

SECTION 10. PROCUREMENT

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10.1 SA PROCUREMENT RESPONSIBILITIES

Section Administrators (SAs) are responsible for complying with the University's procurement policies and processes.

- Specifically, they must comply with the University's purchasing policy and procedures, which are available in the [Administrative Policy Library](#) and through the "General Purchasing" link on the [Purchasing Policy Guidelines website](#).
- They must also comply with University policy concerning disbursements, details of which are available through the [Accounts Payable website](#).

Key Links

[Administrative Policy Library](#)

[CU Purchasing Office](#)

[Purchasing Policy Guidelines](#)

[Accounts Payable](#)

[Interactive Purchasing Guide](#)

[Sponsored Projects Handbook](#)

[Preferred Vendor List](#)

[Change Order Module User's Guide](#)

[Insurance Requirements for Contracts](#)

In addition, when procuring with federally awarded funds, SAs must comply with U.S. government regulations such as the [Federal Acquisition Regulation](#) (FAR) and [OMB Circular A-110](#).

SAs are encouraged to take full advantage of the resources offered by the University's [Purchasing Office](#) in order to obtain the best possible value for every expenditure of University funds. The Purchasing Office facilitates the purchasing process by negotiating University-wide Purchasing Agreements (UwPAs), serving as a resource to schools and departments as they are preparing to make purchases, and working cooperatively with purchasers to ensure that larger purchases are controlled, executed, and consistently documented in accordance with the University's policies.

In addition, SAs may wish to consult with [Accounts Payable](#) regarding disbursements, and the [Office of Internal Audit](#) regarding internal controls and conflict of interest.

10.2 ESSENTIAL ELEMENTS FOR PROCUREMENT

- ✓ Adhere to assigned authority levels and requirements for purchase orders (POs) and bids
- ✓ Always keep copies of invoices, petty cash transactions, p-card purchases, check requests, and other such documentation

Key Links

[Preferred Vendor List](#)

[Vendor Qualification Form](#)

[Consultant Policy](#)

[Institute of Comparative Medicine](#)

Purchasing

- ✓ Follow sponsor restrictions on procurement and obtain prior approval from the funding agency when required

- ✓ Whenever possible, use the proper University purchasing mechanism
- ✓ Use purchasing cards (p-[p-cards](#)) as the preferred purchasing mechanism for most goods and minor equipment valued at \$2,500 or less, and for certain larger purchases that do not require a central purchase order (see [Section 10.6](#))
- ✓ Do not break up purchases into smaller transactions in order to avoid purchasing requirements for large-dollar procurements
- ✓ When stated competitive requirements are not met, document the extenuating circumstances as part of creating a requisition (see [Section 10.7.3](#))
- ✓ Prior to processing payments, verify that the requested goods and services have been received in accordance with the contract documents

Accounts Payable

- ✓ In the case of lost receipts, submit the required documentation (see [Section 10.7.5](#))
- ✓ Compare the invoice to the purchase order, checking that the key items match on both forms and ensuring that the payment will be tied to the appropriate PO
- ✓ Initiate a change order to modify the encumbrance or other accounting information on a purchase order or an EZPO (see [Section 10.8](#))
- ✓ To the extent possible, use the outside vendors that have contracts with the University, known as University-wide Purchasing Agreements ([UwPAs](#)) (see the [Preferred Vendor List](#) for the latest list of vendors)
- ✓ Have every new vendor complete an online Vendor Questionnaire, also known as a [Vendor Qualification Form](#) (see [Section 10.10](#))
- ✓ Process consultants/service providers through the Purchasing Office for any dollar amount (with certain exceptions – see the University's [Consultant Policy](#))
- ✓ For all service provider agreements/contracts, have a detailed scope of work describing the services to be provided, a signed agreement/contract in the required format, and certifications of insurance on file (see [Section 10.11](#))
- ✓ Ensure that any furniture procured for faculty practice spaces is compliant with the University's fire code standards
- ✓ Obtain required prior approvals for purchase requisitions greater than \$10,000 and for procurement of capital equipment with sponsored project funding (see [Section 10.13.1](#) and [Section 10.13.2](#))
- ✓ Work closely with Risk Management prior to and during purchase and registration of a vehicle (see [Section 10.13.3](#))
- ✓ Procure all animals through the [Institute of Comparative Medicine](#) (see [Section 10.13.4](#))
- ✓ Direct any official product recall notice to the Purchasing Office within 24 hours of receipt (see [Section 10.13.6](#))

10.3 GOVERNING REGULATIONS

10.3.1 Procurement Using U.S. Government (Federal) Funds

All sponsors use the terms and conditions of their

Key Links
Sponsored Projects Handbook
Administrative Policy Library
OMB Circular A-110
Federal Acquisition Regulation

awards to govern the use of the resources. The [Sponsored Projects Handbook](#) and the University policy on *Procurement Using Federal Funds* (in the [Administrative Policy Library](#)) provide information on the documents and provisions governing federally funded projects, including [OMB Circular A-110](#) for grants and cooperative agreements and the [Federal Acquisition Regulation](#) (FAR) for contracts.

