms and conditions. For Oracle suppliers using B2B processes, email acknowledgements are sent to the customer automatically.

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

3.8 Purchase Order Terms and Conditions

All Vanderbilt Oracle Purchase Orders have standard terms and conditions that are designed to protect Vanderbilt's legal rights in transactions with suppliers. These terms and conditions are general in nature and should not be confused with the product or service specifications set forth in a Request For Proposal document. Suppliers are expected to adhere to both the contract specifications and the terms and conditions governing their work.

Standard terms and conditions include:

Payment Terms – Net 45 Days from the Invoice Date. Invoices are paid 45 days from the date they are issued by the supplier regardless of when they are received by Vanderbilt. Departments do not have the authority to change the payment terms or accept alternative supplier terms. All requests to change payment terms must be submitted to Purchasing for review and approval.

Freight Terms – FOB (“Free On Board”) Destination Prepaid and Add. These terms require the supplier to insure the safe transportation and delivery of shipments until they arrive at the Vanderbilt destination specified in the purchase order. Freight charges (if any) are paid by the supplier and added to our invoice as a separate line item. In the event of shipping damage or loss, the supplier is responsible for filing all claims with the shipping company and compensating Vanderbilt for any losses.

Only Purchasing has the authority to change or waive any standard PO terms and conditions including payment terms. All standard purchase terms and conditions can be found at the Purchasing website: [VU Purchase Order Terms & Conditions](#)

3.9 Insurance Requirements

Prior to commencement of any work or services on Vanderbilt University property, evidence of appropriate insurance coverage must be presented by the supplier. 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:

- A. Workers' compensation and employer liability insurance covering all of contractors' employees who are engaged in any work under contract.
- B. 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 them. The limits shall be no less than \$2,000,000 each incident, \$2,000,000 aggregate and \$1,000,000 property damage or \$2,000,000 combined single limit.
- C. Automobile liability insurance (including owned, non-owned, and hired vehicles) with a combined single limit for bodily injury, death, and property damage of not less than \$1,000,000 per occurrence.
- D. Umbrella/Excess Liability with a \$5 million per incident and shall be excess of Commercial General Liability and Automobile Liability.
- E. Contractor shall furnish customer 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 customer thirty (30) days written notice prior to cancellation or any change in the stated coverage of such insurance.

Certain types of professional services involving medical or personal services may require professional liability insurance coverage. Please contact Purchasing Services for review.

Questions regarding insurance requirements should be directed to the Risk and Insurance Management Department: [Risk and Insurance Management](#)

Exceptions to the standard insurance requirements require the prior approval of Risk Management.

3.10 Sales Tax Exemptions and Vanderbilt classification numbers

As a not-for-profit institution, Vanderbilt University is entitled to claim exemption from most types of sales taxes. When purchasing from a new Tennessee supplier, it is important to provide them with our Tennessee Tax exempt number: **TN 100142007**.

Tax exempt forms for Tennessee: [Tennessee Sales Tax Exempt Form](#)

Other state sales tax exemption forms are located here: [State Sales Tax Exemption Forms](#)

The following are some of Vanderbilt's tax, account and institutional classification numbers:

- Federal Tax ID Number is **62-0476822**
- Dun & Bradstreet ("DUNS") number is **00-441-3456**
- Federal Government CAGE (Commercial And Government Entity) number is **4B970**
- NAICS (North American Industry Classification System) code: **611310** – Colleges, Universities and Professional Schools
- SIC Code: **8221** Colleges, Universities and Professional Schools

4.0 Oracle Requester

4.1 Oracle Approver responsibilities

Oracle procurement requisition approvers are responsible for reviewing all assigned Oracle requisitions for compliance with Vanderbilt policies and procedures, as well as any applicable external agency requirements, e.g., legal and/or grant provisions. The Approver's electronic approval of an Oracle procurement requisition is considered attestation or certification that:

- the transaction has a valid business purpose within the context of the Financial Unit's purpose, which for a sponsored research center, includes compliance with grant restrictions or other provisions (for additional information on sponsored research restrictions, please contact the Office of Contract and Grant Accounting or Finance) as appropriate;
- Complies with policies governing competitive sourcing (see Section 9)
- the supporting documentation attached to the requisition is sufficient for subsequent audit review, which includes compliance with tax reporting and withholding requirements such as reporting to the IRS of non-employee compensation;
- the COA string used is appropriate for the transaction (For questions on account usage, please refer to the Chart of Accounts)
- the information provided is accurate to the best of his or her knowledge, including adequate disclosure of any potential conflicts of interest

4.3 Oracle Transaction Justification (Business Purpose)

The "justification" of a transaction is the way in which a particular purchased good or service supports the university's mission of education, research, and public service. The explanation of justification is an

essential component of expenditure documentation and is required to ensure that the transaction approver has sufficient information to adequately meet their responsibilities as required by institutional policies.

All Oracle requisitions regardless of dollar value or transaction type (e.g. General, etc.) must contain information that clearly explains the justification of the purchase. Routine items should typically require only a brief explanation. Higher value, special or non-routine requisitions will require a more detailed explanation. If a purchase is for a specific individual the name of the person for whom the purchase is being made must also be included along with the explanation of the justification. Requesters should seek guidance from their department's transaction approvers regarding the level of information required in their area for various types of transactions.

Oracle transactions have a Justification text field that is to be used to record the business purpose for every transaction. This is a required field that must be completed before the Requester will be able to submit the requisition for further review or approval.

5.0 Receiving Process

Delivery of requested products or services marks a transition in the Procure-to-Pay process from a purchasing activity to a payables activity. All purchases must be "received" to release payment to the supplier. This is called the match process. A "2-way" match compares the purchase order to the invoice. If the line descriptions, quantities and prices "match" each other, then the invoice can be processed and the supplier paid. A 3-way match adds the formal receipt of the goods or services to the matching process. If all three parts are in agreement then the invoice is automatically approved and payment is released. The "receiving" department must determine if the products or services received are acceptable and conform to the terms and conditions of the purchase order. The entire receiving process consists of the following:

Receiving - The act of taking possession of products in order to stage them for inspection, place them into inventory, or deploy them for immediate use.

Inspecting - The act of examining products that have been delivered to determine conformance to the purchase specifications.

Testing - The act of testing some, or all products, delivered to determine if the products perform at a satisfactory level. This process normally pertains to purchases of clinical or research products, software, and capital equipment.

Acceptance - Acknowledging that the products and/or services conform to the requirements of the purchase order so that the supplier may be paid. Shipments are considered "accepted" if the customer does not notify the supplier or Purchasing Agent of quality or delivery issues in a timely manner. Most shipments are automatically considered accepted and approved for payment unless the department contacts Purchasing or Payment Services and requests a hold on payment. Establishing an acceptance criterion for capital equipment is especially critical for custom designed and built equipment. See Section 5.4 Acceptance.

Oracle Procurement allows for systematic receiving of certain high value transactions as part of the order life cycle process. The Oracle Requisition types and their associated match rule and receiving status are listed below:

<i>Requisition Type Description</i>	<i>Match Rule and Receiving</i>
Aquiire Catalog Orders	Uses 2-way Match rule without Receiving
General Order by Quantity	Uses 2-way Match rule without Receiving
General Order by Total Cost	Uses 3-way match with Receiving
Blanket Order	Uses 2-way match without Receiving
Capital	Uses 3-way match with Receiving
Construction/Furniture/Facilities	Uses 3-way match with Receiving
Professional Services	Uses 3-way match with Receiving
Lease	Uses 2-way match without Receiving
Service / Maintenance	Uses 3-way match with Receiving
Subcontract	Uses 3-way match with Receiving
Non PO Payment Requests	Uses 2-way match without Receiving

Transactions that require Receiving will not pay until the department “receives” the transaction in Oracle. All invoices entered against these orders will be held in a not to pay status until they are received and the 3-way match process is confirmed. The purchasing agents no longer put POs on a Hold status to prevent payment.

5.1 Receiving

Signing For Deliveries

Whenever possible, the person receiving the product should sign the receiving documents provided by the supplier or shipping company. The person receiving the delivery should preferably inspect the delivery according to Section 4.2 below before signing the delivery receipt and should also initial the packing list. Then, submit the packing list to the appropriate person for financial reconciliation.

Refusing Delivery

Whenever possible, departments should refuse to accept shipments if they are unable to confirm that the order was placed by their department, or if the packaging appears sufficiently damaged to warrant concern.

Record Retention

During the receiving process, the department takes physical possession and legal ownership of the shipment. Therefore, it is important for the supplier to provide the department with a packing list for all shipments delivered to the department.

If the supplier fails to provide the packing list, the department should contact the supplier to request that copies be sent to the department for its files.

Departments must keep receiving documents on file in accordance with Finance Policy 216 for Departmental Record Retention Guidelines. The need for saving receiving documents is particularly important when accepting any partial or staggered deliveries over a period of time. Documents should be scanned and attached to the Oracle Receiving transaction.

5.2 Inspecting

Inspecting a Shipment

Persons receiving shipments should, upon acknowledging receipt of an order, conduct an inspection to verify the following minimum conditions:

1. the products conform to the purchase order requirements and other relevant documents (for example: correct model number, description, size, type, color, ratings, etc.)
2. the quantity ordered against the quantity shipped or delivered.
3. there is no damage or breakage
4. the unit of measurement count is correct (e.g. if the unit of measurement on the purchase order is one dozen, there should be 12 in the package).
5. delivery documentation (packing list, certifications, etc.) is acceptable.
6. perishable items are in good condition and expiration dates have not been exceeded
7. products are operable or functional.

Matching the Packing List to Purchase Order & Department Invoice Report

During the inspection process, the department should compare the supplier's packing list to the purchase order to determine if there are any discrepancies between the documents. At a minimum, the following information should be the same on both the packing list and purchase order:

1. Purchase Order number
2. Item or Manufacturer's part number
3. Quantity and unit of measure
4. Description of the products

Product Substitutions and Over-Shipments

Suppliers are not allowed to substitute products or deliver more than the amount ordered without prior approval from either the department or the Purchasing Agent. The Purchasing Agent should be notified by the department whenever this occurs.

Partial Deliveries

Departments should contact the supplier whenever a purchase is received as a partial delivery without an acknowledgement or notification from the supplier. This information is typically noted on the packing list.

