

## Procurement Policies and Procedures for Departments

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## 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 Procurement Mission and Objectives

The responsibility for the purchase of all products, supplies, furniture, equipment, vehicles and services at Vanderbilt University is divided between two organizations: **Procurement Services** and **Medical Supply Sourcing**. Although reporting to different organizations and assigned different responsibilities, all core systems, methods, policies and procedures remain common. For the purposes of this policy and procedures manual, the term "Procurement" will include both Procurement Services (university central) and Medical Supply Sourcing (Vanderbilt University Medical Center and Clinics) unless specifically noted otherwise.

Procurement 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 Procurement 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.

Procurement'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. Procurement Services:

- Provides leadership through contract negotiation, supplier management and conversion to 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 Procurement

**Procurement Services** is a department in Finance and reports to the Associate Vice Chancellor for Finance for the university. The Vice Chancellor for Finance and Chief Financial Officer (CFO) of the university has delegated specific responsibilities for the administration of procurement policies and procedures to the Director of Procurement Services.

The authority to make purchases from allocated departmental budgets for services or materials is delegated to Procurement Services 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 Finance (VUMC) or Contract and Grant Accounting (university central) before being processed by Procurement Services.

**Medical Supply Sourcing** is a department of the Medical Supply Chain organization which reports to the Chief Supply Chain Officer for the Vanderbilt University Medical Center. The Vice Chancellor for Finance and Chief Financial Officer (CFO) has delegated specific authority to Medical Supply Sourcing for the administration of procurement policies and procedures related to the purchase of clinical patient supplies, clinical patient services and medical equipment for the Clinical Enterprise.

Since these purchasing responsibilities are centralized in Medical Supply Sourcing, departments should not be independently negotiating or signing supplier contracts without consulting Medical Supply Sourcing.

The authority to make purchases from allotted departmental budgets for services or products is delegated to Medical Supply Sourcing by the signature of the departmental administrator on the Purchase Requisition. Approval to spend budgeted funds may be subject to prior approval based on the scope of the purchase. All purchase requests are required to follow the established procedure for introduction of new products, technology or services established through the Medical Economics Outcome Committee (MEOC) when appropriate.

Procurement Services and Medical Supply Sourcing have 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
- 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 Procurement Services Organization

### Procurement Services

Procurement Services is the primary organization responsible for the purchase of all general supplies, furniture, equipment, vehicles and services for the university central campus and School of Medicine research laboratories.

All Vanderbilt University Medical Center non-clinical product and service contracts, general maintenance, repair and operations supplies (MRO) and facility maintenance service contracts are also managed by Procurement Services. The following products and services are managed by Procurement Services:

- Capital Equipment purchases / leases and service contracts (non-clinical)

- Consultants, Contractors and Professional Services (non-construction related)
- 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)
- Telecommunications products and services
- Travel services and university event contracts
- Vehicles and transportation services
- Waste management, recycling services

### **Procurement Services office**

110 21<sup>st</sup> Avenue South  
Suite 1110, Baker Building  
Nashville, TN 37203-2406  
Phone: 615.322.2911  
Fax: 615.343.6468

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

### **Procurement Sourcing Personnel Assignments**

Both Procurement Services and Medical Supply Sourcing departments use the same structure for managing contracts, commodities, suppliers and purchase order processing. There are three distinct personnel assignment classifications:

- **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.
- **Administrative Assistants** – These Procurement team members perform a vast array of tasks including the preparation work on incoming requisitions, requisition quality audits, SPO processing, PO requisition data entry and document imaging.

### **Website**

The Procurement Services website contains comprehensive information about Procurement Services operations including approved suppliers, contract programs, organizational structure, Procurement personnel contact information, commodity support assignments and information for suppliers. The website address is: <http://www.vanderbilt.edu/procurement/>

## Medical Supply Sourcing

The Medical Supply Sourcing department is a functional organization reporting to the Chief Supply Chain Officer for Vanderbilt University Medical Center. Medical Supply Sourcing purchases all clinical patient supplies, medical and surgical supplies, clinical capital equipment and all related clinical services for Vanderbilt University Medical Center and clinics. The following products and services are managed by Medical Supply Sourcing:

- Ambulance services
- Clinical patient supplies
- Clinical gases
- Clinical distribution services
- Clinical capital equipment purchases / leases & equipment services
- Clinical engineering services
- Environmental services
- GPO contract management
- Hospital nutrition, cafeteria and retail services
- Laser services
- Life Flight operations support
- Linen services
- Medical & bio-hazardous waste
- Medical & surgical supplies
- Medical laboratory supplies
- Transcription services

The Supplier Liaison Office reports to Medical Supply Sourcing and resides in the Medical Supply Sourcing office located in The Vanderbilt Clinic (TVC-706).

Although the Medical Supply Chain is a functional organization within VUMC, all core systems, methods, policies and procedures are common between Medical Supply Sourcing and Procurement Services. These common systems and methods include the existing purchase requisition process, eProcurement, the Pcard program and invoice processing by Disbursement Services.

### Medical Supply Sourcing office

Vanderbilt University Medical Center  
B706B TVC  
Nashville, TN 37232-5672  
Phone: 615.322.5654  
Fax: 615.343.4405

### Website

The Medical Supply Sourcing website address is organization and contact list is at: [Medical Supply Chain](#)

## 1.4 Procurement Functions

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

- Review, process and issue Purchase Orders (PO)
- Prepare and issue PO change orders
- Reconcile PO invoice discrepancies
- Prepare and issue Requests For Proposals (RFP)
- Determine optimal ordering method to meet requirements at lowest possible cost
- Support the deployment and use of the Purchase Card (Pcard) program

- Analyze quotations and proposals
- Evaluate and select suppliers
- Evaluate performance of suppliers and related competencies / training requirements
- Manage general use supplier programs for the entire university (office supplies, etc.)
- Negotiate and review contracts
- Terminate contracts
- Maintain VandyConTracs contract management system
- Participate in development of customer project specifications and standards
- Negotiate and execute equipment leases and rentals for the central campus and School of Medicine
- Conduct training sessions for Procurement 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 PeopleSoft APPO system
- Administer eProcurement system
- Assist in audits and reviews
- Represent Vanderbilt University at trade shows and educational procurement conferences

## 1.5 Issuing Office for Vanderbilt University

Procurement Services / Medical Supply Sourcing shall be the point of origin at Vanderbilt University for all information pertaining to on-going and future general purchasing contracts, processes and policies. Procurement Services / Medical Supply Sourcing 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.
- Procurement Services is the centralized clearinghouse for responding to supplier and public questions, inquiries regarding specific projects or general questions concerning procurement activities at the university. Medical Supply Sourcing performs this same function for VUMC.
- Campus Planning & Construction and VUMC Space & Facilities Planning have special delegated authority to negotiate and manage all contracts with architects, construction contractors and consulting engineers. Both department also issue purchase orders for capital construction projects.