In addition to the federal circulars that govern all federally funded projects, many federal and other sponsors have their own agency-specific requirements. For example, further information for procurement under NIH grants is available in the [NIH Grants Policy Statement - 12/2003](#).

It is the responsibility of PIs, SAs, and their designees to be familiar with the funding agencies' requirements. They must ensure that federal funds are not used to buy from federally debarred vendors (see [Section 10.3.2](#)) and are not used for prohibited and restricted goods and services (see [Section 10.3.3](#) and [Section 10.3.4](#)).

Note that NIH and other federal entities require specific approval prior to making an expenditure for the following:

- Alterations and renovations of buildings
- Subgrants and subcontracts
- Consultants/service providers
- Vehicles
- Other major equipment having a unit cost greater than a set level, such as \$5,000

Note also that competitive bidding is required for most purchases. Where stated requirements are not met, the single/sole source justification must be completed in the financial front end system (FFE). See [Section 10.7.3](#) for more information.

10.3.2 Restrictions on Source of Goods and Services

In accordance with the U.S. legislation "Buy American Act," the University must to the extent practicable purchase U.S.-produced and sold goods over foreign goods when procuring with federal funds. Exceptions may be made under circumstances such as:

- Emergency purchase
- Compelling political circumstances
- Price differential in excess of 50%
- Goods or services not available from U.S. sources

For procurement of major equipment (see [Section 10.13.2](#)), if exceptional circumstances do exist, the University must document the extenuating circumstances by completing the single/sole source justification in the FFE (see [Section 10.7.3](#)).

For procurement of special items such as pharmaceuticals or testing kits from non-U.S. sources, special waivers are required.

Federally debarred vendors: The U.S. government's Federal Acquisition Regulation (FAR) 52.209-5 requires that on all purchase orders made with federal funds in the amount of \$25,000 or greater, Columbia University obtain written certification from the vendor that they have not been debarred (prohibited) from doing business with the U.S. government.

For procurements under \$25,000, the CU Office of the Controller in conjunction with Sponsored Projects Finance conducts quarterly checks on all vendors to ascertain their debarment status.

10.3.3 Unallowable and Prohibited Costs

OMB Circular A-21 identifies specific costs that may not be charged directly to federally funded awards, except under special conditions. Unless the special conditions apply, these unallowable costs must be paid from non-federal sources; further, many non-federal funding entities expect that the University will apply the same standard as is applied to federal projects. Accordingly, PIs, SAs, and others involved in the process of assigning charges to sponsored projects must ensure that charging these costs to non-federal projects is permissible in accordance with the policies of those sponsors.

For a list of expenditures that are unallowable costs, see the University policy on *Project Administration – Unallowable Costs*, available in the [Administrative Policy Library](#), and the [Sponsored Projects Handbook](#). Of particular note are:

- Alcoholic beverages
- Entertainment & personal expenses
- Membership in non-professional organizations
- First and business class travel

10.3.4 Restricted Items

Restricted items are commodities for which prior approval to purchase must be obtained from one or more oversight departments. Such restricted commodities include, but are not limited to, radioactive materials, animals, ethyl alcohol, narcotics, and refrigeration equipment and materials. See [Section 10.13](#) for information on special procurement policies related to restricted items.

10.4 PURCHASING POLICY AND PROCEDURE

10.4.1 University Guidelines

SAs must be thoroughly familiar with University policy and procedures related to purchasing. These are available in the [Administrative Policy Library](#) and through the “General Purchasing” link on the [Purchasing Policy Guidelines website](#). The policy documents cover:

Key Links

Purchasing Policy Guidelines Section 9. Financial Management

- The University’s purchasing policy and guidelines
- Purchasing with federal funds
- A glossary of purchasing terms
- Delegations, authorizations, and dollar thresholds
- Purchasing procedures for UwPAs and for non-UwPAs
- Non-competitive sole source procurement
- Emergency procurement
- Vendor selection and quotation guidelines
- Special procurement policies

This sub-section highlights those aspects most important for the SA’s role and responsibilities. See also [Section 10.13](#) on special procurement policies.

10.4.2 Authorities and Supplemental Approvals

Section 9.9 in the Financial Management section of this manual covers authorities and supplemental approvals required for procurement, including:

- Departmental Authorization Function (DAF) authority, which assigns levels of authority to University employees to approve key transactions on the University’s behalf, including approval of purchase requisitions and p-card transactions.
- Other authorities such as those related to petty cash, subawards, and p-cards
- Supplemental approvals required by University’s policy, e.g., for reimbursement of late submissions and exception requests

10.4.3 University-Wide Purchasing Agreements (UwPAs)

SAs should be attentive to the requirement that departments, centers, and institutes must utilize UwPAs as their primary procurement providers.