Failed Inspections

Departments are advised to notify in writing any failed inspection results discovered during inspection and provide the results to the supplier first and then the Purchasing Agent for appropriate action. When receiving items from freight companies, the number of packages received should match exactly the number on the freight bill. If not, the department should require the driver to write 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 by the department immediately to the delivering carrier. The report should include the following information: Freight Bill Number, Purchase Order number,

the date of delivery, supplier, and the extent of damage or shortage. In the event of damage, it is essential that the department retain all the original shipping cartons for inspection by a claims adjuster.

Interstate Commerce Commission regulations require the university to file damage 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.

5.3 Testing

Testing may be performed by the department to ensure that the products substantially conform to the specifications documented in the purchase order, contract, or supplier's proposal. Acceptance testing is highly recommended for complex, expensive capital equipment prior to approving final payments to the supplier.

An acceptance testing period may occur as a single instance or over a period of time, but should be performed as quickly as possible following the receipt of the product.

For major capital equipment purchases, specific acceptance testing criteria should be developed and incorporated into the contract. Departments must perform the testing according to the criteria established in the agreement for the results to be considered valid and legally enforceable in the event the product is rejected and payments are to be refunded.

Acknowledging Successful Acceptance Testing

Departments must acknowledge acceptance of products by issuing a written notice of successful acceptance to the supplier and providing copies of the acceptance letter to the Purchasing Agent. Email is acceptable for this purpose.

5.4 Acceptance

Determining Acceptance

Departments are required to contact the supplier in a timely manner when rejecting products that are over-shipments, defective or for any other non-conformance. Failure to notify the supplier in a timely manner will mean the shipment will be considered "accepted." The Purchasing Agent should be contacted to place the order on payment hold until a resolution takes place.

Securing Rejected Products in a Secured Area

Departments are responsible for storing rejected products in a secured area until the products are either shipped back to the supplier, or the supplier takes possession of the products and removes them from university property.

5.5 Product Returns for Credit/Refund

When a supplier 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 returned items for credit or refund. Acceptance of a return by a supplier is not automatic; and if accepted, a restocking fee of 5% - 25% of the original item cost may be charged by the supplier. Restocking fees are paid by the requisitioning department.

When a product is damaged, or is rejected for failing acceptance testing or is not as specified on the purchase order, the department should request a Return Authorization Number from the supplier. The shipping label on the returned package must be marked with the Return Authorization Number. Other identifying information should be placed on the outside of the returned package for easy identification when received by the supplier. No item should be returned without prior authorization from the supplier. The Purchasing Agent can assist in securing return authorizations, credits or refunds from the supplier.

5.6 Accepting or Rejecting Services

The process for accepting services is in principle the same as the process for tangible products. Departments are responsible for:

1. Notifying the consultant, contractor, or service technician to begin work
2. Monitoring agreement activities for work progress to ensure services are performed according to the quality, quantity, objectives, timeframes and manner as specified within the purchase order and/or agreement
3. Reviewing progress reports, status reports, and timesheets, as required
4. Monitoring expenditures, ensuring funding availability when agreement extends over multiple years
5. Notifying the Purchasing Agent to request amendments, agreement renewals, or increases in the PO amount
6. Providing an authorized signature verifying all work is complete and accepted by the department prior to the agreement expiration date and before final payment is made.
7. Immediately reporting any performance discrepancies or disputes with the supplier to the appropriate Purchasing Agent.
8. Keeping an accurate, auditable paper trail of financial records and work performed by the consultant, contractor, or service technician.

Departments are **not authorized to:**

1. Instruct the consultant, contractor, or service technician to start work before the agreement is fully executed and the purchase order issued.
2. Change the scope of the agreement without following the formal purchase document amendment process.
3. Direct the consultant, contractor, or service technician to perform work that is not specifically described in and funded by the agreement.
4. Extend the time period of the agreement without execution of an approved amendment or purchase order revision.
5. Allow the consultant, contractor, or service technician to incur any additional costs over the limit set by the agreement.
6. Sign any agreement or an amendment to an existing agreement unless explicitly authorized by the [Delegation of Authority policy](#).

6.0 Purchase Order Types

6.1 Service/Maintenance Agreement Orders

Service/Maintenance 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 external supplier to perform the services.

Service/Maintenance orders are initiated using the Oracle Service/Maintenance requisition type transaction. All supplier maintenance agreements should be attached to the requisition for review and execution by Purchasing. Any request for maintenance service should receive prior review and approval from proper personnel within the department before submitting the Oracle requisition to Purchasing.

Agreement orders are generally established for one year and generally renewed each July 1st for the new fiscal year or on the renewal date of the agreement. The renewal process for Service/Maintenance orders is detailed in the section on Blanket Orders below.

6.2 Blanket Orders

A blanket order is a single purchase order issued to cover repeat purchases of the same type of supply item purchased from the same supplier. Oracle has largely eliminated the need for most blanket purchase orders as Oracle orders take less time to transmit to suppliers and their electronic format insures more accurate shipments and invoicing, reducing payment discrepancies. Because Oracle is now the primary method to order products and supplies, Purchasing will issue new blanket orders only on a limited basis.

In the event the use of blanket order is approved, the original requisition used to establish a blanket order should contain specific information regarding supplier products, price, and an estimated amount to be ordered on each occasion the blanket order will be used. Only shipping dates are omitted.

Blanket orders must be renewed either annually or biannually on July 1st of the new fiscal year or on the renewal date of a grant or contract. In certain instances, it will be practical to establish a blanket order for more than one year. Should such a potential exist, contact Purchasing for approval and instructions on how the request should be made when submitting the purchase requisition.

Requisitions for Service/Maintenance orders are typically processed and released up to 45 days prior to their effective start date. Requisitions for Blanket purchase orders are typically processed and released 15 days prior to their effective start date.

By the nature of its intended use, a large number of transactions may occur between a department and a supplier 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 insure the accuracy of supplier invoices and payment against them.

6.3 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.

In many cases, emergency orders may be made using either Oracle or a One Card. In circumstances where a purchase order is required due to the value or nature of the purchase, a Confirming Purchase Order will be issued by Purchasing.

To initiate an emergency purchase, the authorized person in the department may call Purchasing to request a purchase order number. He/she must state the nature of the emergency, supplier's name and address, the material required, and the estimated cost. This must be followed-up with a confirming purchase Requisition, using the normal Oracle process, 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 Purchasing, the name of the Purchasing Agent who issued the purchase order, the date issued, and the words "Confirmation Only, Do Not Duplicate" typed in the Supplier Information section.

6.4 Lease / Lease Purchase / Rental Orders (Equipment)

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 (supplier), 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. The term of a lease is fixed in duration and generally not cancelable. A rental agreement is similar to a lease in that the user does not build ownership in the asset. A rental agreement differs from a lease in the length of the agreement (usually less than one year) and the agreement can usually be cancelled by the renter prior to the end of the agreement without penalty.

Equipment leases fall into two categories: operating leases and capital leases.

Capital Lease - To be considered a capital lease, a lease must meet one or more of these four criteria: (1) title of the asset passes automatically from the lessor to the lessee at end of the lease term, (2) lease contains a bargain purchase option under which the lessee may acquire the leased asset at less than its fair market value at the end of lease term, (3) lease term is for a period longer than the 75 percent (75%) of the estimated economic life of the asset, or (4) the present value of the lease payments is greater than 90 percent (90%) of the fair market value of the asset at the beginning of the lease term. A capital lease is a 'full payment lease' because the lease payments pay back (amortize) the full cost (including financing costs, overheads, and profit margin) of the leased asset to the lessor, with little or no dependence on the residual (or salvage) value of the asset. All capital lease requests must be reviewed and approved by the Vice Chancellor for Finance and CFO before they can be processed.

Operating Lease - An operating lease is commonly used to acquire equipment on a short-term basis that is significantly less than the economic life of the asset. The lessor gives the lessee the exclusive right to possess and use the leased asset for a specific period and under specified conditions, but retains almost all risks and rewards of the ownership. Since the maintenance of the leased asset is usually the responsibility of the lessor, they are called also maintenance leases or service leases. An operating lease does not meet any of the criteria for a capital lease. Operating leases are commonly used for leasing vehicles and office equipment such as copiers.

All forms of lease, lease-purchase or rental agreements must be reviewed and approved by the requesting department's appropriate Financial Management and signed by the Director of Purchasing subject to university signature authority limits.

All lease / lease-purchase / rental orders must have an associated Purchase Order. The original copy of the Lease Agreement must be attached to the Oracle requisition. All lease requisitions are automatically routed to Finance to determine if it qualifies as an operating lease. If the lease qualifies as operating, it will be routed to Purchasing for further processing. Purchasing tracks all leases using the Oracle Contract Manager.

Real Estate Leases – All leases to rent space from a third party must be reviewed and approved by VU Real Estate. Departments do not have the authority to negotiate or enter into any lease for real estate. Short term space rentals for events or other similar university functions are to be reviewed by Purchasing prior to approval.

6.5 Procedures for Negotiating & Processing Leases

Negotiation of Purchase Price and Acquisition of Equipment

The negotiation of prices, terms & conditions for equipment to be leased is usually done jointly by the capital equipment Purchasing Agent in conjunction with the requesting department.

If any lease terms change from the original lease document, the lease must be reviewed and re-approved by Finance.

New Equipment: Signature authority as documented in the Delegation of Authority Policy and Sub-Delegations Matrix (see Section 2.1).

Replacement Equipment: For equipment leases, dollar threshold applies to the cost of equipment to be leased EXCEPT when replacing equipment currently being leased, in which case the approval and signature requirements apply only to the INCREASE in cost between the new and old equipment (or the NPV of the increase in the monthly lease payment for the life of the new equipment).

Operating Leases

In general, university central departments may only enter into operating leases. All lease requests must be reviewed by Finance to determine if they qualify as operating or capital leases. Any proposed lease that qualifies as capital must have its terms renegotiated to qualify as operating. If the lease cannot be qualified as an operating lease, it must be submitted to the Vice Chancellor for Finance & CFO for review and approval before it can be executed.

For all leases a purchase order will be generated and signed by the Director of Purchasing.

Lease - Purchase Order Procedures

For all equipment leases the Oracle Lease requisition type is selected. All lease requisitions routed to Purchasing for review. Purchasing will internally route the lease to Finance for their review prior to dispatching the purchase order. Lease requisitions that do not meet Finance requirements will be rejected back to the department. Departments must attach all related lease and project approval documents to their requisitions.

For equipment leases that also have a related supplies agreement such as copiers, a separate General Order by Total Cost type order must also be submitted to cover the annual charges for supplies such as toner and copy charges.

Both the lease and supply Requisitions must be authorized for the full lease period (i.e., 35 months), not on a year to year basis.