## 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).

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](#)

Unless specifically named in the policy, department staff do not have the authority to enter into and sign contracts with suppliers.

#### **NOTE:** Contract signature authority is not the same as requisition signature authority.

Departments have delegated authority to commit budget dollars for specific centers. The Privilege Management System Signature Authority lists individual's spending limits by center.

#### Privilege Management

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

Procurement Services 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. 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 Procurement Services, Medical Supply Sourcing or the General Counsel's office for guidance.

### 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 Medical Center Compliance Office by calling 615-343-2777 or using the confidential Help Line at 615-343-0135. 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.

[False Claims Act](#)

### 2.4 Ethics

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

- 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.

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

## 2.6 Gifts and Gratuities

The university's Conflict of Interest Policy addresses Gifts and Gratuities in Article II, Section C for the university and Vanderbilt University Medical Center.

**Gifts from the Health Care Industry - NO GIFTS**, of any amount, may be accepted by individuals from suppliers of pharmaceuticals, medical equipment and devices, or medical service suppliers (hereafter referred to as the Health Care Industry) or their agents. This includes, but is not limited to, companies currently engaged in or proposing to do business with Vanderbilt, a list of which is provided here: <http://vanderbilt.edu/compliance/vendors.php>

## 2.7 Personal Purchases

Because of the tax-exempt status of Vanderbilt University, Procurement Services 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.

The Human Resources department manages a separate program offering discounts to employees as a benefit program of the university. Procurement Services 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 Matrix

The purchase of products and services at Vanderbilt University is accomplished through a variety of different procedures. These procedures are designed to address the great differences in complexity, value, risk and transaction volumes associated with our purchases. The advent of the internet and electronic commerce technologies makes it possible for our departments to shop and order their most commonly purchased products online, greatly reducing the entire process cycle time. The introduction of the Procurement Card, (Pcard) has made purchasing from retailers and local suppliers more efficient. The list below describes the current purchasing methods:

1. **eProcurement** – Vanderbilt's electronic shopping and purchasing system for most products up to \$25,000. Shop from a choice of: hosted Vanderbilt eCatalog, Vanderbilt-specific supplier online stores or send manually created form orders to over 2,500 approved suppliers.

2. **Purchase Order (Requisitions)** – Paper forms used to purchase all complex purchases that meet the following requirements:
  - Products and services from suppliers not in eProcurement or over \$25,000
  - Capital equipment over \$5,000
  - Professional Services
3. **PMM (Pathways Material Management) Purchase Orders** – Clinical enterprise ERP system used to order inventoried medical / surgical supplies
3. **Procurement Card (Pcard)** – university credit card to be used for low-dollar, discretionary transactions with local retailers, internet companies and travel related services. *Pcards cannot be used to purchase medical / surgical supplies.*

Purchase Transaction Method	Primary Transaction Types	Limits	Comments	Purchase Order Number Formats
Purchase Order Requisition "A" REQ	High dollar complex purchases, leases, restricted materials, services, blanket orders	Limits are determined by department and university policies	For suppliers not in eProcurement and transactions over \$25,000	10 digit PO number 50ZZXXXXXX "ZZ" is the fiscal year
Purchase Order Requisition "C" REQ	Capital equipment >\$5,000	Specific policies for VUMC and SOM	See specific policies for Capital	10 digit PO number 50ZZXXXXXX "ZZ" is the fiscal year
Purchase Order Requisition "S" REQ	Independent Contractor / External Consultant services	Must be used for all Consultant contracts	See specific policies for Consultants	10 digit PO number 50ZZXXXXXX "ZZ" is the fiscal year
eProcurement	High volume products, supplies and services	Approved suppliers in eProcurement system. Orders <\$25,000	Online primary method for ordering most supplies, products and services	10 digit PO number 50ZZXXXXXX "ZZ" is the fiscal year
Purchase Card (Pcard)	Non-contract, local and retail spending; travel	Spending limits vary by department and card holder	Replacing SPO program	None
PMM Orders	Purchase orders for clinical supplies	Limits are determined by VUMC policies	Only used for inventoried clinical supplies	7 digit PO number 6XXXXXX

### 3.2 eProcurement

eProcurement is Vanderbilt's electronic shopping and purchasing system that enables the online creation and submission of requisitions. Products are selected from either a hosted online catalog ("eCatalog") or by shopping directly from a supplier's Vanderbilt-specific web site. Requisitions may also be created by manually entering product and other order information for purchases from over 2,500 suppliers approved for eProcurement. Based on the center number(s) used and dollar amount on the requisition, eProcurement automatically routes the electronic requisition to the appropriate department administrator for approval and ultimately transmits the purchase order to the supplier.

eProcurement is considered the primary method for ordering most commonly used products and supplies for orders up to \$25,000 in total value. eProcurement cannot be used to purchase restricted materials or from suppliers not listed as authorized for eProcurement.

More detailed information on eProcurement and how to get access and training is available at: [eProcurement](#)

### 3.3 Requisitions and Purchase Orders

**Purchase Requisitions** are paper forms used by departments to submit their request to Procurement Services or Medical Supply Sourcing to purchase the supplies, equipment or services desired. In addition to descriptions of the needed items or services, this form contains supplier information, delivery requirements and locations, budget charge account and centers, and approval signatures required by Procurement to create and issue a Purchase Order to the supplier.

**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 Procurement Services and Medical Supply Sourcing have the authority to issue Purchase Orders for the university. Purchase Orders created from Requisitions are processed using the PeopleSoft APPO system.

There are three standard Requisition forms used. Use the link below to see samples of each form:

1. **Regular Purchase Requisition "A" REQ (60-005-803)** most common use is for the one-time purchase of any goods or services. If approved by Procurement, the Purchase Order form may be used as a Blanket Order. This type of order has a definitive expiration date and dollar amount for each transaction but does not constrain the number of items to be purchased from a single supplier. Such orders generally apply constant discount percentages across a breadth of products. Easy to follow instructions for completing regular "A" Requisitions is available at this link: ["A" Requisition Instructions.doc](#)
2. **Capital Equipment Requisition "C" REQ (60-002-411)** – For the purchase of all capital equipment over \$5,000 in value. Capital REQs require prior approval from the appropriate Finance Department prior to submission to Procurement Services.
3. **Services, Professional Services / Consultant Requisition "S" REQ (MC 2995)** For the purchase of Professional Services from Consultants and other professionals. Trade Services are purchased using the standard "A" requisition form.

[Sample Purchase Order Requisition Forms](#)

**Purchase Order Numbers** – PO Numbers are 10 digit numbers beginning with "5" **"50ZZXXXXXX"** where "ZZ" represents the last two digits of Vanderbilt's Fiscal Year (Fiscal Year is 7/1-6/30) and "X" represents sequential numbers. PO Numbers are used for all orders processed through PeopleSoft APPO including all paper-based orders and eProcurement POs.

Once a Purchase Order has been approved, it is transmitted either by secure electronic means or by fax to the Supplier. Only Procurement is authorized to assign a Purchase Order number to a requisition.