A UwPA is a University-wide contract that takes advantage of the University’s buying power and ensures that the University, through negotiated pricing, obtains the best overall value for products and services for which there are repetitive purchases. To make the determination of best overall value, the University takes into account overall pricing structure; quality, delivery and service; support, training, exchange and return policies; compatibility with University systems and technology; and financial stability.

10.5 PROCUREMENT COVERED IN OTHER SECTIONS

10.5.1 Travel Procurement

Key Links

[Sponsored Projects Handbook](#)

See Section 11: Travel for complete guidance on travel procurement.

10.5.2 Procurement of Sponsored Project Awards and Subawards

See the [Sponsored Projects Handbook](#) and Section 5: Sponsored Projects Administration for complete guidance on:

- Pursuit of procurements offered by funding agencies such as the National Institutes of Health (NIH)
- Procurement of services through subgrants and subcontracts (subawards), where collaborators (subrecipients) conduct specific work in connection with an award to Columbia University
- Procurement of goods and services by those implementing subawards received from Columbia University

10.6 PURCHASING MECHANISMS

Key Links

[Administrative Policy Library](#)

[Interactive Purchasing Guide](#)

The University uses purchase orders and other mechanisms such as credit/purchasing cards ([p-cards](#)), checks, or cash to purchase goods and services on the University's behalf for business purposes.

Whenever possible, the proper University purchasing mechanism should be used.

The University's *Procurement Mechanisms Policy*, available in the [Administrative Policy Library](#), is designed to maximize the efficiency and convenience of the purchasing process, consistent with good business practices, and in full compliance with applicable regulations. The policy provides guidance concerning the choice of the most appropriate procurement mechanism, as summarized in the sub-sections below. Of special note:

- Those engaged in purchasing should be thoroughly familiar with the full text of the policy and should also review the University's [Interactive Purchasing Guide](#), which assists with selecting the best procurement mechanism.
- University policy forbids splitting large dollar-amount purchases into multiple installations to allow use of procurement mechanisms such as petty cash, [EZPOs](#), and [p-cards](#) that exist to facilitate small transactions. For instance, a medical supply bulk order must not be broken into multiple orders.
- For procurement associated with international projects, the Mailman School of Public Health's [International Projects Manual](#) is a good resource.

10.6.1 Central Purchase Orders

A central purchase order is a document issued to a vendor by the University's Purchasing Office confirming an agreement for the supply of goods and services. Central purchase orders must be used: 1) to execute most service agreements, and 2) to complete the acquisition or lease of most goods and capital equipment where the agreed price is in excess of \$2,500 and for which a [p-card](#) or [EZPO](#) may not be used.

10.6.2 EZPOs

An EZPO is a document issued to a vendor by a school or department confirming an agreement for the supply of certain small purchases of goods without review by the Purchasing Office. It may be used for small purchases of goods valued up to \$2,500, where it is not feasible or desirable to utilize a [p-card](#). EZPOs may also be used for certain larger purchases from [UwPA](#) vendors in amounts up to the maximum contract-specific dollar threshold specified by the Purchasing Office.

Note on fiscal year cross-over: Typically, central purchase orders stay effective over more than one fiscal year (such as those for large equipment lease and the associated service contract). EZPOs, however, are typically for use within one fiscal year with no accruals at year-end.

10.6.3 Blanket Purchase Orders

A blanket purchase order is a blanket order issued to a vendor by the Purchasing Office for a small number of repetitively purchased goods where it is impractical to issue a separate purchase order for each requested delivery. Blanket purchase orders may be used where all of the following conditions apply: 1) the order is for a fixed period; 2) the order is for a specified set of items; 3) the order defines an agreed price for each item; 4) the number of items covered by the order is limited, generally to 25 or less; and 5) releases against the order are documented in a manner that allows each release to be tracked, audited, and reconciled to receipt and payment records.

10.6.4 P-Cards

A p-card is a credit card that authorized University personnel may use to purchase goods and specified services for use by the University. It is the preferred purchasing mechanism for most goods and minor equipment valued at \$2,500 or less, and for certain larger purchases that do not require a central purchase order. The p-card is also the preferred purchasing mechanism for small dollar purchases of certain regularly purchased services (e.g., bottled water services) and for certain larger purchases from UwPA

vendors. See the University's *Purchasing Card Policy* in the [Administrative Policy Library](#).

10.6.5 Direct Payment by Accounts Payable

Direct payment by Accounts Payable may be used regardless of dollar value for purchases of goods or services that do not require a purchase order of any kind and where another purchasing mechanism is not preferred or required as outlined elsewhere in this section. Examples include honoraria to non-CU individuals, printing services, and legal fees approved by the Office of the General Counsel (OGC). (Note that only the OGC can retain outside legal counsel – see Section 12.1.2.)