Lease - Notification of Termination / Return of Equipment / Purchase Options

Departments will receive automatic email notification generated from the Oracle Contract Manager system prior to the lease expiration date.

It is the department's responsibility to respond to these email notices and to contact the Purchasing Agent prior to the expiration of the lease so that the appropriate action may be taken regarding the disposition of the lease. If the required advanced notice of intent is not received by the supplier by the designated notice date, the lease may automatically roll over for another full term or default to month to month payments. The department is still contractually liable for all such lease payments regardless of the total amount paid. Departments are also responsible for all monthly charges for consumable supplies such as toner and copy charges for copiers.

Purchasing Agents will assist the departments in reviewing all options for the return or purchase of all leased equipment and the processing of all necessary documentation.

1. The department must take one of three possible actions:
2. The leased equipment must be returned to the Lessor or their designated assignee
3. The department can purchase the equipment for the Fair Market Value (FMV) of the equipment or, if the lease is a lease/purchase agreement, for the pre-negotiated buy out price
4. The department can elect to extend the lease on a month to month basis until they are ready to return or purchase the equipment. In this case, the department must extend the Purchase Order to cover the additional time and cost of extending the lease. Associated service/maintenance agreements must also be renewed to cover the extended lease term under the terms and conditions of the lease.

7.0 Contracting Process

Departments wishing to enter into a contract for products, services or equipment or that have a proposed contract from a supplier should first contact the Purchasing Sourcing Officer responsible for that particular product or service and if available, send a copy of the proposed contract for review. The Sourcing Officer will advise if we have any active contracts with the proposed supplier for the requested product or service. If no active contracts exist, the Sourcing Officer will assist in finding or qualifying alternative suppliers. The Sourcing Officer will also perform a review of supplier contracts to insure they are compatible with university requirements.

Contracts for the purchase of most products, services and equipment are to be reviewed with Purchasing prior to signature.

Consultant and Professional Services agreements are to be reviewed with Purchasing.

Contracts related to grants or programs for academic projects are to be reviewed Sponsored Programs Administration

Contracts with architects, consulting engineers and construction contractors are managed by Campus Planning & Construction and Purchasing

Purchasing reviews contracts with General Counsel, Risk Management, Finance and other administrative departments for advice and approvals on legal, insurance, financial, licensing, public relations and other related matters prior to approval and signature.

7.1 Standard Contract Templates

Purchasing maintains a library of standardized contract templates for a wide variety of purchases. Departments are strongly encouraged to use these templates in place of supplier furnished contracts or developing their own unique contracts as these standard templates address all general Vanderbilt University legal and commercial requirements and greatly reduce the time required to complete contract negotiations. These standard contracts can be tailored to meet any specific terms and conditions that may be negotiated. It is our experience that most suppliers will accept our standard contracts without extensive changes. Contract templates may be requested from the appropriate Sourcing Officer. Available templates include:

<i>CONTRACT TEMPLATE</i>	<i>APPLICATION</i>
General Purchase Agreement	For most products and services other than as specified in this list
Capital Equipment Agreement	For custom, semi-custom or off the shelf equipment purchases
Catering Agreement	For hiring single event or long term catering services
Confidentiality Agreement	To be used before entering into discussions with 3 rd parties where

<i>CONTRACT TEMPLATE</i>	<i>APPLICATION</i>
	sensitive or confidential information will be disclosed
Equipment Evaluation Agreement	To be used when accepting equipment for trial or evaluation purposes prior to making a purchasing decision
Equipment Rental Agreement	For equipment that is to be rented for a specific period of time
External Facility Rental Agreement	To be used if a VU Department plans to temporarily rent space from an outside party
Performing Artist / Guest Speaker Agreements	For hiring performing artists or guest speakers for campus events
Professional Services Agreement	To be used to hire all External Consultants and Independent Contractors
Software Licensing Agreement	Agreement for licensing software
Surplus Equipment Agreement	Contract to be used when selling Vanderbilt-owned equipment to a 3 rd party
Video Production Agreement	Specialized template for the production of a video or film. The contract insures Vanderbilt retains all ownership, reproduction and performance rights to the final video product.

8.0 Capital Equipment Purchases

8.1 Capital Equipment

A link to the university's capital equipment policy is included to define capital equipment, the treatment of accessories, attachments, shipping costs, installation costs, component parts and enhancements to existing equipment and explain the classification of computer hardware and software. [Capitalization Policy](#)

8.2 Negotiation of Purchase Price and Acquisition of Equipment

The negotiation of the price and terms & conditions for equipment to be purchased is usually done jointly by the capital equipment Purchasing Agent in Purchasing in conjunction with the requesting department. In all cases, departments must submit a Capital Purchase Requisition. Once approved the Requisition and the Purchase Agreement documents are routed to Purchasing for processing.

Artificial deadlines imposed by suppliers will not be honored. Capital requisitions are to be routed to the appropriate Finance department for review / approval according to the center number:

8.3 Capital Equipment Specifications Guidelines

Due to the cost and complexity involved with capital purchases, it is recommended that departments follow the guidelines listed below for submitting capital Oracle requisitions:

1. Include a concise description of the equipment and its intended function.

2. Equipment parameters, as appropriate, such as size, a description of the necessary motions, the accuracy and functioning within desired tolerances, power requirements, desired range of feeds and speeds, the machine cycle and a brief description of how the equipment is expected to operate
3. Equipment components and accessories including 3rd party components
4. Consumables (supplies); especially those required and supplied by the equipment manufacturer
5. Any special required tooling or utility preparation, and at whose cost
6. Energy efficiency guidelines
7. Computer system and operating software requirements, licenses and service maintenance agreements
8. General information on standards, warranty coverage, patent clauses, schematic drawings, operating and maintenance manuals, spare parts lists and availability, installation, and timeliness of delivery
9. Conditions for equipment acceptance and rejection

8.4 Conditions of Acceptance

The conditions of acceptance for capital equipment are substantially as detailed in Sections 5.3 Testing and 5.4 Acceptance of this manual.

It is in the best interest of both the user and the university to list in detail the conditions that must be met in order for equipment to be accepted. The physical measurement criteria and/or performance should be clearly defined whenever possible. The equipment should be tested immediately after delivery and prior to invoice payment. Receipt of manuals, drawings and replacement parts list should be included into an agreement on an acceptance date and final payment.

Acceptance Criteria - A document which itemizes the university's acceptance requirements detailing specific design requirements, performance parameters, materials of construction, tolerated deviations, and any items such as price, unit prices of components, and delivery should be provided for execution by the suppliers.

One-of-a-Kind/Prototype Acceptance - When purchasing a one-of-a-kind or prototype equipment, a percentage of the payment will be retained as a "holdback" to help assure the supplier's performance through the delivery, set up and acceptance testing period. Final payment will be deferred until the user is satisfied that the new equipment is performing as expected or better. The agreement should clearly define what constitutes performance and how tests to verify performance will be conducted.

8.5 Equipment Repairs and Upgrades

A Vanderbilt University Equipment Tag Number should be placed on purchase requisitions involving expenditures for maintenance repair or enhancements of existing equipment. This will enhance the tracking of equipment and reinforce the responsibility of the departments within the university to assure that all equipment has been tagged and entered in the Fixed Asset Accounting System.

Requests for maintenance contracts are not capitalized.

When expenditures are made on existing equipment that materially increases its value and/or extends its useful life and meets capitalization standards of cost and useful life, it is considered an enhancement and must be requested using the Capital Equipment requisition Smart Form.

8.6 No Charge Equipment Agreements

In exchange for the purchase and use of their supplies by university departments, suppliers may provide the equipment with which these supplies are used at no charge. This equipment remains the property of the supplier, but the university may become responsible for the condition and maintenance of the equipment during the course of the agreement. In such situations, the department must submit a Capital Requisition and the equipment agreement to Purchasing detailing the terms and conditions of the program. Departments are to include the value of the equipment on the requisition which determines the authorizing signature and the level of insurance coverage Vanderbilt must provide. Purchasing will issue a “no charge” purchase order to the supplier to record our possession of the equipment for insurance purposes. Supplies required to be used with the equipment are to be ordered using Oracle. Departments are strongly encouraged to consult with Purchasing first before engaging in equipment agreement negotiations.

8.7 Equipment Evaluation Agreements

Suppliers may also provide equipment to the university at no charge for a limited period of time to allow for the evaluation of the equipment’s performance prior to making a purchasing decision. In such circumstances, the standard university Equipment Evaluation Agreement is to be used to document the terms and conditions of the evaluation. This standard Agreement template addresses the duration, evaluation criteria, future purchase price and the conditions for returning or retaining the equipment. This agreement must be reviewed and approved by Purchasing prior to the delivery of any equipment. Evaluation agreements also require a Capital Equipment “no charge” purchase order to be issued to the supplier to record our possession of the equipment for insurance purposes. Departments are to include the value of the equipment on the Smart Form Requisition to determine the authorizing signature and the level of insurance coverage Vanderbilt must provide. Supplies required to be used with the equipment are to be ordered using Oracle. Departments are strongly encouraged to consult with Purchasing first before engaging in equipment agreement negotiations. Contact Purchasing for a copy of the Equipment Evaluation Agreement template.

8.8 Used Equipment Purchases

From time to time it may be necessary or advantageous to purchase used equipment. A thorough inspection of the equipment should be made by the university department seeking to purchase used equipment before any offer is made. In addition, the department should incorporate the following conditions into any final sales agreement:

1. Acquisition of full legal title and the exclusive right of possession thereto, free and clear of all liens, encumbrances, charges and taxes.
2. Indemnification against all claims, liens, and rights which may be asserted by any person with respect to the equipment being purchased.
3. Disconnection of all equipment at seller's expense so it can be easily removed by the buyer (Vanderbilt).
4. Deferred payment under seller's normal credit terms, or in the form of an installment promissory note without any security interests being created. Avoid large up-front payment terms.
5. Assurance that risk of damage or loss shall not pass to the buyer (Vanderbilt) until the goods are physically removed by or delivered to the buyer (Vanderbilt).
6. Warranties relating to the condition and performance of the equipment, if possible. The buyer (Vanderbilt) should, at a minimum, get a representation that the equipment is in good workable condition. Request a 90-day warranty from used equipment dealers.
7. Request the seller to indemnify Vanderbilt for patent infringement claims.

8. Warranty that the seller has full authority to sell the equipment in question, and that such sale does not violate any existing law, regulation, or agreement.
9. The buyer (Vanderbilt) should insist on receiving a bill of sale.
10. An Oracle Capital requisition should be submitted to Purchasing in all cases.