**Requisition forms will be returned if not completed correctly, if incomplete, or if the proper signature is not provided.**

**IMPORTANT: A Purchase Requisition is NOT a Purchase Order.** A Requisition does not have any legal authority and it can not be used by departments to place orders to suppliers. The Requisition Number is **NOT** the same as a Purchase Order Number. The Requisition Number 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 Disbursement Services and will be rejected back to the supplier. A Purchase Order must be issued against the approved Requisition by Procurement Services or Medical Supply Sourcing.

### **3.4 PMM Purchase Orders**

PMM (Pathways Materials Management) is the primary purchasing system used by clinical enterprise departments to order medical / surgical supplies and other inventoried consumable products. PMM is used for all purchasing activity either by an authorized user in the department or on behalf of the department by the Medical Supply Sourcing. Authorization for using PMM must be obtained from the Manager of Information Systems for Medical Supply Chain.

PMM Purchase Order Numbers are 7 digit numbers starting with "6" "6XXXXXX" with X representing sequential numbers.

Any purchase order created in PMM for the procurement of bone, tissue or implants will have the 7 digit or 9 digit number followed by the appropriate suffix: **bon/tis/imp**.

### **3.5 Purchase Credit Card (Pcard)**

Vanderbilt University has established a Procurement Card Program to provide expanded convenience and controls for low dollar purchases, and to establish a payment methodology that will support future procurement applications. The Procurement Card (Pcard) is an institutional credit card designed to give controlled buying power directly to the departments thereby eliminating many Purchase Orders, SPOs, Check Enclosed Orders, and university and Medical Demand Check requests.

U.S. Bank MasterCard is the provider of the Vanderbilt University Procurement Card. MasterCard is readily accepted by most suppliers and retailers and is a convenient purchase and payment tool for low dollar purchases. The Pcard program is administered by Treasury.

Under no circumstances should a Pcard be used to purchase medical / surgical supplies. Exceptions to this policy must be approved by the Chief Executive Officer of the medical facility and confirmed in writing.

Pcards are issued in the employee's name. However, under no circumstances should a Pcard be used for personal purchases.

More detailed information on the Pcard program and how to get access and training is available at: [Pcard Program](#)

### **3.6 Small Purchase Order (SPO) (discontinued 1/1/2012)**

The Small Purchase Order (SPO) was a limited, pre-approved Purchase Order used to make purchases of less than \$500 (including shipping charges). This purchasing method was discontinued as of January 1, 2012.

### **3.7 Purchase Order Changes**

Requests for cancellation or modification of Purchase Orders must be submitted to Procurement Services in writing (email is acceptable) by an authorized department representative stating the reason for the change, as well as, referring to the Purchase Order number and the supplier involved. This policy particularly applies to those circumstances where increase in the dollar amount of the order is required. Written approval for increases in PO amounts must be from an authorized individual who has sufficient spending authority for the Account and Center number(s) of the Purchase Order as confirmed by the Privilege Management System. 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. Revised Purchase Orders will be issued to the supplier to confirm the authorized changes.

### **3.8 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 eProcurement 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.

### **3.9 Purchase Order Terms and Conditions**

All Vanderbilt Purchase Orders including eProcurement orders have standard terms and conditions that are designed to protect Vanderbilt's legal rights in transactions with suppliers. Only Procurement Services and Medical Supply Sourcing have the authority to change or waive any standard PO terms and conditions including payment terms. Our current PO terms and conditions also include specific language requiring suppliers to comply with HIPAA requirements.

Click on the link for the latest version: [Purchase Order Terms & Conditions](#)

### **3.10 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, \$4,000,000 aggregate and \$1,000,000 property damage or \$2,000,000 combined single limit.

C. Automobile bodily injury and property damage liability insurance when the services to be performed require the use of motor vehicles. Such insurance shall be secured from companies licensed to do business in the State of Tennessee. The limits shall be no less than \$500,000 each incident, \$1,000,000 aggregate bodily injury and \$250,000 property damage.

D. 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.

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

### 3.11 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: **622110** – General Medical and Surgical Hospitals
- SIC Code: **8221** Colleges, Universities and Professional Schools

## 4.0 Receiving Process

Delivery of requested products or services marks a transition in the Purchase-to-Pay process from a purchasing activity to a payables activity. All purchases must be "received" to release payment to the supplier. 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 Procurement or Disbursement Services and requests a hold on payment.

## 4.1 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.

### PMM Orders

Clinical supply items ordered using Pathways Materials Management (PMM) must be received (create a receipt) within PMM upon delivery. This receiving process is required to release payment and maintain accurate inventory counts.

### 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: Departmental Record Retention Guidelines for Financial Documents](#). The need for saving receiving documents is particularly important when accepting any partial or staggered deliveries over a period of time.

## 4.2 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

Once the invoice has been entered by Disbursements Services, the department should compare the purchase order to the Departmental Invoice Report (DIR) to determine if the invoice charges are correct.

In case of any invoice discrepancies, Disbursement Services should be contacted to place a "hold" on the invoice. Departments may obtain a copy of their purchase order information and the DIR through the APPO Report in Business Objects.

### **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 appropriate Purchasing Agent whenever a purchase is received as a partial delivery without 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 and 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.

### 4.3 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.

### 4.4 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 and/or Purchasing Agent in a timely manner will mean the shipment will be considered "accepted."

#### **Notifying the Purchasing Agent for Items Placed on Payment Hold**

Procurement Services requires all purchase orders over \$25,000 for tangible products be placed on payment hold pending written acknowledgement from the department that the products were received and accepted.

#### **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.

#### **Tagging Fixed Assets**

Following acceptance of capital items, departments are to ensure that Asset tags are affixed to capital equipment as provided by the university central or medical center equipment management offices in accordance with the [Vanderbilt Asset Capitalization Procedures](#).

### 4.5 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 is sometimes 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.

#### 4.6 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 an agreement unless explicitly authorized by the [Delegation of Authority policy](#).

## **5.0 Purchase Order Types**

### **5.1 Service Agreement Orders**

Service 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 Agreement orders are initiated using a Regular Purchase Requisition Form (A-REQ). All supplier maintenance agreements should be attached to the requisition for review and execution by Procurement Services. Any request for maintenance service should receive prior review and approval from proper personnel within the department before forwarding to Procurement Services.

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.

### **5.2 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. eProcurement has largely eliminated the need for most blanket purchase orders as eProcurement orders take less time to transmit to suppliers and their electronic format insures more accurate shipments and invoicing, reducing payment discrepancies. Because eProcurement is now the primary method to order most products and supplies, Procurement Services will issue new blanket orders only on an exception basis.

The PMM system is the primary method for ordering medical and surgical supplies. Blanket orders for the purchase of medical or surgical supplies will only be permitted on an exception 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. Prior to the start of each new fiscal year, Procurement Services will prepare renewal requisitions for orders set to expire on June 30. These requisitions will be routed to the department for their review, update, and signature. Procurement Services does not prepare requisitions for orders expiring at times other than June 30. In certain instances, it will be practical to establish a blanket order for more than one year. Should such a potential exist, contact Procurement Services for approval and instructions on how the request should be made when submitting the purchase requisition.