10.7 PROCUREMENT PROCESSES

10.7.1 Requisitions and Purchase Orders

Requisitions and purchase orders are used to initiate a central office purchase. They are created in the FFE Purchasing Module (see the [FFE website](#)), which allows users to create either an EZPO for most purchases up to \$2,500 or a central purchase order. Once required approvals are recorded in FFE, the requisition is uploaded to the Purchasing Office. Key elements are:

Key Links

[Purchasing Policy Guidelines](#)
[FFE website](#)
[Buyer/Commodity search](#)
[Key Compliance Matters](#)
[Purchasing Forms](#)
[Administrative Policy Library](#)
[Finance Division Forms Library](#)
[AP/CAR User Guide](#)
[Invoice Payments](#)
[Check Request Payments](#)

- ✓ To ensure timely delivery of goods or services, prepare the purchase requisition and back-up documentation accurately, giving special attention to a clear, detailed description of the product or service, and submitting the requisite quotes/bids for requisitions over \$2,500 (two quotes up to \$10,000 and three if over \$10,000)
- ✓ Submit supporting documents via the Purchasing Faxserver either: 1) by e-mail, wherein only the requisition number is placed in the subject field and all supporting documents are attached electronically and sent to purchsrv@columbia.edu, or 2) by fax, wherein all supporting documents are faxed with a fully completed *Purchasing Fax Coversheet* (available on the [Purchasing Forms webpage](#))
- ✓ Use the University's [Buyer/Commodity search](#), a convenient website search function that matches specific commodities with the corresponding Purchasing Office contact person(s) for that commodity
- ✓ Do not break up purchases into smaller transactions in order to avoid purchasing requirements
- ✓ Review the status of a pending requisition that has been submitted to the Purchasing Office by using WebPur, which is accessible through the FinSys section of [myColumbia](#).

Help is available for users of the Purchasing Module in FFE, as follows:

- For FFE problems, e-mail FFETech@columbia.edu
- For WebPur problems, e-mail purtech@CUVMC.ais.columbia.edu
- For general questions about purchasing policies and procedures, contact the Purchasing Office at purchasing@columbia.edu

10.7.2 Supporting Documentation

University policy and U.S. government regulations require certain standards be met when documenting, recording, and submitting reimbursable expenses. These include:

- Documenting the specific business purpose of each expense
- Providing receipts and proof of payment

Key elements for SAs are:

- ✓ Keep copies of all procurement documentation and determine the centralized or decentralized storage of such records within the department, center, or institute (see Section 9.24 on record retention)
- ✓ Have p-card holders sign off on transactions throughout the month to avoid issues toward the end of the month
- ✓ Document single/sole source justification when needed (see [Section 10.7.3](#))
- ✓ In the case of lost receipts, submit the required documentation (see [Section 10.7.5](#))

See the Accounts Payable webpage on [Key Compliance Matters](#) and Section 11.6 for details.

10.7.3 Sole/Single Source Justification

When creating an FFE requisition, supporting documentation may be required in the form of bids or sole/single source documentation. The latter is required when stated competitive requirements are not met, e.g., where three competitive bids for equipment or for a consultant are required but can not be obtained. When completing the sole/single source documentation, SAs are urged to obtain assistance from those initiating the procurement to present as accurate and complete a picture as possible.

For further information, see the University's policy on *Non-Competitive Sole Source Procurement* in the [Administrative Policy Library](#).

10.7.4 Tax Exemption

For procurement from vendors already established under a UwPA, SAs are not required to take action to ensure the University's tax-exempt status is recognized for a particular purchase. For new vendors, however, SAs should ensure that vendors are provided with a copy of the *Exempt Organization Exempt Purchase Certificate Form* in which the University's state exempt organization number is provided. The completed form for New York State purchases may be found in the [Finance Division Forms Library](#).

10.7.5 Lost Receipts and Exception Policy

If an individual is requesting reimbursement when a receipt has been lost or proof of payment is otherwise not clearly documented, he/she must submit a supporting document explaining the situation and providing the date of the expense, the amount, and other details. Any request for reimbursement documented in this way requires supplemental approval from an authorized senior officer.

Supplemental approval is also required if a request for reimbursement does not conform to stated Columbia University policies – e.g., if the expense is not eligible for or exceeds the thresholds allowable for supplemental approval. Supplemental approval must be obtained before the request is submitted for documentation and evaluation to Accounts Payable.

If these situations relate to travel expenses, see Section 11.7 for additional requirements. For further information on supplemental approvals, see Section 9.9.4.