8.9 Equipment Rentals

Equipment rentals must be processed by submitting a General Order by Quantity Oracle requisition detailing the total cost of the rental and the duration of the rental period.. For all equipment rentals, copies of the rental agreement must be submitted with the requisition to Purchasing for review and signature.

9.0 Competitive Sourcing

9.1 Solicitation of Proposals and Quotations

It is the policy of Vanderbilt University to obtain competitive proposals or quotations where possible on all products and services used by the university. All proposals and quotations received will be evaluated on the basis of quality, service, compliance to specifications and price. All awards will be made in the best interest of the university. Any or all proposals may be rejected at the discretion of Vanderbilt University.

The competitive sourcing process is required where the value and/or nature of the product or service warrants it and the product or service can be obtained from more than one source. Unless approved for sole source procurement (see Section 9.13 Exceptions to Competitive Sourcing and Section 9.14 Non-Competitive or Sole Source Purchasing) or otherwise covered under existing contracts, all transactions for products or services totaling \$25,000 or more individually, or as a system including multiple components, will be competitively sourced. Individual schools, divisions, or departments may institute limits more restrictive than this guideline.

In establishing university procedures, Vanderbilt must comply with government procurement regulations as contained in Office of Management and Budget (OMB) A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations" OMB A-110 Circular as well as any additional regulations or procedural formalities required by the contracting agency. As a result, certain capital purchases may require prior approvals below this bidding threshold before proceeding. Instructions regarding such approval are contained in Section 8.3 of this manual.

Compliance with Office of Management and Budget (OMB) 2 CFR Chapter I, and Chapter II, Part 200, Subpart B, 200.110 Effective/Applicability Date

Vanderbilt University has elected to maintain compliance with the current OMB A-110 Circular cited above for an additional fiscal year (through June 30, 2018) before adopting the new Uniform Guidance procurement standards. Vanderbilt will adopt the new procurement standards contained in OMB 2 CFR Chapter I, and Chapter II, Part 200, Subpart D Purchasing Standards §200.317 - §200-326 effective July 1, 2018.

While Purchasing encourages participation in the competitive sourcing process by as many qualified suppliers as possible, at least three proposals are desired given the following limitations: time constraints, availability of qualified suppliers able to meet the specifications and the opportunity for significant cost savings.

It is the policy of Vanderbilt University to use whenever possible and practical, women-owned, minority-owned, disadvantaged, and small business suppliers which are able to provide products and services of required quality on a timely basis at competitive prices. Purchasing maintains a list of qualified small

business and diversity suppliers on the Federal Grant & Contract Purchasing website. **Research Purchasing Resources**

Formal, written Requests For Proposal (RFP) should be used for most competitive sourcing projects. Sealed, hardcopy bids will be used when required by law, government contractual requirements, or at the discretion of Purchasing.

Purchasing has standard RFP templates available for use. Please contact the sourcing officer or purchasing agent assigned to your commodity for more information.

9.2 Purchasing from Approved Suppliers / Gold Guide

For many of our commonly used products and services, Purchasing has negotiated contracts with a select group of suppliers on the basis of their competitiveness and ability to serve the needs of the entire Vanderbilt community. Our contracts have deep discounts and special terms and conditions not generally available from non-contract suppliers. In many cases, our contract suppliers have Vanderbilt-dedicated sales and service personnel. Purchases from these Approved Suppliers meet the university's requirements for competitive sourcing so no additional bidding is required. To assure that the university continues to receive the maximum amount of pricing discounts and benefits available, it is recommended that all faculty and staff order needed products or services from the suppliers listed in the Purchasing "Gold Guide", located at the Purchasing website. Most of these Approved Suppliers are available through Oracle.

Gold Guide

The Gold Guide allows you to quickly find an Approved Supplier by a product/service drop down menu or by A-Z and Oracle supplier listings. Unique filters allow searches for Primary, Contract, Diversity, Local and Green suppliers. An easy to use keyword search tool is also provided.

The Gold Guide supplier profile lists the buy/pay methods, the assigned purchasing agent and internal and external contact information. Links for email and web addresses are also included.

Many commonly used services provided by internal Vanderbilt departments are also listed. Should you have any questions about any product, service or supplier, please contact the assigned purchasing agent listed in the profile.

9.3 Competitive Sourcing Methods

Competitive Sourcing may be conducted using the following methods, the choice of which is primarily determined by the estimated dollar value of the project:

1. Informal bids – Informal bids may be solicited verbally, by email or by letter. This process may be used at the discretion of departments or Purchasing for items estimated to cost more than \$500 but less than \$25,000. Departments must request written confirmation of verbal bids from suppliers.
2. Formal Request For Proposals (RFP) should be issued for all items estimated to cost \$25,000 or more where clear specifications are available for comparative products or services. RFPs may be issued for projects of any dollar amount where subjective services and/or supplier skill levels are an important component to a timely and successful completion of the project or for any sourcing project at the department's discretion.
3. Each RFP should contain a clearly defined set of criteria to be used to evaluate the proposals. The standard Purchasing RFP template contains supplier selection criteria that are appropriate for most projects. Departments are encouraged to modify or augment the standard criteria to meet their specific requirements.
4. RFP Formats – RFPs are generally issued electronically as MS Word and Excel files via email to the approved bidder's list of suppliers. Proposals may be accepted electronically, in hardcopy form or a

combination of both. The standard RFP template contains instructions to the suppliers regarding proper proposal formatting and submittal requirements.

5. After the proposals are received and evaluated, the contract(s) should be awarded to the supplier(s) presenting the best combination of price, delivery, compliance to specifications, capacity to perform, and quality of service. Purchasing uses a standardized RFP Proposal Evaluation matrix that assigns weighted values for each criteria identified for a particular RFP. Departments are strongly encouraged to use this RFP Proposal Evaluation matrix and customize it to match the criteria contained in their specific RFP. The Proposal Evaluation matrix is located at the Purchasing website.
6. On the basis of historical supplier costing, performance history and market surveys, Purchasing 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
7. Vanderbilt University reserves the right to disqualify any or all bids and to award contracts based on factors other than price. As an independent, privately supported research university, Vanderbilt does not conduct public bid openings.

9.4 RFP Process Guidelines

Purchasing has developed a comprehensive process for conducting RFP sourcing projects. The process is structured into six phases that describe the primary actions, decision points, deliverables and timeline generally required in a typical RFP project. This guideline is not intended to address all the possible variables that may be involved in a given competitive sourcing project, nor are all of the actions or deliverables pertinent for every project. It does provide departments with a useful framework for validating their own project plan. Departments are encouraged to consult with Purchasing prior to starting an RFP project.

The Guideline is on the following page.

Standard timing	Actions	Phase Deliverables
Week 0	Customer Request	
PHASE 1 3 weeks	Determine Opportunity and Stakeholder interest	Customer Requirements
	Preliminary project discussions	Team Structure
	Validation of Financial, Operational and Legal Requirements	Stakeholder Signoff
	Determine Stakeholder Team Members	Preliminary planning
	Define Scope of Project	Scope Definition
Project Launch	Stakeholder's agreement to launch project	
Week 1	Commodity Status	
PHASE 2 2 weeks	Develop Functional Specifications	RFI - Request for Information (if needed)
	Develop Request For Information (if needed)	Confirm Customer status
	Determine Technical and Service Requirements	Confirm Current Supplier contract status
	Validate specifications with Stakeholders	Stakeholder Validation
Week 3	Sourcing Strategy	
PHASE 3 3 weeks	KPIs - Determine baseline values	Key Performance Indicators
	Determine capability of supplier base to meet specifications	Supply Base by Design assessment
	Select suppliers to participate in RFP process	Final list of suppliers to participate in RFP process
	Determine negotiation objectives with Stakeholders	Negotiation Objectives
	Determine ability of Customer to change suppliers	Ability of Customer to change Suppliers / Solutions
	Draft Request For Proposal and Purchase Agreement	Stakeholder Validation
	Validate Agreement with General Counsel / other Departments	RFP validated by Stakeholders inclusive of Agreement template
	Finalize RFP and Purchase Agreement documents	RFP Timeline
	Finalize RFP Timeline	Supplier Bid Conference Logistics
Determine if Supplier Bid Conference required		
Week 6	Launch RFP	RFP
PHASE 4 3 weeks		
Week 8	RFP Proposals Due	Supplier Proposals Received
Week 9	Negotiations	
PHASE 5 3 weeks	Proposal Analysis	Proposal Compliance to Specifications and Cost Analysis
	Preliminary Supplier selection	Supplier Ranking, Assessment and Recommendations
	Negotiations	Preliminary Contract Awards determined
	Final Supplier selection	Negotiation of Agreement
Week 12	Contracts validated and routed for signatures	Contracts signed and archived
Week 13	Deployment	
PHASE 6 2 weeks	Development of Deployment Plan including Communications	Deployment Plan
	Kickoff meetings	Communications Plan
	Establish Contract Review process	Determine Supplier Mgmt Lead; Review process and Schedule
	eProcurement Activation (if required)	eProcurement
Week 15	Contract Effective Date	Contract in Effect

9.5 Revisions to the Request for Proposal

In the event that it becomes necessary to revise any part of an RFP prior to the assigned response deadline, revisions are to be provided by Purchasing or the department to all suppliers involved in the project. Vanderbilt shall be the sole determinant of whether any revisions / addenda should be issued as a result of any question or other circumstances, and will extend the proposal deadline if, in Vanderbilt's sole judgment, such information significantly amends the RFP or makes compliance with the original deadline impractical.

9.6 Ownership of Materials

Ownership of all data, materials and documentation originated and prepared for Vanderbilt pursuant to an RFP shall belong exclusively to Vanderbilt. In no circumstance will Vanderbilt compensate a supplier for the costs associated with producing and submitting a proposal.

9.7 Withdrawing Proposals

Suppliers may withdraw a proposal at any time prior to the submittal deadline by submitting a written request to Vanderbilt signed by an authorized representative of the supplier. After withdrawing a proposal, the supplier may submit another proposal at any time prior to the proposal due date.

9.8 Confidentiality of Proposals

Price quotations, supplier proposals and university internal documentation (including all Requests for Proposals) are considered confidential. Confidential materials are not to be disclosed in any way to other suppliers, outside organizations or to any unauthorized persons, nor as a private university, are we in anyway obligated to disclose information. Disclosure of confidential materials is not only professionally unethical and damaging to Vanderbilt's relationships with its suppliers, it also exposes Vanderbilt to possible legal action. Exceptions are disclosures required by law, government contractual requirements, and the release of such private information as deemed to be in Vanderbilt University's best interests. In addition, Vanderbilt does reserve the right to benchmark all pricing through contracted 3rd party resources acting as an agent on the behalf of Vanderbilt. Vanderbilt also reserves the right to enter into specific 3rd party agreements allowing pricing information to be shared for the purposes of analysis to achieve specific endpoints. If you have questions about any request to provide information concerning Vanderbilt contracts, pricing, supplier proposals or other internal information, please contact Purchasing or the Office of the General Counsel for guidance.