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. Using eProcurement avoids most of the invoice problems associated with blanket orders.

### 5.3 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 eProcurement or a Pcard. 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 Procurement Services.

To initiate an emergency purchase, the authorized person in the department may call Procurement Services 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 sent to Procurement Services, using the normal approval 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 Procurement, the name of the Purchasing Agent who issued the purchase order, the date issued, and the words "Confirmation Only, Do Not Duplicate" typed on the form.

### 5.4 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.

**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 Procurement Services or the Administrative Director of Medical Supply Sourcing 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 should accompany the purchase requisition sent to Procurement Services. Procurement Services tracks all leases using the VandyConTracs contract management system.

## 5.5 Procedures for Negotiating & Processing Leases

### Negotiation of Purchase Price and Acquisition of Equipment

The negotiation of the price and term & conditions for equipment to be leased is usually done jointly by the capital equipment Purchasing Agent in either Procurement Services or Medical Supply Sourcing in conjunction with the requesting department. In all cases, departments must submit a Capital Purchase Requisition ("C" REQ) to their respective Finance Department for financial review and approval. Once this written approval has been received, the department routes the requisition and the lease agreement documents to Procurement Services or Medical Supply Sourcing for processing.

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

**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).

### Hospital (VUH and VCH), The Vanderbilt Clinic and School of Medicine Leases

The Hospital may only enter into operating leases.

For all leases, a purchase order will be generated and signed by the Director of Procurement Services or the Administrative Director of Medical Supply Sourcing.

### University Central Departments

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 Procurement Services.

### **Lease - Purchase Order Procedures**

For most equipment leases the Capital Equipment "C" REQ is used. All lease REQs must be signed or stamped by the appropriate Finance Department prior to submission to Procurement Services. Lease requisitions received without Finance approval will be returned to the department.

For equipment leases that also have a related supplies agreement such as copiers, a separate "A" REQ must also be submitted to cover the annual charges for supplies such as toner and copy charges.

Both the lease and supply Purchase Requisitions are to be authorized for the full lease period, not on a year to year basis.

### **Lease - Notification of Termination**

Departments will receive automatic email notifications prior to the lease expiration date. The department will receive specific emails notices addressed to the appropriate department contact as documented on the Purchase Order Requisition. A total of four (4) email notices are sent 90 days, 60 days, 30 days and 15 days prior to the expiration of the lease.

### **Return of Equipment and/or Review of Purchase Options**

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 equipment is not returned to the Lessor before the expiration date of the lease, the department is still contractually liable for the month to month 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.

The department must take one of three possible actions:

- The leased equipment must be returned to the Lessor or their designated assignee
- 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
- 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.

## **6.0 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 Procurement 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 Procurement Services prior to signature.



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

Contracts for the purchase of clinical patient supplies, medical services and medical equipment are to be reviewed by Medical Supply Sourcing.

Contracts related to grants or programs for VUMC Medical Research are to be reviewed by the [Office of Contracts Management](#)

Contracts related to grants or programs for academic projects are to be reviewed by the office of Grants and Contracts Accounting (GCA) through the [Division of Sponsored Research](#)

Contracts with architects, consulting engineers and construction contractors are managed by the Campus Planning & Construction and VUMC Space & Facilities Planning departments.

Procurement Services and Medical Supply Sourcing review 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.

### 6.1 Standard Contract Templates

Procurement Services 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:

<b>CONTRACT TEMPLATE</b>	<b>APPLICATION</b>
General Purchase Agreement	For most products and services
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 <sup>rd</sup> parties where 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
HIPAA Business Associates Agreement (BAA)	Required contract for all suppliers who will have access to Protected Health Information (PHI) in the course of performing their services

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	Comprehensive agreement for licensing software
Surplus Equipment Agreement	Contract to be used when selling Vanderbilt-owned equipment to a 3 <sup>rd</sup> 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 product.

## 7.0 Capital Equipment Purchases

### 7.1 Capital Equipment

Vanderbilt defines capital movable equipment as an article of nonexpendable tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Movable equipment consists of assets not intended for resale. Movable equipment includes industrial and office equipment and tools, laboratory equipment, furniture, fixtures and vehicles.

A link to the university's capital equipment policy is included here to further define 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. [Vanderbilt Asset Capitalization Procedures.](#)

### 7.2 Capital Equipment Requisition Process

#### Negotiation of Purchase Price and Acquisition of Equipment

The negotiation of the price and term & conditions for equipment to be purchased is usually done jointly by the capital equipment Purchasing Agent in either Procurement Services or Medical Supply Sourcing in conjunction with the requesting department. In all cases, departments must submit a Capital Purchase Requisition ("C" REQ) to their respective Finance Department for financial review and approval. Once this written approval has been received, the department routes the Requisition and the Purchase Agreement documents to Procurement Services or Medical Supply Sourcing for processing.

Requests for equipment purchases with an individual cost of \$5,000 or more must be submitted to Procurement Services on a Capital Equipment Requisition form (C-REQ) (#60-002-411). Capital requisitions require prior review and approval by the appropriate Finance or Administrative Department before they can be submitted to Procurement Services. Capital requisitions that do not have the appropriate approvals from the Department of Finance will be rejected back to the department. In the Clinical Enterprise, all capital quotes need to be submitted to Medical Supply Sourcing for cost benchmarking prior to seeking the appropriate authorization signatures. This should be done in a timely manner to allow for the appropriate due diligence to be performed.

Artificial deadlines imposed by suppliers will not be honored. Capital requisitions are to be routed to Finance for review / approval according to the Center Number:

### **Research/School of Medicine**

Capital equipment requisitions must be routed to VUMC Finance for final approval before sending the requisition to Procurement Services:

Center Number

**1-04** – Capital Reqs over \$25,000

**1-30** – Capital Reqs over \$25,000

**3-04** – Capital Reqs over \$25,000

**3-05** – Capital Reqs over \$25,000

**4-04** – All Capital Reqs (\$5,000 & up)

**4-20** – Capital Reqs over \$25,000 must be reviewed and approved by the Office of the Dean.

**8-04** – Capital Reqs over \$25,000

### **Hospital (includes VUH and VCH)**

7. Capital equipment requisitions must have VUMC Finance's approval stamp and the signature of the appropriate hospital administrator according to the [Delegation of Authority policy](#) before sending the requisition to Procurement Services:

Center Number

**4-01** – Regular Capital Reqs (\$5,000 & up)

**4-09** – Regular Capital Reqs (\$5,000 & up)

**8-01** – Regular Capital Reqs (\$5,000 & up)

**8-04** – Regular Capital Reqs (\$5,000 & up)

**8-09** – Regular Capital Reqs (\$5,000 & up)

All Capital Requisitions submitted by Space & Facilities Planning DO NOT need VUMC Finance's stamp.