10.7.6 Invoice Payments

Type of invoices SAs will encounter include:

- Company invoices for equipment and services
- Phone and credit card bills
- Letter-type invoices
- Medical Service Agreements
- Subrecipient payments for subawards
- Check requests (see [Section 10.7.7](#))
- Travel & Business Expense Reports (see Section 11.2.2)
- Paperless invoices

Steps for processing invoices are laid out in detail at [Invoice Payments](#) on the Accounts Payable website. Key elements are:

- ✓ Compare the invoice to the purchase order, checking that the key items match on both forms and ensuring that the payment will be tied to the appropriate PO
- ✓ Verify that all of the items listed on the invoice were in fact received by the department in good order

- ✓ Make sure that no tax is charged on the invoice (unless it is for a hotel)
- ✓ Check the Vendor Profile in AP/CAR against the invoice
- ✓ Enter the invoice into AP/CAR
- ✓ If needing a manual approval, make sure the approver has been granted “manual approval status” by the CUMC Controller’s Office
- ✓ Follow the steps for creating a vendor if the vendor is new and needs to be entered in the system
- ✓ For existing vendors, follow the [AP/CAR User Guide](#)
- ✓ Keep a copy of the invoice and any supporting documentation and receipts for the record

For links and further details, see [Invoice Payments](#) on the Accounts Payable website.

10.7.7 Check Requests

A check request may only be used by departments for honoraria for non-CU employees, petty cash, postage, hotel and travel costs (for non-employees only), registration fees, rent (short-term), membership dues, subscriptions, student enterprises services, advertising, payment to personal service vendors, study subject payments, and/or other such miscellaneous services as authorized by the Office of the Treasurer and Controller.

Check requests should not be used for purchases that should be processed under the purchasing guidelines for supplies, furniture, equipment, services, repair, and like procurements. For forms and further details, refer to [Check Request Payments](#) on the Accounts Payable website.

Note: SAs are asked to urge vendors to sign up for direct deposit payments. This may be easily done through Accounts Payable’s [Direct Deposit webpage](#).

10.8 CHANGE ORDERS

SAs may need to change information on a purchase order for a variety of reasons, including to:

- Add/decrease (adjust) the PO value
- Modify an open commitment
- Do an account transfers or add an account
- Close/liquidate a PO
- Reconcile PO value to payment
- Make changes to shipping and billing information
- Change contract dates
- Make vendor changes

Key Links

Change Order Module User’s Guide Purchasing Forms webpage
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To take these steps, the SA must initiate a change order, which is a request to modify information on a purchase order.

A **financial change order** is a change to modify encumbrance or other accounting information. Since neither the value of the PO nor its terms are changed in such cases, the SA need not notify the vendor nor involve the Purchasing Office.

Note that **only** financial change orders are allowed on EZPOs.

Detailed instructions on how to process change orders are provided in the University's [Change Order Module User's Guide](#). Key points to keep in mind are:

- ✓ Initiate the process in the FinSys section of [myColumbia](#)
- ✓ When creating a new change order, enter a clear, valid reason to help the Purchasing Office Buyer process the order
- ✓ When increasing the value of an EZPO, increase it only to the EZPO limit of the vendor
- ✓ Make sure the PO Value equals Total Encumbrance (Open Commitment + AP Payments)
- ✓ Make sure Account totals equal Line Item totals
- ✓ Have no more than five FAS accounts on a PO
- ✓ When a PO has been overpaid, correct the value of the PO without increasing the Open Commitment; if the overpayment applies to more than one account, fix the overpayment in each individual account
- ✓ Change the "Bill To" address to another "Bill To" address via a change order if the PO is associated with a different sub-department in the department, center, or institute (if not, use the *Bill To Address Change Form* on the [Purchasing Forms webpage](#))
- ✓ If when entering an invoice in AP/CAR, the amount of the invoice exceeds the AP variance rules, create a change order to reconcile the PO value to the payment
- ✓ When a PO is no longer needed, clear the unused PO value and unspent dollar value (open commitment) (this is the same as selecting "Final Payment" when entering an invoice in AP/CAR)

Note: AP Variance is a set of rules in AP/CAR that allows users to make payments over the value of a PO by a set percentage. This could be due to extra costs such as those associated with shipping and handling. The reason for the variance rules is to match the PO Value to the amount that is being paid against that PO. For information on the rules, see the [Change Order Module User's Guide](#).

10.9 SERVICE AND VENDOR AGREEMENTS

Department chairs and administrators and their employees are typically not authorized to sign contracts and service agreements, regardless of the dollar limit. ***If a department or center would like to enter into service or vendor agreements or contracts, prior review and approval is required*** in many cases from University entities such as the CU Finance

Division and CU Office of the General Counsel. For further information, see Section 12.2.

If using U.S. government funds, all federal flow-down provisions for grants and contracts must be accounted for in any service or vendor agreement into which the University enters.

SAs must ensure that execution of agreements presents no conflict of interest as per University policy (see Section 2.3).