Once proposals have been received they are to be secured, both physically and/or electronically to prevent disclosure to unauthorized parties prior to the bid due date. All proposals should have the date/time they were received recorded either manually or by retaining email records for bid packages submitted via email.

9.9 Late or Unsolicited Proposals

It is the responsibility of all suppliers to ensure their proposals are received by Vanderbilt no later than the appointed hour and date for submission as stated in the Request for Proposal document. Unless there are extenuating circumstances acceptable to Purchasing, or it is deemed to be in the best interests of the university, late bids will not be accepted.

Unsolicited proposals or counteroffers submitted after the proposal submission date will not be considered. Departments who receive an unsolicited proposal or counteroffer after the submission date should reject the offer and refer the supplier to Purchasing.

9.10 Errors in Proposals / Right to Reject Proposals

Suppliers are responsible for the accuracy of their submitted proposals. In the event of a discrepancy between a unit price and its extension, the unit price will govern. Proposals may be amended or withdrawn by the supplier up to the bid submission deadline, after which, in the event of an error, bids may not be amended, but may be withdrawn. Except during negotiations initiated by Vanderbilt, modifications to proposals will not be accepted. After an order is issued, no bid may be withdrawn or amended without penalty to the supplier unless Purchasing considers the change to be in the best

interest of the university. Vanderbilt expressly reserves the right to reject any and all proposals or any portion thereof. Neither receipt of a proposal nor failure to reject shall impose any legal obligation on Vanderbilt.

9.11 Supplier Protest Resolution process

In the event a supplier protests or disputes the outcome of an RFP for which their proposal was rejected or, if they successfully submitted a proposal but did not receive an award of business, a standard review and resolution process has been established. Departments involved in a supplier bid protest are to escalate the matter to Purchasing management depending on the classification of the products or services in the disputed RFP (see section 1.3 for commodity assignments). Purchasing will engage the supplier in an attempt to address the protest. If this effort is not successful, the protest will be escalated by Purchasing to include senior level management in Finance, the customer department(s) and General Counsel as appropriate.

9.12 Proposal Request Checklist

Departments are encouraged to involve Purchasing as soon as possible in sourcing projects to provide assistance in negotiating pricing and contract terms and conditions. Early Purchasing involvement will help insure compliance to Vanderbilt policies and will expedite the processing of the purchase requisition. When this is not possible, departments should negotiate the following requirements with prospective suppliers:

1. Acceptance of Vanderbilt's standard purchasing Terms and Conditions: [PO Terms and Conditions](#)
2. Shipping Terms: FOB Destination, Prepaid and Add
3. Vanderbilt standard Payment terms are Net 45 Days from invoice date
4. Quote Expiration - Request all quotes to be valid a minimum of ninety (90) days to ensure the quote does not expire prematurely. This is especially important if you're requesting a quote for a grant submission. The quote you receive may not be valid by the time you create the requisition or by the time the requisition reaches Purchasing. If the quote is for a grant, request a "Budgetary Quote". The time from when you submit your grant proposal to the award could almost be twelve (12) months and the supplier's price could increase prior to the award.
5. All suppliers should be advised of Vanderbilt University's Policies & Procedures for Suppliers located at this link: [Vanderbilt Supplier Policies and Procedures](#)
6. Defined Acceptance Criteria - Acceptance Criteria is used for capital equipment purchases to define when the equipment has been successfully installed and is performing according to the specifications. For equipment needing installation services (whether included in the price or extra cost) make sure the supplier's Acceptance Criteria is measurable and quantifiable. Make sure the acceptance criteria documentation is included with the quote and have the quote contain the following statement: "Neither final payment is released nor warranty commences until the instrument is deemed successfully installed." To create your own acceptance criteria document please contact Purchasing for assistance.
7. For high dollar, custom or highly complex capital equipment we strongly suggest using the standard Capital Equipment Purchase Agreement template which includes standard terms and conditions designed to protect Vanderbilt's interests. Contact Purchasing for the latest version of this template.
8. Get competitive quotes from other suppliers. Contact Purchasing for names of alternative suppliers.

9. Ask for an extended warranty or service plan - If you intend to keep equipment for an extended period of time, request additional year(s) of warranty coverage. In many cases, this will be included at no charge or for a nominal amount. At a minimum, request the cost of an extended warranty with the purchase of the equipment since suppliers typically offer a steep discount when you purchase an extended warranty at the time of purchase. Consider this price when analyzing the total cost of ownership of the equipment and when comparing it to competitive proposals.
10. Ask for free / discounted supplies - Some equipment will only work with the manufacturer's supplies. Ask the supplier to give you free supplies for an initial period and discounted costs longer term. If this equipment only works with their supplies, it's very important to consider the total spend on supplies over the course of the equipment's life when analyzing the total cost of ownership of the equipment and when comparing it to competitive equipment.
11. Free installation and training - Some suppliers will charge you for installation and training. Ask for free installation and training since most major suppliers have local representation. If use of their training facilities involves travel to their facility, ask the supplier to cover the expense for airfare, hotels and meals in the proposal.
12. Free shipping - Ask for free shipping to your destination especially if the supplier is installing the equipment. At a minimum, insure you get an estimated shipping cost (including insurance and any customs fees) when considering the total acquisition cost for the equipment.

9.13 Exceptions to Competitive Sourcing

There are circumstances when competitive sourcing is not required or practical. Examples of such situations are:

1. Purchases from suppliers on the Approved Suppliers List
2. Orders to our Aquire eMarketplace catalog suppliers
3. Emergency situations endangering the health and safety of faculty/staff, students or third parties
4. Purchases that meet sole source procurement requirements (see Section 9.14)
5. Requisitions for products or services less than \$25,000

9.14 Non-Competitive (Sole Source) Purchasing

The purchasing of material, equipment, supplies and services costing \$25,000 or more individually or in aggregate should be by competitive sourcing regardless of the funding source. However, circumstances may dictate forgoing the competitive sourcing process and purchasing from one unique supplier for certain products or services. Such situations require documented justification explaining the exceptional circumstances of the purchase. The documentation must show that an equitable evaluation has been made and that rejection of alternative suppliers or solutions is based on objective and relevant criteria. Purchasing has the final responsibility for determining whether a Sole Source requisition meets the requirements of this policy.

The Oracle Smart Form orders contain instructions to prompt the requester to address specific questions about competitive and non-competitive (i.e., "sole source") purchases when the purchase is greater than \$25,000 and no information supporting a competitive selection is indicated or provided. The requester is required to fill out a [Supplier Selection Justification Form](#) (available on the Purchasing Services website) and attach it to the requisition. The example below is from the Professional Services Smart Form but the same information is on all requisition Smart Forms:

Supplier Selection Justification:

Purchases greater than \$25,000 requires a Supplier Selection Justification form.

Please complete and attach all applicable documents to the Requisition.

All Professional Services forms and templates are located at the Purchasing

Services web site: <https://finance.vanderbilt.edu/purchasingservices/other.php>

Instances when sole source purchasing may be applicable include the following:

1. The equipment, supplies and/or service provider are required by the funding agency (specifically named in an awarded grant or contract) and therefore deemed essential to the project.
2. Specific materials or supplies are required to maintain critical experimental continuity.
3. Property or services can be obtained only from a specific supplier (i.e., real estate, utilities services, one of a kind items, etc.)
4. Competitive sourcing is precluded because of the existence of patents, copyrights, secret processes, control of raw materials by suppliers or similar circumstances that limit competition.
5. Procurement of replacement or upgrade components for equipment manufactured by a specific Original Equipment Manufacturer (OEM) if OEM parts are required in order to not void the warranty.
6. Purchasing of support services in connection with the assembly, installation or servicing of equipment or software of a highly technical or specialized nature.
7. Purchasing of compatible additions to existing equipment where a different manufacturer's equipment would be impractical for the specific need.
8. Purchasing involving construction where a contractor is already at work on the site and it would not be practical to engage another contractor for new work at the same site.
9. The project/work has a firm schedule requirement which only one supplier has the capability of meeting. Failure to meet the schedule requirement would seriously impact the project/work.
10. Purchasing where only a single supplier in a relevant market is licensed or authorized to service or sell a specific product line and related services.
11. Software / Subscription renewal or Equipment service / maintenance agreement.

9.15 Supplier Diversity & Small Business Program

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

In order to better meet the Supplier Diversity goals, Purchasing coordinates the efforts of the university in the following ways:

1. Identifies the business classification of our suppliers at the time of their registration with Purchasing.
2. Provides listings of small, disadvantaged, minority and women-owned businesses to the departments of the university.
3. Participates with local and regional minority purchasing organizations during seasonal opportunity fairs to not only share information regarding university projects, but also to identify potential new suppliers for participation in those projects.
4. Creates periodic reports to monitor the volume of business done with small, disadvantaged, veteran, minority and women-owned businesses and uses this information to assess and improve the effectiveness of our program.
5. Publishes information on Diversity Suppliers on the dedicated Diversity Program webpage [VU Supplier Diversity Program](#)
6. Through these activities and the support of administrators throughout the university, Vanderbilt recognizes the economic and social benefits derived by promoting equal opportunity for the small, disadvantaged, veteran, minority or women-owned business community.

9.16 Green Purchasing Program

In order to reduce the adverse environmental impact of our purchasing decisions and in accordance with the [VU Environmental Commitment Statement](#) Vanderbilt University is committed to purchasing goods and services from manufacturers and suppliers who share our environmental concern and commitment. Green purchasing is the method wherein environmental and social considerations are taken into account with the price, availability and performance criteria that we use to make purchasing decisions.

Environmentally-preferable products have a reduced effect on human health and the environment when compared to other products and companies that serve the same purpose. It is the preference of Vanderbilt University that our suppliers use environmentally-preferable products, materials, and sources wherever economically feasible. If two products are competitive in performance characteristics and pricing, the university will favor the more environmentally-preferable product or company.

The university and the supplier may negotiate during the contract term to permit the substitution or addition of environmentally-preferable products when such products are readily available at a competitive cost and satisfy the university's performance needs. If a supplier is citing environmentally preferable product claims, the supplier must be able to provide proper certification or detailed information on environmental benefits, durability and recyclable properties.