### **Capital Equipment Specifications Guidelines**

Due to the cost and complexity involved with many capital purchases, it is recommended that departments follow the process guidelines below:

1. A concise description of the equipment and its 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 attachments
4. Any special required tooling or utility preparation, and at whose cost
5. Energy efficiency guidelines
6. Computer system and operating software requirements, licenses and service maintenance agreements

7. General information on standards, warranties, patent clauses, schematic drawings, operating and maintenance manuals, spare parts lists and availability, installation, and timeliness of delivery
8. Conditions of equipment acceptance and rejection

### **7.3 Capital Equipment Cost**

Capital Equipment cost is the net invoice price of the equipment, including the cost of modifications, attachments, accessories or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired or fabricated.

Under Vanderbilt policy, ancillary charges such as duty, transportation, protection in-transit insurance, installation charges and are intended to be included in the capital equipment cost.

If an item of Capital Equipment is acquired by trading in another item, equipment cost is determined by adding the net book value of the trade-in plus the additional outlay. The appropriate center will be charged only for the cash outlay; the fixed assets system will record the gross cost of the equipment.

### **7.4 Enhancements**

Capital Equipment is considered to be enhanced if a replacement part or any modification to the Equipment materially increases its value and/or extends its useful life. Items meeting this definition and capitalization standards of cost and useful life should be recorded as part of the original item and its equipment tag number must be recorded on the Purchase Requisition when acquiring an enhancement item.

Enhancement items should not be confused with replacement items necessary to repair a piece of equipment. Repair items should be recorded as a repair and replacement expense.

In cases where the repair/replacement part is of a type other than that originally acquired and the replacement will materially enhance the performance and/or the life of the Equipment, then the replacement part should be considered as an enhancement rather than a repair and be accounted for accordingly if it meets the capitalization standards of cost and useful life.

### **7.5 Computer Purchases**

For initial personal computer purchases, the following items will be considered as one unit:

System unit including disk-drive(s), emulation board, internal/external modems, memory expansion board, co-processor, expansion chassis, cables, additional chips, keyboard monitor and operating system software.

If the following items are acquired at an individual cost of \$5,000 or more after the initial purchase of a computer, they will be considered ENHANCEMENTS and coded as equipment:

1. additional disk drives (including replacements if they provide enhancement)
2. emulation board
3. internal/external modems
4. memory expansion board
5. co-processor
6. expansion chassis
7. keyboard
8. monitor

Software will be considered Capital Equipment if acquired at a cost of \$5,000 or more per unit and has a useful life of one year.

## **7.6 Conditions of Acceptance**

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, an additional condition of acceptance should be that total payment, or a portion thereof, for the item will be deferred until the user is satisfied that the new equipment will perform as expected. The agreement should clearly define what constitutes performance and how tests to verify performance will be conducted.

## **7.7 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 should be processed using the regular Purchase "A" Requisition form. 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 on a Capital Equipment "C" Requisition form.

## **7.8 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 Equipment "C" Requisition form and the equipment agreement to Procurement Services detailing the terms and conditions of the program. Departments are to include the value of the equipment on the requisition to determine the authorizing signature and the level of insurance coverage Vanderbilt must provide. Procurement Services 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 eProcurement or regular purchase orders. Departments are strongly encouraged to consult with Procurement Services first before engaging in equipment agreement negotiations.

## 7.9 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 Procurement Services 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 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 eProcurement or regular purchase orders. Departments are strongly encouraged to consult with Procurement Services first before engaging in equipment agreement negotiations. Contact Procurement Services for a copy of the Equipment Evaluation Agreement template.

## 7.10 Used Equipment Purchases

Prior to sourcing used equipment from outside parties, departments are encouraged to first check the VUMC Surplus Equipment Store for suitable surplus equipment (see Section 9.0 [Surplus Property](#)).

It may be necessary or advantageous at times 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. Indemnification for patent infringement.
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. A Capital Equipment "C" Requisition should be submitted to Procurement in all cases.

### **7.11 Equipment Rentals**

Equipment rentals must be processed using a standard "A" Requisition detailing the total cost of the rental and the duration of the rental period. Rental of supplemental clinical equipment to cover periods of high census should be coordinated through the Materials Management Equipment team and should be placed through contract suppliers whenever possible. All rental equipment needs to be processed through Clinical Engineering prior to being placed into use. Copies of the rental agreement must be submitted with the Requisition for Procurement's review and signature.

## 8.0 Competitive Sourcing

### 8.1 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 or otherwise covered under existing contracts, all requisitioned 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 7.3 of this manual.

While Procurement Services 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. Procurement Services maintains a list of qualified small business and diversity suppliers on the Federal Grant & Contract Procurement website. [Research Procurement 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 Procurement Services.

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

### 8.2 Purchasing from Approved Suppliers / [Gold Guide](#)

For many of our commonly used products and services, Procurement Services 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 Procurement "Gold Guide", located at the PDS website. Most of these Approved Suppliers are available through the eProcurement system.



**Gold Guide** [http://www.vanderbilt.edu/procurement/procurement/directory\\_new.php](http://www.vanderbilt.edu/procurement/procurement/directory_new.php)

The Gold Guide allows you to quickly find an Approved Supplier by a product/service drop down menu or by A-Z and eProcurement 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.

### **8.3 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 Procurement Services 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 Procurement RFP template contains a supplier selection criteria that is 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. Procurement Services 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 Procurement website.
6. On the basis of historical supplier costing, performance history and market surveys, Procurement Services 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.

## 8.4 RFP Process Guidelines

Procurement Services 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 Procurement Services or Medical Supply Sourcing prior to starting an RFP project.

Standard timing	Actions	Phase Deliverables
<b>Week 0</b>	<b>Customer Request</b>	
<b>PHASE 1</b> 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
	<b>Project Launch</b>	Stakeholder's agreement to launch project
<b>Week 1</b>	<b>Commodity Status</b>	
<b>PHASE 2</b> 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
<b>Week 3</b>	<b>Sourcing Strategy</b>	
<b>PHASE 3</b> 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		
<b>Week 6</b>	<b>Launch RFP</b>	<b>RFP</b>
<b>PHASE 4</b> 3 weeks		
<b>Week 8</b>	<b>RFP Proposals Due</b>	<b>Supplier Proposals Received</b>
<b>Week 9</b>	<b>Negotiations</b>	
<b>PHASE 5</b> 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
<b>Week 12</b>	Contracts validated and routed for signatures	Contracts signed and archived
<b>Week 13</b>	<b>Deployment</b>	
<b>PHASE 6</b> 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
<b>Week 15</b>	<b>Contract Effective Date</b>	<b>Contract in Effect</b>

## **8.5 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 Procurement Services 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.

## **8.6 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.

## **8.7 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.

## **8.8 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 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 3<sup>rd</sup> party resources acting as an agent on the behalf of Vanderbilt. Vanderbilt also reserves the right to enter into specific 3<sup>rd</sup> 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 Procurement Services, Medical Supply Sourcing 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.