10.10 VENDORS

Essential elements for dealing with vendors are:

- ✓ **Local and Small Businesses:** Give maximum practicable opportunity to small business concerns, particularly those owned and controlled by socially and economically disadvantaged individuals or women (see the University's *Small Business Concerns Policy* in the [Administrative Policy Library](#), the Purchasing Office's webpage on [Using Local and Small Businesses](#), and [Purchasing FAQs](#))
- ✓ **Preferred Vendor List:** Use the vendors that have University-wide Purchasing Agreements ([UwPAs](#)) with the University (see the [Preferred Vendor List](#))
- ✓ **Vendor Classifieds:** View and search vendor information through the [Columbia Classifieds](#)

Key Links

[Administrative Policy Library](#)
[Using Local and Small Businesses](#)
[Purchasing FAQs](#)
[Preferred Vendor List](#)
[Columbia Classifieds](#)
[Purchasing Policy Guidelines website](#)
[Vendor Qualification Form](#)
[Purchasing Forms webpage](#)

With the exception of UwPA vendors, the vendors in the classifieds have not been vetted or pre-approved. The information provided is based solely on the vendors' self-certification of their capacity and status.

- ✓ **Vendor Selection for Facilities Services:** When selecting vendors for facilities maintenance and construction, follow the policy for *Vendor Qualification and Purchasing of Facilities Services*, available in the [Administrative Policy Library](#)
- ✓ **Vendor Create Function:** If unable to locate the correct vendor in the master file, or if the master file includes a vendor record with the right name but with a different address or payment type, request creation or assignment of the necessary vendor record through the [Vendor Create](#) function in the FinSys section of [myColumbia](#)
- ✓ **Vendor Questionnaires:** Have every new vendor complete an online Vendor Questionnaire, also known as a [Vendor Qualification Form](#), and inform the Purchasing Office once complete
- ✓ **Vendor W-9 Requirements:** Have U.S. vendors doing business with the University provide a completed and signed Form W-9 to Accounts Payable (see the University's

policy on *Taxpayer Identification Number Form (W9) Requirement*, available in the [Administrative Policy Library](#))

- ✓ **Foreign Entities as Vendors:** Have nonresident aliens doing business with the University provide a completed and signed Form W-8 or Form 8233 along with evidence of immigration status
- ✓ **Confidentiality:** In accordance with sound business practice, keep confidential all information supplied by vendors in their bids, quotations, and proposals
- ✓ **Vendor Performance:** Notify the Purchasing Office in the event of any problems with vendor performance, using the *Vendor Performance Report*, available on the [Purchasing Forms webpage](#)

10.11 PROFESSIONAL SERVICES AND CONSULTANTS

10.11.1 Definitions and Terms

Key Links

Consultant Policy

CU Purchasing Office

A consultant, an independent contractor, or – more broadly – a service provider is an individual retained by Columbia University for his or her specialized technical, program, or administrative expertise to work on a fee-for-service basis.

Individuals providing education-related services such as teaching, tutoring, conducting workshops, preparing curriculum, or providing other services performed by University employees, such as administrative assistance or secretarial services, are typically not considered consultants. Nor are vendors considered consultants or service providers. Questions on such definitions should be addressed to the University's [Purchasing Office](#).

Lawyers and law firms are not consultants; their retention is governed by special restrictions on hiring legal counsel. Only CU's Office of the General Counsel hires outside lawyers or law firms. See Section 12.1.2 for details.

The financial terms of any consultancy must be defined in the service agreement/contract in accordance with the guidelines in Section 7.31. Service providers are not entitled to benefits and are paid according to a contract amount, not a salary scale.

10.11.2 Essential Elements for Professional Services/Consultants

When procuring professional services, essential elements are:

- ✓ Use consultants only when the University requires special expertise
- ✓ Have consultancies approved by the sponsor if applicable and when required
- ✓ In compliance with University [Consultant Policy](#), make every effort to obtain competitive proposals/bids when the total amount to be paid to a service provider is more than \$25,000, to ensure price reasonableness and appropriate qualifications of the service provider

- ✓ When requisitioning consultancies over \$25,000, including how and why one candidate was selected over the other candidates, or, in the case where no competitive proposals/bids were obtained, provide sole/single source documentation (see [Section 10.7.3](#))
- ✓ Process service providers through the Purchasing Office for any dollar amount (with certain exceptions – see the University's [Consultant Policy](#))
- ✓ For all consultancies, have a detailed scope of work describing the services to be provided
- ✓ Obtain from all service providers a completed and signed University vendor questionnaire and survey form, and a copy of the service provider's latest resume and list of other clients, or, in the case of a company, a company brochure with a list of clients
- ✓ Follow the procedures on the [Purchasing Office website](#) both for obtaining consultant and related services and for processing payments after the services are satisfactorily completed
- ✓ Apply the University's minimum insurance requirements for contracts (see [Section 10.12](#))
- ✓ Comply with the University's conflict of interest policy (see Section 2.3)
- ✓ Have all service providers sign a service agreement/contract in the required format, which requires protection of confidential information and full compliance with HIPAA in applicable situations
- ✓ Only have a service provider begin work after the fully executed contract is in place and a purchase order number has been issued; if authorizing a service provider to begin work before either requirement is met, the chair/director must sign a non-compliance letter explaining the basis for this decision
- ✓ Ensure service providers know before traveling on University business which expenses are reimbursable, which are not, and how to properly report and document those expenses
- ✓ Obtain certificates of insurance demonstrating that the service provider holds the minimum level of insurance coverage required

10.12 INSURANCE REQUIREMENTS FOR CONTRACTS

Columbia University has insurance requirements that must be applied to all contracts entered into by Columbia University with entities that include but are not limited to: for-profit businesses supplying goods or services, not-for-profit businesses and organizations, independent consultants/service providers, students, student organizations, and other academic institutions, including research awards and subawards. Two exceptions are real estate leases and subaward agreements under sponsored projects, which are governed by separate minimum insurance requirements.