Purchasing has worked closely with the university's preferred office products, janitorial products, and laboratory products suppliers to provide more easily identified environmentally-preferable product selections. These products are readily identifiable in Oracle and have been collected into special "green purchasing" catalogs that anyone can request.

A basic screen for environmentally-preferable products is to look for those that are reusable instead of disposable, recyclable, made with renewable energy, and contain a significant percentage of post-consumer waste recycled content. Additionally, third-party certification systems that indicate an environmentally-preferable product include:

1. "Energy Star": indicates a product has met strict energy efficiency guidelines as set by the U.S. Environmental Protection Agency (EPA) and Department of Energy (DOE).
2. "EPEAT": indicates electronics that are environmentally-preferable as determined by the EPA and Green Electronics Council.
3. "FSC-Certified": indicates products that have met the requirements of the Forest Stewardship Council (FSC) for responsible management of forest resources, such as office paper.

4. “SCS Recycled Content”: indicates a product that has been certified for recycled content and meets the stringent EPS standard for providing a measurable and significant environmental benefit over typical products in the same category.
5. “CRI Green Label”: Product certified by the Carpet and Rug Institute (CRI) to improve indoor air quality.
6. EPA Design for the Environment (DfE): EPA has screened each ingredient for potential human health and environmental effects and that-based on currently available information, EPA predictive models, and expert judgment-the product contains only those ingredients that pose the least concern among chemicals in their class.
7. “Green Seal certified”: Products certified by Green Seal to meet environmentally-responsible design, manufacturing, packaging, and transportation requirements.

More information on Vanderbilt University’s environmental programs can be found at [SustainVU](#).

9.17 General Supplier Policies and Procedures

Purchasing has issued a general policies and procedures manual for all Vanderbilt University suppliers that informs prospective suppliers how to conduct business with the university. This manual is located at the Vanderbilt Purchasing Supplier website: [Vanderbilt Supplier Policies and Procedures](#) All companies seeking to conduct business with Vanderbilt University should be directed to this website and policies manual.

10.0 HIPAA Business Associate Agreements

Vanderbilt University policy requires all suppliers who accesses, discloses, uses, creates or stores protected health information (PHI) in order to perform a function, service, or activity by or on behalf of Vanderbilt to have a Business Associate Agreement (BAA) in place as a condition for doing business.

Outcome Goal

To identify which suppliers and business partners are VU Business Associates, and therefore required to enter into a Business Associate Agreement in compliance with the Health Insurance Portability and Accountability Act (HIPAA) regulations.

Policy

VU requires all Business Associates, and all agents or subcontractors of those Business Associates, to handle protected health information in accordance with the requirements of HIPAA. VU enters into and maintains a Business Associate Agreement with each external entity or individual that is a Business Associate.

Definitions

Business Associate: A Business Associate is a person or organization that accesses, discloses, or uses protected health information (PHI) in order to perform a function, service, or activity by or on behalf of VU. A Business Associate may also create or store PHI on behalf of VU. By definition, a Business Associate is not a member of the VU workforce. Examples of Business Associates include, without limitation, companies that perform claims processing or administrative services, accreditation, data analysis, billing, legal services, consulting, software maintenance or support that includes access to PHI, or accounting services.

Business Associate Agreement (BAA): BAAs describe the expectations for and obligations of Business Associates with respect to protecting the privacy and security of PHI entrusted to them by VU.

Specific Information

Each relationship with an external entity or individual is reviewed to determine whether or not a Business Associate relationship exists between the entity or individual and VU. If the entity or individual is deemed to be a Business Associate, the Business Associate is required to enter into a contract with Vanderbilt University that includes the Business Associate provisions required to comply with HIPAA.

11.0 Surplus Property and Recycling Programs

11.1 ReUse Program

For both capital and non-capital property purchased with university funds or funds from any external source, the management and control of such equipment extends to its final disposition. For all property that is no longer needed by the initial procuring department, it is university policy to manage the disposition of the surplus property centrally through the ReUse Surplus Program administered by the Sustainability and Environmental Management Office (SEMO) / SustainVU. [ReUse Surplus Program](#)

All surplus property will be inventoried and evaluated for third party sale, donated, or immediately disposed of. All surplus property is covered by this policy whether acquired by purchase or donation. All sales and donations of surplus items must include the sign off the **Release of Liability and Assumption of Risk** form by the seller or recipients.

For capital items (over \$5,000), the originating department is required to work with Finance to assure that, with any transfer or disposition, asset records are updated and assure that equipment purchased with government funds is not sold or transferred without the proper authorization being previously obtained. Completion of the Property Transmittal will show final disposition and removal from the surplus inventory.

Unauthorized removal, disposal or expropriation of university or government owned, loaned or donated Property, regardless of its value, constitutes a breach of university policy. It is a violation of University policy for any staff member to give or take receipt of Vanderbilt property. The university encourages the sharing of existing equipment whenever possible before purchasing new equipment.

If a question arises as to the proper disposal of property, regardless of funding source, it is the responsibility of the department with ownership and/or custody to contact SEMO at ReUse Surplus Program at recycle@vanderbilt.edu or 615-343-2784 (34E.ARTH).

When property is declared surplus, the net proceeds (if any) over \$5000 resulting from their disposition will be credited to the department having ownership. Proceeds under \$5000 will be credited to the Surplus Property Account, except for certain Federal funded equipment where the proceeds are greater than \$100.00 as determined by the granting Agency.

Departments with surplus property should notify SEMO including details the property(s) condition, location, controlling department, and proposed disposition. All property including items that no longer function and cannot be repaired is considered surplus and must be processed through the surplus program.

Surplus property cannot be sold directly from a department to a buyer. All surplus sales must be facilitated by SEMO.

Central storage is not offered for departments due to space limitations on campus. SEMO maintains a list of approved turnkey storage suppliers with Vanderbilt special pricing that will collect your items, provide storage, and then deliver the items back to you when needed.

The ReUse Surplus Program process instructions form is located on the SustainVU ReUse program website: [ReUse Surplus Program Instructions](#)

11.2 Waste and Recycling Programs

SEMO operates many recycling programs across the university for common recyclable materials such as paper, aluminum cans and plastic bottles, and several programs for non-traditional materials like batteries, ink & toner cartridges, light bulbs, computers and electronic devices to name a few. Please see the full SustainVU Waste and Recycling website for full details.
<https://www.vanderbilt.edu/sustainvu/what-we-do/waste-and-recycling/>

Personal Computers

Computers are a category of surplus equipment that requires special procedures because of the potential for the memory to contain sensitive or confidential data and because computers fall into a special class of regulated wastes called “universal wastes” which require that they be recycled at end-of-life and not disposed of in landfills. Departments with unwanted computers should follow the procedures available at [Waste and Recycling | SustainVU | Vanderbilt University](#).

Procedure for the Sale of Vanderbilt-owned Vehicles

All Vanderbilt-owned vehicles are now sold through the Enterprise Fleet Management program administered by Purchasing.

12.0 Financial / Payment Information

12.1 Chart of Accounts (COA)

Finance is responsible for establishing and managing all aspects of our Chart of Accounts. Information about the COA and Project Accounting may be found at this link [Chart of Accounts Quick Reference Guide](#)

12.2 Payment Terms

Vanderbilt’s standard payment terms for purchase orders and demand checks are **Net 45 Days** from the date of the supplier’s invoice. It is university policy to accept cash discounts of at least 1% or greater for accelerated payment terms when offered by suppliers.

Vanderbilt’s payment terms policy is determined by the Vice Chancellor for Finance and Chief Financial Officer for the university. Departments do not have authority to change or otherwise accept different payment terms from suppliers. Non-standard payment terms must be reviewed and approved by Purchasing prior to entering into any supplier contracts.

12.3 Invoice Approval

Purchasing encumbers all proper purchase orders into Oracle for matching and payment of invoices. Suppliers are directed to send their invoices either by specifically approved electronic formats or by mail to at this address:

Payment Services
 Vanderbilt University
 PMB 401810
 2301 Vanderbilt Place
 Nashville, TN 37240-1810

Invoices are entered into Oracle electronically (B2B) or manually upon receipt. If the purchase order, invoice and receiving transaction (for high value orders) systematically match within predefined tolerances, the invoice will be scheduled for payment in accordance with the payment terms. Information about pending invoices is available in Oracle Procurement as part of the requisition record. Should there be a problem regarding the item or services received under the purchase order, Payment Services is to be notified by the receiving department to withhold payment. Purchasing may be contacted by the department to assist in reconciling the problem.

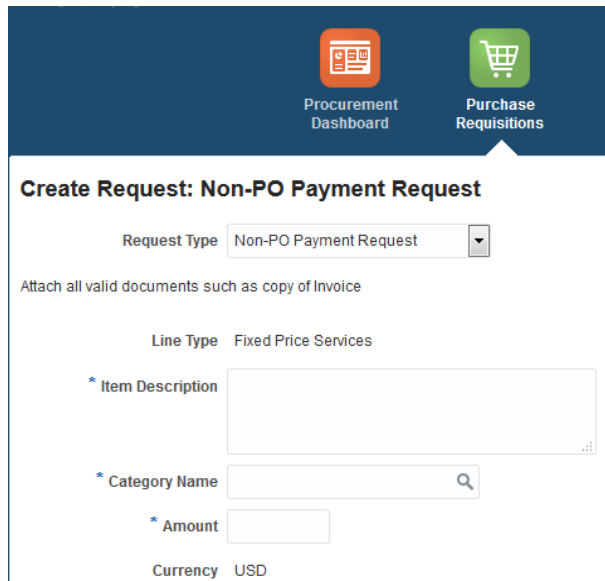
Since the credit standing of the university is dependent upon its ability to pay its obligations on time, communications between the department, Purchasing and Payment Services must be done in a timely manner.

12.5 Payment Services Non PO Payment Requests

Non Purchase Order Payment requests (NPO) are used for the purchase and payment of a limited list of specific goods and services that cannot be made using purchase orders. The approved transactions list is below and posted to the Payment Services website [Non-PO Payment Request Guidelines](#).