## **8.9 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 Procurement Services, 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 Procurement Services or Medical Supply Sourcing.

### **8.10 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 Procurement Services 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.

### **8.11 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 either Procurement Services or Medical Supply Sourcing management depending on the classification of the products or services in the disputed RFP (see section 1.3 for commodity assignments). Procurement Services or Medical Supply Sourcing will engage the supplier in an attempt to address the protest. If this effort is not successful, the protest will be escalated by Procurement Services or Medical Supply Sourcing to include senior level management in Finance, the customer department(s), the Medical Economics Outcome Committee (MEOC) and General Counsel as appropriate.

### **8.12 Proposal Request Checklist**

Departments are encouraged to involve Procurement Services as soon as possible in sourcing projects to provide assistance in negotiating pricing and contract terms and conditions. Early Procurement 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: <http://www.vanderbilt.edu/procurement/procurement/forms/poterm sandconditions.pdf>
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 Procurement. 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 Procurement Services 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 Procurement Services for the latest version of this template.
8. Get competitive quotes from other suppliers. Contact Procurement Services 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.

### **8.13 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. Emergency situations endangering the health and safety of faculty/staff, students or third parties
3. Purchases that meet sole source procurement requirements (see Section 8.14)
4. Requisitions for products or services less than \$25,000

## 8.14 Non-Competitive (Sole Source) Procurement

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. Procurement Services and Medical Supply Sourcing have the final responsibility for determining whether a Sole Source requisition meets the requirements of this policy.

On the back of the Purchase Requisition forms, space is allocated for documenting sole source purchases. Special signature approvals are required from the department for all sole source requisitions prior to review and approval by the Director of Procurement Services.

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

1. Property or services can be obtained only from a specific supplier (i.e., real estate; one of a kind items, etc.)
2. Competitive sourcing is precluded because of the existence of patents, copyrights, secret processes, control of raw materials by suppliers or similar circumstances.
3. Procurement of electric power or energy, gas, water or other utility services where it would not be practical or feasible to allow other suppliers to provide such services.
4. Procurement of support services in connection with the assembly, installation or servicing of equipment or software of a highly technical or specialized nature.
5. Procurement of parts or components to be used as replacements in support of equipment manufactured by a particular supplier.
6. Procurement involving construction where a contractor is already at work on the site and it would not be practical to engage another contractor.
7. Procurement where only a single supplier in a market is licensed or authorized to service or sell a specific product line.
8. Procurement of compatible additions to existing equipment where a different manufacturer's equipment would be impractical for the specific need.
9. The supplier or products are specified and required by the funding agency of a grant or Federal contract.
10. VUMC Clinical Enterprise – For clinical supplies, services or capital, a full explanation from the requisitioning department documenting the reasons for this restriction is required and must be presented to the appropriate MEOC subcommittee for review and approval or denial. The reasons should not only include justification as to why or whether the requisitioner needs the item but must contain other elements such as: specific characteristics essential to the proposed applications not available through other suppliers.

## 8.15 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, Procurement Services 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 Procurement Services.
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. Coordinates and Sponsors an annual business diversity supplier fair.
7. 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.

### **8.16 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.

Procurement Services 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 eProcurement 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](#).

### 8.17 Purchase Order Terms and Conditions

When contracts are awarded to outside suppliers, Procurement Services provides the supplier with certain terms and conditions that state our expectations for their performance under the contracts and provide remedies to the university in the event of supplier non-performance. The terms and conditions are general in nature and should not be confused with the product or service specifications set forth in the RFP document. Suppliers are expected to adhere to both the contract specifications and the terms and conditions governing their work. Standard Vanderbilt University 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 Procurement Services 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.

All standard purchase terms and conditions can be found at the Procurement Services website:

[VU Purchase Order Terms & Conditions](#)



## 8.18 General Supplier Policies and Procedures

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

## 9.0 VUMC Clinical Enterprise Sourcing

### 9.1 Clinical Sourcing Policy (MEOC)

All requests for new medical surgical supplies, technology or services (both operational and capital) are required to go before the appropriate [Medical Economics Outcome Committee \(MEOC\)](#) for consideration. The By-Laws and membership of MEOC and the subcommittees can be found on the MEOC website at [www.mc.vanderbilt.edu/meoc](http://www.mc.vanderbilt.edu/meoc)

Any product or service provided by a supplier and accepted by clinical faculty or staff without being vetted through the appropriate clinical review process will be deemed to be “unapproved” and therefore will not be paid for by Vanderbilt. In the event a product is used without authorization, no charge shall be passed on to the recipient. Suppliers found to be providing products or services outside of the approved process will be referred to the Vendor Liaison office for appropriate discipline, up to and including removal from Vanderbilt. Faculty or staff found to be accepting products or services outside of the approved process will be referred to the appropriate department Chair and/or Administrator for appropriate action to be taken.

### 9.2 Clinical Enterprise Contract Guidelines

The Vanderbilt Medical Center Clinical Enterprise has specific contract requirements and procedures for all contracts involving clinical supplies, services and equipment. When possible and practical, Vanderbilt standard contract templates should be used in place of supplier contracts as our templates are written to address our operational and legal requirements. Templates should not be changed without approval.

When supplier contracts must be used, all efforts should be made to include a number of clauses with language approved by Vanderbilt legal counsel. These clauses include Indemnification, Compliance with Laws, Confidentiality, Assignment, Omnibus Reconciliation Act, Workplace Rules and Conduct, Code of Conduct and Compliance Commitment. Any contract containing financial incentives, rebates, or royalty free terms outside of the general contract price need to be reviewed and approved by counsel to assure they meet all federal regulations. Contracts should contain language that reflects a clear understanding of JCAHO requirements as it relates to the product or service being contracted for when appropriate. Departments are strongly encouraged to contact Medical Supply Sourcing or the General Counsel’s office for guidance before engaging in contract negotiations.

The administration of Clinical Enterprise medical/surgical contracts is the responsibility of Medical Supply Sourcing. The original contract will be held in the Medical Supply Sourcing department and shall be entered into the contract data base by the Contract Manager. All required elements will be provided to the systems team for inclusion into the PMM database by the sourcing officers or purchasing agents after the approval of the Directors of Materials management. A copy may be provided to the department if necessary to meet daily operational needs. Contracts will be provided to

third parties with whom confidentiality agreements are in place, when appropriate, to assist with compliance and benchmarking. Departments will receive notification from the Medical Supply Sourcing Department when either renewal or termination dates are approaching for input on future requirements.

The VUMC Clinical Enterprise will not hire, engage, or otherwise do business with an individual or entity that is currently excluded, suspended, debarred, or otherwise ineligible to participate in federal healthcare programs, or has been convicted of a criminal offense related to the provision of health care items or services without being reinstated in the federal healthcare programs.