Key Links

[Minimum Insurance Requirements for Contracts](#)
[Risk Management Department](#)
[CU Purchasing Office](#)

The [Minimum Insurance Requirements for Contracts](#), issued by the Risk Management

Department, require that all contractor/vendor insurance policies be written on a primary basis and be non-contributory with any other insurance coverage and/or self-insurance carried by the University. Coverage should be provided by a carrier approved to do business in the State of New York and rated at least “A (V)” in A.M. Best's Key Rating Guide.

For most contractors/vendors, the University requires that the contract/agreement reflect a minimum level of insurance limits on four types of insurance coverage: commercial general liability, workers' compensation, business automobile liability, and, if applicable, professional liability (also known as Errors and Omissions). It also imposes additional minimum insurance requirements in areas such as professional liability, crime/fidelity, and pollution liability, depending on the nature of services being contracted.

For additional information on these and other related topics, see the [Minimum Insurance Requirements for Contracts](#) or contact the [Risk Management Department](#). Any questions or concerns about the University's Minimum Insurance Requirements for Contracts should be addressed to the [CU Purchasing Office](#).

10.13 SPECIAL PROCUREMENT POLICIES

The University has several special procurement policies covering the following topics:

- Alcohol and Alcoholic Beverages
- Animals (see [Section 10.13.4](#))
- Computer Equipment (see [Section 10.13.5](#))
- Construction and Alterations to Physical Space, Approvals (see Section 13.6)
- Demonstration Equipment and Sample Material
- Emergency Procurement
- Equipment and Equipment Screening (see [Section 10.13.1](#) and [Section 10.13.2](#))
- Errors in Bids/Quotations/Proposals
- Late Bids/Quotations/Proposals
- Narcotics
- Photocopiers
- Plaques and Memorials
- Private Practice Accounts (see Section 3.11)
- Radioactive Material and Equipment
- Terms and Conditions
- Upholstered Furniture
- Vehicles (see [Section 10.13.3](#))

Key Links

[Purchasing Policy Guidelines](#)
[\\SDOS\CFO\payroll\DA Manual\13-Facilities\13-6.doc Sponsored Projects Handbook](#)
[Administrative Policy Library](#)
[CU Purchasing Office](#)
[Procurement Services](#)
[Risk Management Department](#)
[Finance Division Forms Library](#)
[Institute of Comparative Medicine](#)
[Computer Purchasing webpage](#)

The policies are available in the University's *Purchasing Policy and Procedure Guidelines*, which may be found at the "General Purchasing" link on the [Purchasing Policy Guidelines website](#). Those most important to CDM SAs' responsibilities are discussed further in this subsection.

10.13.1 Purchase Requisitions Greater than \$10,000

All Purchase Requisitions greater than \$10,000 and charged to a private practice account (Ledger 3 designation) require the approval and signature of the CDM Associate Dean of Finance or his/her appropriate representative before they can be processed by the Purchasing Office. Requisitions submitted without prior approval will not be processed. See the University's *Purchasing Policy and Procedure Guidelines*, available through the "General Purchasing" link on the [Purchasing Policy Guidelines website](#).

For procurement of capital (major) equipment, approval by Sponsored Projects Administration is required in certain cases and must be obtained prior to submitting the requisition to the Procurement Office. This approval is required for (1) all requisitions for capital equipment that are for federally funded projects and total more than \$10,000, and (2) requisitions in any amount for permanent or capital equipment that are for a non-federally funded project. For more information, see the [Sponsored Projects Handbook](#) and [Section 10.13.2](#) below.

10.13.2 Capital (Major) Equipment

Capital equipment, also called permanent equipment or major equipment, is defined as an item having a unit value of \$5,000 or greater as well as a useful life of two or more years. Calculation of the unit value must include all items of cost associated with the acquisition of equipment, such as shipping and installation costs.

U.S. government regulations impose a number of special accountability requirements applicable to capital equipment, as laid out in the University's policy on *Management and Accounting for Moveable Capital Equipment*, available in the [Administrative Policy Library](#). As noted in [Section 10.13.1](#) above, prior approval by Sponsored Projects Administration is required for certain requisitions for capital equipment.

Purchase of capital equipment is generally done through a central purchase order and should follow the regular procurement procedures, as laid out on the [Purchasing Office's webpage](#). Items with a unit value of \$5,000 or greater must be charged as capital equipment to sub-codes in the 61xx range; equipment items with a unit cost below this threshold are considered minor equipment or supplies and must be charged to sub-codes in the 62xx or 21xx range.