<i>NPO Approved Transactions</i>
Non-Employee Travel/Travel Reimbursement
Royalties
Subject/Teacher Participation
Honoraria
Other
Services from Foreign Supplier
Services from US Supplier
Settlement
Advertising
Contribution/Donation/Sponsorship
Florist/Gift
Postage
Professional Licensure
Refund to Grantor
Refund to Other
Registration

The process for submitting an NPO requisition is exactly the same as for a purchasing Smart Form order. The NPO is a Smart Form type selected from the Request Type menu (see below)



Procurement Dashboard | **Purchase Requisitions**

Create Request: Non-PO Payment Request

Request Type: Non-PO Payment Request

Attach all valid documents such as copy of Invoice

Line Type: Fixed Price Services

* Item Description:

* Category Name:

* Amount:

Currency: USD

The NPO requisition is submitted and approved following the same process and approval requirements as used for purchase orders. NPOs requisitions are processed by Payment Services and the final transaction output is a payment (electronic or live check). No purchase order is issued.

For guidance on the NPO / check request process, please email dscheckrequest@list.vanderbilt.edu for assistance. Payment terms will default to immediate pay unless specified by terms on an invoice or other transaction documentation.

12.6 Year End Closing Procedures

The university operates on a July 1 - June 30 fiscal year for accounting purposes. In order to insure that departments properly close university current fiscal year purchases, Purchasing and Payment Services, in conjunction with Finance (university) and VUMC Finance, 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.

In order for an item to be paid with current year funds, *it must be received in the current fiscal year*. No invoice should be paid from current year funds if the order was received on or after July 1st. No invoice will be paid without the submission of a purchase requisition by the department and the establishment of an order by Purchasing 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.

12.7 Purchasing Activity Reports

This section will be updated with information on Oracle reporting features and content in the near future.

13.0 Specialized Purchases

13.1 Internal Vanderbilt Requisitions

New guidelines for inter-department purchases are under development and will be published as soon as possible.

13.2 University Business Operations

University departments are encouraged to support the business operations of the university.

<i>Business Operation</i>	<i>Services</i>	<i>Web Link</i>
VU Printing Services	All VU business cards, stationary, envelopes, custom printing, copier services	VU Printing Services
VU Dining Services	Catering services	VU Dining Services
VU Book Store	VU licensed apparel and gifts, books, miscellaneous products	Vanderbilt Bookstore

13.3 Software Store

Vanderbilt University Information Technology (VUIT) operates a specialized online store for the purchase of general application and specialty software including the full suite of Microsoft products. Departments, faculty, students and staff may purchase and download software through the Software Store for business or personal use. Purchases are usually done with university payment cards (One Card) or personal credit cards. The Software Store provides an FAQ as well as several guides for ordering, approving Vanderbilt department orders and downloading software.

<https://it.vanderbilt.edu/software-store/>

13.4 Material Purchases for Capital Construction Projects

For capital expense construction projects managed by general contractors, it is recommended that purchases of construction materials should be made directly to the subcontractors and material suppliers to avoid paying state sales tax. Departments should consult with Campus Planning & Construction to properly manage these transactions.

13.5 Contracts for Facility Renovations or Modifications

Departments wishing to make any changes to their facilities (including carpentry, painting, flooring, electrical, plumbing, mechanical systems or structural changes) must first contact one of the following departments before proceeding with any changes. Departments are not permitted to enter into contracts with contractors without appropriate review and approval.

<u>VU Plant Operations</u>	322-2622
<u>Campus Planning & Construction</u>	322-2715

13.6 External Consultants and Independent Contractors

Vanderbilt is subject to audits by various branches of the federal government to insure our compliance with employment law as it applies to the engagement of consultants and independent contractors. These policies and procedures were developed to meet regulatory requirements while minimizing administrative burdens.

These policies and procedures are to be used in determining employee/employer relationships and in procuring and paying for consulting services. Vanderbilt may incur fines and penalties by the IRS if found to be out of compliance with these policies. The IRS has made clear its heightened level of attention to consulting arrangements. If someone has been paid as a consultant who in fact should have been classified as an employee, Vanderbilt will be liable for FICA and federal withholding taxes on the applicable payments, in addition to any interest and penalties which may apply. Purchasing & Strategic Sourcing administers this policy for the university. Purchasing processes purchase requisitions and Professional Service Agreements submitted by departments in accordance with this policy. All policy documentation and process instructions are located here: [Consultants & Independent Contractors Policy & Procedures](#)

The Vanderbilt Professional Services Agreement (PSA) should be used in place of outside consultant contracts whenever possible for most consultant engagements. The latest version of the template is available on the Purchasing website. Purchase order requisitions are submitted using the Professional Services template in Oracle. Below is a listing of the appropriate forms to be used for securing professional services.

1. Professional Services and Trade Services: This listing classifies common services as professional or trade services and the appropriate Oracle ordering method.
2. Professional Services Agreement template: The standard PSA contract template.
3. 20 Rule Test Checklist: IRS worksheet to determine if a pending services engagement qualifies as an employer-employee relationship as defined by the IRS.
4. Statement of Location form: Required for services provided by a foreign-based contractor or service provider
5. Conflict of Interest (COI) form: Required when engaging individual or sole proprietor contractors.

These forms are located on the Purchasing website: **Professional Services Forms**

Consultants and Contractor Engagements less than \$5,000

For certain types of contractor and consultant engagements less than \$5000 in total value departments may now use a more streamlined process. This new process allows the use of an Oracle Smart Form purchase order (or Non PO Payment request for honoraria) without the requirement to execute a PSA contract. This process only applies to transactions that are listed on this **Consultants Transaction Matrix**.

13.7 Facility Rentals and Leases

Departments considering renting space from outside parties for one-time events or on a short term basis are strongly encouraged to consult with Purchasing prior to entering into any space or facility rental agreement. We will provide you with the appropriate contract template for space rentals.

Longer term leases of off-campus real estate must be reviewed with the university Real Estate office and Purchasing. Signature authority for real estate leases is documented in the Delegation of Authority Policy.

13.8 Performing Artist / Guest Speaker Contracts

Purchasing has standard contracts for the hiring of performing artists or guest speakers. If you plan to hire performing artists or speakers for a Vanderbilt engagement, please contact Purchasing first to request the appropriate contract template.

13.9 Research Animal Purchases

The Division of Animal Care (DAC) is the service core of Vanderbilt University Medical Center (VUMC) that provides procurement, husbandry, and healthcare for experimental animals, as well as scientific/technical support for VU researchers under the terms of a special Service Level Agreement (SLA) between VU and VUMC.

The Division of Animal Care is charged with the responsibility for managing and approving all requisitions for research animal purchases. Purchasing has made special arrangements with the Division of Animal Care to enable these purchases.

For weekend, holiday and after-hours emergencies, contact the DAC by calling the numbers posted near the phones located in each facility or dialing 615-322-2231 and listening to the message to identify the appropriate individual to call. Office hours are 7:30am-4:30pm Monday-Friday. The following link will take you to a password protected home page: [Animal Care Division](#)

13.10 Controlled Substances

Application must be submitted 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. The DEA number must appear on each purchase order released in order to obtain delivery.

The procurement, distribution and documentation of controlled substances used for research purposes must be reviewed and approved by Purchasing and General Counsel.

13.11 Radioactive Materials


All radioactive material orders are placed and received by Vanderbilt Environmental Health & Safety. <http://www.safety.vanderbilt.edu/>

Requisitions from university departments and laboratories for the purchase of radioactive materials must be sent directly to VEHS following their prescribed procedures.

<http://www.safety.vanderbilt.edu/rad/>

14.0 Vehicle Acquisition & Licensing Process

14.1 Managed Vehicle Fleet program

Vanderbilt University in partnership with *Enterprise Fleet Management*  has instituted a new program to better manage the selection, acquisition, use, maintenance, licensing and disposal of motor vehicles. This program applies to all passenger cars, pickups and vans. It does not apply to motorcycles, buses, golf carts and other off road or specialty vehicles.

Under this program, Vanderbilt no longer purchases vehicles but instead leases vehicles through an open-ended lease program. With an open-ended lease, there is no restriction on mileage over the term of the lease and there are options to end the lease early if required.

Working with *Enterprise Fleet Management*, the Vanderbilt Vehicle Fleet program defines the authorized methods to:

1. Acquire a vehicle
2. Maintain a vehicle
3. Dispose of a vehicle

For more details about the program and governance, please refer to the Vehicle Fleet Management website.

14.2 Vehicle Purchases

With the deployment of the new Fleet Management program, departments do not have the option to purchase vehicles. Vehicle titles and all sales documentation for existing Vanderbilt-owned vehicles are retained by Purchasing.

14.3 Alternative Transportation

Departments with very infrequent transportation needs should consider using the university's Zip Car or Enterprise CarShare programs or conventional car rentals in lieu of leasing vehicles. Information on these car sharing and rental programs and other alternative transportation services are available at [VU Traffic & Parking Alternative Transportation](#) and the Fleet Management program website.

14.4 Vehicle License Renewals

All vehicles (including leased and owned) are required to have their licenses renewed annually no later than the end of the month in which the vehicle was originally licensed. License renewals must have a valid Vehicle Emissions Inspection Certificate. Departments are responsible for their vehicle emissions testing (see below). **NO GRACE PERIOD IS OFFERED FOR COMMERCIAL LICENSE RENEWALS.**

Purchasing is responsible for processing all new vehicle licenses and license renewals. Email notices for license plate renewals are sent to the department contact of record 60 and 30 days prior to the expiration date of the license. If a license is not to be renewed, Purchasing should be notified prior to the expiration date. Purchasing should be notified if the department's designated contact changes. In some cases, the cost of the license may be charged to a restricted center. It is the department's responsibility to inform Purchasing if the restricted center has expired or changed.

14.5 Disposal of Vehicles

Disposal of all university owned vehicles must be coordinated through Purchasing to insure proper completion of title documents. All owned vehicles slated for disposal are turned over to Enterprise Fleet Management for sale at auction. Departments disposing of a vehicle should complete a Property Transmittal Form (PTF) and submit the form to Purchasing. Purchasing then informs Enterprise of the vehicle to be sold. The department contact listed on the PTF will be contacted by Enterprise to schedule the vehicle pick up. Once the vehicle has been sold at auction, Enterprise confirms the details of the sale to Purchasing. Purchasing then completes the PTF and forwards it to Finance. The proceeds of the sale (less the auction processing fee) are credited to a central university account.

14.6 Emissions Testing

The emissions testing process has changed effective September 28, 2015. Vanderbilt has contracted with Opus Inspection to provide emissions testing services on campus, using their mobile testing station. The on-campus mobile testing station is available only for Vanderbilt University fleet vehicles. Personal vehicles may not be inspected at the on-campus mobile testing station. Emissions testing is no longer performed at the 625 Chestnut St. facility.