### **9.3 Authorization to Requisition / Purchase Supplies, Services and Capital**

It is the policy of the VUMC Clinical Enterprise that only Authorized Team Members requisition, purchase and authorize payment for products and services.

#### **Authorized Team Members**

Authorized Team Members have the authority to requisition products and services through Medical Supply Sourcing, or purchase supplies and services directly from suppliers to the extent necessary to operate, so long as the individual is authorized to perform this function on behalf of the department or facility, and such purchases are in accordance with this Procurement Policies Manual. The Pathways Materials Management System (PMM) will be used for all procurement activity either by an authorized user in the department or on behalf of the department by Medical Supply Sourcing. Authorization for accessing PMM must be obtained from the Manager of Information Systems for Supply Chain. Under no circumstances should a procurement card (Pcard) be used to purchase medical surgical supplies. Deviations from this policy must be approved in writing by the Chief Executive Officer of the facility.

In some cases, a non-manager team member may, as part of their normal job responsibilities, perform the invoice approval function by checking pricing, contract terms, or other items on behalf of others. The team member does not initiate these transactions, but only confirms relevant information for approval purposes.

Authorized Team Members include the following:

- Management level team members (anyone with the position of “manager” or above).
- Team members, regardless of position, who have been authorized by their superior to requisition items and have received PMM training and password or the ability to manually complete requisition forms for processing by Medical Supply Sourcing.

#### **Management’s Responsibility**

In order to meet varying needs of each department within a facility, it is the responsibility of each facility to develop its own guidelines and policies for manager approval activity such as seeking additional approvals from their Administrators or Assistant Hospital Directors before performing the requisition or approval. If approvals are necessary, then the facility must make the policy decision.

Requests for new capital technology require sponsorship by the appropriate Associate Hospital Director and should be submitted to the MEOC Steering Committee for consideration. The committee may approve a trial, if appropriate, but this should not be considered an endorsement or commitment to purchase by the department or the supplier. Trial periods should be for a defined period or number of cases. Equipment will need to be removed by the supplier immediately following the trial if: 1.) the technology is not subsequently approved by the MEOC Steering Committee or 2.) capital funds are not available for immediate purchase. Under no circumstances will supplier be requested to bring capital equipment into a department for use without having gone through this process. If capital funds

are not immediately available and the technology being requested has been approved, the Medical Sourcing Department will attempt to work with the supplier on behalf of the department to secure a “No Charge Equipment Placement Agreement” for a pre-defined period of time. However, this agreement should not be viewed as a permanent obligation for future purchase by either the supplier or the department. All capital purchases will require additional authorization across the Clinical Enterprise from the site Chief Executive Officer. All capital purchases \$500,000 or greater must be reviewed and approved by the Chancellor in accordance with the Delegation of Authority Policy.

## **Contracts and Contracted Items**

The authority to requisition products and/or services is limited to appropriate, authorized, contracted products and/or services, but if no contract exists, the individual may order from an approved supplier. The Authorized Team Member is not approved to contract for or order any products or services which conflict with existing contracts or Vanderbilt University standards. It is the responsibility of Clinical Management to know what products and services are under contract by contacting Medical Supply Sourcing prior to placing any direct orders with a supplier.

### **9.4 HIPAA Business Associate Agreements**

Vanderbilt University Medical Center (VUMC) 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 VUMC 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 VUMC 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**

VUMC 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. VUMC 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 VUMC. A Business Associate may also create or store PHI on behalf of VUMC. By definition, a Business Associate is not a member of the VUMC 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 VUMC.

## 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 VUMC. If the entity or individual is deemed to be a Business Associate, the Business Associate is required to enter into a contract with VUMC that includes the Business Associate provisions required to comply with HIPAA. The HIPAA BAA Decision Tree location in the BAA section of the VUMC HIPAA website contains additional information including specific steps for determining whether a Business Associate relationship exists.

[VUMC HIPAA Business Associate Agreement policy](#)

### 9.5 VUMC Vendor Liaison Program

All suppliers calling upon the Clinical Enterprise at Vanderbilt are required to go through the Vendor Liaison Office. Credentialing for on-site visitation as well as provision of services within specific departments is required.

The issuance of a photo ID card by the Vendor Liaison Office *does not make a company an Approved Supplier to Vanderbilt*. The ID is issued for security purposes only and is not a license to solicit business across the university campus. Suppliers who use the Vendor Liaison ID to misrepresent their status to Vanderbilt departments may have their on-site visitation privileges revoked.

Specific requirements and procedures of the Vendor Liaison Program can be referenced by accessing the [Vendor Liaison Program website](#).

### 9.6 VUMC Supplier-furnished training

Vanderbilt University prefers that, whenever feasible, any necessary product/equipment training be provided on-site by the supplier. In cases where this is not possible, such as the need to aggregate customers from different facilities, provide access to established training environments etc., then reasonable travel expenses (such as, lodging, transportation, and meals) are acceptable for the supplier to fund so long as any such practice complies with the University's travel policy.

Any supplier-funded travel for a Medical Center employee or physician, for training purposes, must be preapproved by the Medical Economics and Outcomes (MEOC) Steering Committee and the Executive over that area. Requests should be sent through the MEOC Steering Committee Chairman (Chief Supply Chain Officer). In no case should suppliers approach physicians and staff until approval is granted via this process. This process is designed to maintain compliance with the VUMC Conflict of Interest Policy (COI). The reason(s) that necessitate off-site training must be clearly defined prior to executive review. In any training venue, supplier agrees that such training will be specific for and limited to, products already approved for use at the University and that such activities will not be used to market new products or services.

## 10.0 Surplus Property

### 10.1 Surplus Property Policy

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 property that is no longer needed by the initial procuring department, it is university policy to manage the recirculation or disposition of the surplus property centrally through the VUMC Storage and Services department. No manager or department head has the authority to give Vanderbilt property to a staff member.

The first option for surplus property is recirculation within or among the other departments of the university. If recirculation is not an option due to the physical condition of the property, lack of technological capability or inefficiency in operation, other options include; returning the property to the original funding agency or entity, sale or donation of the property to individuals or entities, or immediate disposal. All surplus property is covered by this policy whether acquired by purchase or donation.

VUMC Storage and Services will work closely with departmental and Asset Control personnel to assure that, with any transfer or disposition, asset records are updated, a fair transaction price is established for any property(s) sold, and equipment purchased with government funds is not sold or transferred without the proper authorization being previously obtained.

Unauthorized removal, disposal or expropriation of university or government owned, loaned or donated property, regardless of value, constitutes a breach of university policy. The university encourages investigation of potential shared use equipment prior to the purchase of new equipment.

If a question arises as to the proper disposal of property, regardless of funding source, it is the responsibility of the department having ownership and/or custody to contact VUMC Storage and Services for advice or instructions on disposition. When property is declared surplus, the net proceeds resulting from their disposition will be credited to the department having ownership.

Departments with surplus property should contact VUMC Storage and Services and provide information about the property's condition, location, controlling department, and proposed disposition. On the basis of previous need patterns, historical usage or departmental specific requests, VUMC Storage and Services will attempt to recirculate the surplus property before choosing any other disposition method.