Equipment purchased with non-government funds or acquired through a gift or donation is considered University equipment. A gift or donation must be reported at the fair market value as of the acquisition date.

For information on management of capital equipment, see Section 9.20, which covers property management responsibilities, inventory, insurance, loss, and disposition.

10.13.3 Procurement of Vehicles

If a department, center, or institute wishes to acquire a vehicle, this must be done in close consultation with the University's [Procurement Services](#) and [Risk Management Department](#). Department Administrators must ensure adherence to University policies and procedures, including those laid out in the *Vehicle Acquisition, Operation & Disposal Policy*, available from the [Administrative Policy Library](#). Essential elements are:

- ✓ Comply with University procurement practices when acquiring a vehicle
- ✓ Prior to purchase and registration of a vehicle, complete and submit to Risk Management a *New Vehicle Registration Request* (see [Finance Division Forms Library](#))
- ✓ Consider buying a hybrid vehicle, which is encouraged by the University
- ✓ When scheduling a vehicle purchase, allow three to five business days for Risk Management to obtain an insurance identification card and produce tax-exempt documentation for the New York State Department of Motor Vehicles
- ✓ Register and title the vehicle in the name "Trustees of Columbia University in the City of New York"
- ✓ If in use in North America, register the vehicle to the street address of the University's Risk Management offices
- ✓ If purchasing a vehicle through a dealership in New York State, confirm that Risk Management has completed the NYS MV-82 form
- ✓ Update Risk Management on the inspection status of the vehicle, including the inspection sticker number and expiration date
- ✓ If there is a major change in the status of or information regarding a vehicle (e.g., when a new contact person begins handling a department's vehicle coordination or if there is a new account to charge for insurance premiums), complete the *Reporting Change of Vehicle Information Form* (see [Finance Division Forms Library](#))

For details on the University's vehicle insurance requirements, see Section 11.9.3.

Also of note when the department, center, or institute has a vehicle are:

- Risk Management will charge the responsible department, center, or institute for vehicle insurance on a quarterly basis and for registration renewal fees on an annual basis.
- The department, center, or institute is responsible for paying in a timely fashion any fees from violations associated with the vehicle.

10.13.4 Procurement of Animals

Animals are a restricted item requiring approval prior to purchase. All procurement must be done through the [Institute of Comparative Medicine](#) (ICM), so that the purchase is made under the supervision and assistance of a qualified veterinarian, pursuant to federal law. The Institute of Comparative Medicine in turn submits requisitions for animals to the CU Purchasing Office. SAs whose departments, centers, or institutes conduct animal research should be thoroughly familiar with this process. See Section 5.14.4 for details.

10.13.5 Procurement of Computer Hardware and Software

The topic of procurement of computer hardware and software is covered in this manual in Section 14.5. In addition, CUMC IT has purchasing guidelines on their [Computer Purchasing webpage](#). All computer purchases need approval from the CDM Information Technology group. Authorization can be accomplished by emailing a request to sdos@columbia.edu.

Note that if a sponsored project budget includes funds for procurement of computer hardware or software, the funding agency will require a justification explaining the use of the equipment *vis-à-vis* the project activities to be carried out. The justification must also assure the agency that the computer equipment will be used exclusively for the research. See the [Sponsored Projects Handbook](#) for more information.

10.13.6 Product and Medical Equipment Recall

The University has an established policy on its *Product and Medical Equipment Recall / Safety Advisory Process*, available through a link on the [Purchasing Policy Guidelines website](#). Its purpose is to ensure that products and equipment that have been recalled by a vendor or otherwise cited for safety hazards are removed from or placed out of service and properly disposed of, and that appropriate substitute products are obtained. Key elements are:

- ✓ Date stamp any official recall notice received, and direct it to the Purchasing Office within 24 hours of receipt
- ✓ Work closely with the Purchasing Office throughout the recall and replacement process
- ✓ Upon receipt of a recall notice, promptly follow the notice's official instructions, consulting with Environmental Health & Safety (EH&S) and Environmental Health & Radiation Safety (EH&RS) as needed
- ✓ Report to the Purchasing Office and EH&S or EH&RS all actions taken with respect to the recall notice and respective product disposition

- ✓ Contact the vendor to arrange for appropriate product replacement, or contact the Purchasing Office for assistance
- ✓ Keep complete records concerning recalls in the respective vendor files

10.13.7 Personal Purchases

Purchase of equipment, furniture, or any item for personal use through the University's Purchasing Office is prohibited as, among other things, it violates sales tax regulations. Also prohibited are purchases for personal use through University contracts that do not expressly provide for personal purchases as approved and executed by the Purchasing Office.

Consistent with this policy, p-cards may not be used for personal purchases of any kind. Furthermore, petty cash may not be used for personal loans and purchases, nor for cashing of personal checks.

Violators of this policy may be subject to discipline by the University, including termination of employment.