When: The on-campus mobile testing station is open each **Monday, from 9:00 a.m. to 12:00 noon**, except for holidays and weather permitting. The mobile testing station will not operate if there is a threat of thunderstorms. For any updates to the schedule you can access the latest information at the main Purchasing Services website <https://finance.vanderbilt.edu/purchasingservices/>

Where: The testing station is **located at the back end of lot 75A** off Children's Way, just west of Natchez Trace.

The full emissions policy and procedures are located on the Purchasing / Fleet Management website: [Vehicle Emissions](#)

14.7 Traffic and Parking Violations

Vanderbilt University faculty and staff are personally responsible for settling all traffic and parking violations acquired while operating a Vanderbilt owned or leased vehicle. Vanderbilt University does not have any responsibility for traffic or parking tickets. The cost of tickets and fines are not reimbursable expenses.

15.0 International Shipments & Customs Brokers

15.1 What is a Customs Broker?

Customs brokerage is a profession that involves the 'clearing' of goods through customs barriers for importers and exporters. This involves the preparation of documents and/or electronic submissions, the calculation (and usually the payment) on behalf of the client of taxes, duties and excises, and facilitating communication between the importer/ exporter and governmental authorities.

Customs brokers in the USA will often prepare and submit documentation to notify or obtain the clearance from other government agencies such as the Food and Drug Administration (FDA), the United States Department of Agriculture (USDA), the Fish and Wildlife Service, and many others.

Customs brokers need to be familiar with the Tariff Schedule, the list of duty rates for imported items, and the regulations governing importations found in the Code of Federal Regulations volume 19, known as 19 CFR. Knowing the requirements of each type of import can avoid costly delays or seizure of the merchandise.

Customs brokers normally arrange the transshipment or local delivery of cleared merchandise through relationships with trucking companies and others.

Customs brokers are not government employees and should not be confused with Customs Agents.

15.2 Why Use a Customs Broker?

Few organizations have the human or financial resources to keep pace with the constant regulatory and technological changes throughout the world which are specific to each country involved in the international shipment of goods. A Customs Broker's job is to ensure that its clients' shipments move seamlessly across the border and reach their destination on time, adhering to customs laws and regulations. If there's a problem, your customs broker will work to get it rectified, so your goods can be released from customs and sent on to their destinations.

15.3 When to use a Customs Broker

If an item is valued at up to \$1,250, it can be imported under an "informal entry" and a customs broker may not be necessary. If the item is over \$1,250 in value, then formal entry is required.

You should always use a customs broker if the items are regulated, such as drugs, chemicals, biological products, etc. You should also use a customs broker whenever time is of the essence and you think there is a chance that customs may delay your delivery.

15 Difficult to Import Products:

1. aerospace products
2. animals (live)
3. animal products (nonfood)
4. beverages
5. chemicals
6. combustibles
7. cosmetics
8. drugs
9. explosives
10. foods
11. radioactive materials
12. radiation-producing products
13. radio frequency devices
14. used merchandise
15. vehicles

20 Easy to Import Products

1. artwork
2. brushes
3. crafts
4. flowers (artificial)
5. gems and gemstones
6. glass and glass products
7. household appliances (electronic or mechanical)
8. jewelry
9. leather goods (not from endangered species)
10. lighting fixtures
11. metals (base)
12. musical instruments
13. optics and optical products
14. paper and paper products

15. pearls
16. plastics and plastic products
17. rubber and rubber products
18. saddles and related products
19. sporting goods
20. tools (hand implements, utensils, machine tools)

Commonly Prohibited Items

1. food products raised or processed in pest-infested or disease-ridden regions
2. products derived from endangered species if the country is a member of the Convention on International Trade in Endangered Species (CITES)
3. products that violate intellectual or industrial rights laws
4. materials considered pornographic
5. national treasures, including archaeological finds

15.4 Approved Customs Brokers

We now have two options for using customs brokerage services:

1. **V. Alexander & Company, Inc.** – Use for all shipments of any size or weight. V. Alexander's has serviced Vanderbilt for 20 years, providing local, dedicated support. They charge a clearance fee of \$150, plus other duties and costs.
2. **U.P.S** – United Parcel Service offers complete customs brokerage services. If you ship with UPS, there is no charge for customs clearance as it is included with the international shipping service. The cost of other duties, fees or any bonds will be passed through to the user.

V. Alexander & Company, Inc.

V. Alexander has been the primary customs broker for Vanderbilt for almost 20 years. They are familiar with our operations and needs and we have an established Power of Attorney agreement in place for them to act as our agent in these matters. www.valexander.com

V. Alexander provides customs brokerage as well as international freight forwarding services including ocean, air and intermodal.

Fees (V. Alexander charges)

Customs clearance:	\$150.00
FCC Fee (if needed)	\$20.00
FDA fee (if needed)	\$20.00

Customs Duties – The United States Customs Service charges Duties on all imported goods. The amount of the Duty charged is based upon the kind and quantity of goods being imported. Using V. Alexander

Before the shipment is made, contact V. Alexander (615-885-0020). Our account representative can provide instructions that will help to optimize efficiency in getting the delivery made, help to control costs and provide visibility for the shipment.



When the shipment is made:

1. Mark the documents as noted below
2. Have the shipper notify V. Alexander when the shipment departs the point of origin

Air Shipments

One full set of original Customs documents must accompany the shipment and be emailed or faxed to the Notify Party (V. Alexander) address below. The document package should include an original air waybill, commercial invoice, packing list and certificate of origin (if applicable). All air waybills should be prepared as follows:

Consignee: VANDERBILT UNIVERSITY
(Specify Department, Attn. Party, phone number & delivery address)

Notify Party: V. Alexander & Co., Inc.
22 Century Blvd., Suite 510
Nashville, TN 37214
Ph: (615) 885-0020 Fax: (615) 885-1465
Email : account_rename@valexander.com

Airport of
Destination: Nashville, TN

Document Flow: One set of Customs documents (in English) is to be emailed or faxed to the Vanderbilt Purchasing Agent and to V. Alexander. The document package should include an original ocean bill of lading, commercial invoice, packing list and certificate of origin (if applicable).

Ocean Shipments

Ocean bills of lading should be prepared as follows:

Consignee: VANDERBILT UNIVERSITY
(Specify your Department, Attn. Party, phone number & delivery address)

Notify Party: V. Alexander & Co., Inc.
22 Century Blvd., Suite 510
Nashville, TN
Ph: (615) 885-0020
Fax: (615) 885-1465
Email : account_rep_name@valexander.com

U.S. Port Of Arrival: (This may vary by supplier shipping the product. Please consult Purchasing for advice.)

Document Flow: One set of Customs documents (in English) is to be emailed or faxed to the buyer and to V. Alexander. The document package should include an original ocean bill of lading, commercial invoice, packing list and certificate of origin (if applicable).

Federal Express (FedEx)

Fed Ex will provide customs brokerage services on international shipments at no additional charge.

Fed Ex will NOT be responsible for any duties, tariffs, or other customs fees. Only their services as a broker are provided without additional cost. They will pass through to the shipper any charges for duties, tariffs, or other customs fees.

If you can use Fed Ex for your shipment, this is the least costly method and it still provides the services of a customs broker.

Fed Ex customs brokerage services can help speed your shipments through customs.

1. Comprehensive services in the U.S. and Canada and at the U.S./Canada and U.S./Mexico borders
 - Over 185 licensed U.S. Customs brokers
 - 89 qualified persons, customs specialists and professionals in Canada
 - Management of imports and exports via land, sea, and air
2. Duty and tax calculation
3. Customs bonds
4. Protest preparation and filing
5. Follow-up on liquidation issues
6. Visibility of imports and exports via My Global Trade Data
7. Mexico customs brokerage coordination
8. Notification of changes in duty and tax information worldwide
9. State-of-the-art duty drawback program:
 - Fully automated system expedites refund claims
 - Dedicated team provides all drawback and related services
 - System-generated management reports track imports, exports, and past claims

FedEx Trade Networks is your one-stop-shop for customs brokerage needs from classification, to clearance and post-entry services.

For more information, contact FedEx Trade Networks.

Reference: [Fedex customs brokerage](#)

15.5 Standard Customs Documentation

Required for all international shipments using customs brokers

At entry, a customs official will require the importer to present documents describing the goods and indicating that all entry requirements have been met. In general, if import documents have not already been filed, importers are allowed a certain amount of time to prepare and present the proper documentation. Although these documents differ from country to country, the following are fairly standard.

Application for entry: Typically an importer is required to file a brief form to inform the customs authority about the importer's identity and the type and quantity of goods being imported.

Invoice: Nearly every country requires some form of commercial invoice, or a pro forma invoice. The commercial invoice is usually fairly detailed, describing the products being imported (such as name, type,

classification, quantity, grade, value, markings, labels, packaging) as well as certain aspects of the transaction (such as price per unit and total price).

Bill of lading or air waybill: An international carrier usually issues this document to the shipper. It sets forth the conditions of transport and serves as a receipt and evidence of ownership for the goods.

Packing list: Shippers commonly enclose or attach a list naming the goods and quantities included.

Declarations or certificates: Various declarations or certificates may be required as proof of compliance with import requirements. For example, certificates or declarations may be needed to show ownership, consulate approval, government authorization, quality control, country of origin, treatment for pest infestation, sanitary production, quarantine compliance, and inspection.

Bond or other guarantee: In some countries, customs authorities may agree to release goods for entry into the country before the importer has paid all assessed amounts, provided that the importer posts a bond or other guarantee sufficient to cover the amount owed.

16.0 Travel Program

16.1 Travel Policy

Payment Services administers the Travel Policy for the university. The details of the policy and programs are located at the [Travel](#) website:

16.2 Travel Services

The [Vanderbilt Travel](#) website presents all travel related services and programs now available to all Vanderbilt departments including the **Concur** online travel booking system. Our approved travel agency **WorldTravel Service** <http://www.worldtrav.com/> and their dedicated professionals will help faculty and staff with travel needs by providing personalized support via phone or email. Vanderbilt employees must use World Travel Service to book business travel. Employees may book directly with an agent or through the Concur online booking tool. World Travel is fully integrated with the Concur online travel booking system. To learn more about World Travel Service, click [here](#).

Please contact a World Travel agent when making complex domestic air or any international air reservations, and when changing existing, ticketed reservations by calling between the hours of 7:00 a.m. – 6:00 p.m. Central Time.

- **877-271-9258 for World Travel agent assistance**

For after hours or emergency assistance, please call **865-777-1600**

For **Concur Travel** support, please email online@worldtrav.com (7:00am - 5:00pm CT)