Should disposition require movement or storage of property, VUMC Storage and Services will assist in the logistics. Contact: [robert.cobin@vanderbilt.edu](mailto:robert.cobin@vanderbilt.edu); 936-4626.

## 10.2 Surplus Property Procedures

All capital equipment slated for transfer or disposition requires prior institutional review and approval initiated with the completion of the Property Transmittal form. This form must be reviewed by Asset Management prior to any action by VUMC Plant Services to remove property from the inventory.

All internal transfers of property must be initiated by completion and approval of the Property Transmittal Form. Property transferred between departments will not generally enter the surplus property program. The Property Transmittal Form for transferred property will be sent directly to Inventory Control.

The initiating department, in conjunction with Asset Management, will determine if the university has title to the property proposed for disposal. If the property was originally funded with Federal contracts or grants, Contract and Grant Accounting, Sponsored Research and/or Financial Management should be involved in receiving permission to dispose of the property or instructions regarding its return to that Agency.

Recirculation within the university remains our first option for utilization. If no immediate need or opportunity for re-use can be identified or if the property is not a candidate for re-use due to condition, function or technology, VUMC Storage and Services will make a determination regarding the need for its relocation to the surplus staging area in the Chestnut Street warehouse.

If the property is deemed to have no value for re-use or resale, VUMC Storage and Services will authorize immediate disposal at the department's expense (if any).

If the property is deemed to have little value for re-use, the property will be sold "as-is, where-is", with removal being the responsibility of the ultimate buyer. Any proceeds 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.

If the property has value for re-use or re-sale, the property will be transported to the surplus staging area. It will be held for inspection for 120 days by any department that might have a need for its re-use, at the conclusion of which, it will become eligible for sale to individuals inside or outside of the university.

If any university department inspects the surplus property and wishes to take title for purpose of re-use, that department will pay a pre-established surplus price for the property. Relocation from the surplus area will be at the purchaser's expense.

For all property disposed of and subject to the constraints detailed in paragraph 2 above, the Surplus Property account will be credited for the first \$500 of the sales price, with any remaining balance being returned to the originating department. For surplus transactions originating from the Hospital, the remaining funds will be credited to a center specified by Hospital Administration.

If a department elects to use old equipment as a trade-in to offset the cost of new equipment, the Property Transmittal form must be completed and forwarded to Procurement Services. Procurement Services will review within five (5) working days and determine if a need exists in any other department on campus for similar equipment and if the university has title to the property before authorizing the trade-in. Once the trade-in has been approved and returned to the department, the department should attach a copy of the Property Transmittal form to their purchase requisition and forward to Procurement Services. The department should also forward the original Property Transmittal form to Asset Management. If another department needs the equipment, the exchange price must be at minimum the same dollar amount that would have been paid to the originating department by the supplier for the trade-in.

Surplus property remaining in the surplus staging area for four months or longer may be donated or disposed of at the discretion of VUMC Storage and Services. Completion of the Property Transmittal form by VUMC Storage and Services will show final disposition and removal from the surplus inventory.

Any sale of surplus equipment to individuals, for-profit groups or businesses will require the collection of and accounting for sales tax at the current rates.

### **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 [www.vanderbilt.edu/sustainvu](http://www.vanderbilt.edu/sustainvu) under the "recycling" tab.

## **10.2 VUMC Storage and Services Surplus Equipment Store**

VUMC Storage and Services now operates an online Surplus Equipment Store. This online store allows you to view the items that Vanderbilt currently has available at its Surplus Equipment warehouse. Items in the store can be purchased for department or personal use. You cannot reserve or order equipment online, you can only view. In order to purchase equipment you must call **615-936-4626** or come to Vanderbilt's warehouse at 700 Fort Negley Court. The Surplus Equipment Store accepts 1180's for internal and personal or business checks (including sales tax) for external purchases; no cash or credit cards. Hours of Operation: Monday through Friday, 9:00 - 3:00pm. Since items sold internally are sold at a discount, the price seen below for "Available for Internal Purchase" is lower than the price will be when the item becomes "Available for External Purchase".

[Surplus Equipment Store](#)

[Surplus Store Directions](#)

[Surplus Store Map](#)

## 11.0 Financial / Payment Information

### 11.1 Account/Center Numbers

The Finance department is responsible for establishing account and center numbers. Center numbers represent the source of funds (department or function). Account numbers represent the type of revenue or expense to be transacted to each center.

Each department is assigned an account/center number(s) in order to detail and control expenditure activity for their area(s) of responsibility. All Purchase Requisitions must carry the complete account/center number to be charged in order that required approvals may be obtained prior to its receipt in Procurement Services and for proper encumbrance and payment once the procurement process is complete.

Follow this link to the current version of the Narrative Chart of Accounts: [VU NCOA](#)

### 11.2 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 Procurement Services, Disbursement Services or Medical Supply Sourcing prior to entering into any supplier contracts.

### 11.3 Invoice Approval

Procurement Services encumbers all proper purchase orders into the university's Purchasing and Accounts Payable System (PeopleSoft APPO) 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:

Vanderbilt University  
Disbursement Services  
VU Station B 351810  
Nashville, TN 37235-1810

<http://www.vanderbilt.edu/disbursements/>

Invoices are entered into PeopleSoft upon receipt. If the purchase order and corresponding invoice systematically match within predefined tolerances, the invoice will be scheduled for payment in accordance with the payment terms. Information about pending invoices is available on the Department Invoice Reports (DIR) available online via the Business Objects system.

Should there be a problem regarding the item or services received under the purchase order, Disbursements is to be notified by the receiving department to withhold payment. Procurement Services 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, Procurement Services and Disbursements must be done in a timely manner.

### **Invoices for Construction Projects**

Construction project invoices from construction contractors and subcontractors are sent to Campus Planning & Construction or VUMC Space & Facilities Planning for their review prior to payment.

### **11.4 Cancellation of Encumbrances**

An encumbrance is created when a purchase order is issued and charged to a spending account. It ceases to be an encumbrance when paid-out or when the actual liability amount is determined and recorded as an expense.

Departments may request cancellation of PO encumbrances by emailing Procurement Services at: [encumbrance\\_removal@list.vanderbilt.edu](mailto:encumbrance_removal@list.vanderbilt.edu)

After reviewing the request, Procurement Services will close the purchase order, thereby removing the encumbrance.

### **11.5 Demand Check Requests**

Demand Check Requests are for travel reimbursements, honorariums, subscriptions and reimbursements to individuals who are not engaged as independent contractors or consultants.

Departments should not use Demand Checks to purchase equipment, supplies and services ordinarily obtained through eProcurement, Pcard or regular purchase order requisitions.

Disbursement Services <http://www.vanderbilt.edu/disbursements/> manages the Demand Check process for the entire university and medical center.

[Check Request Training Manual](#)

### **11.6 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, Procurement Services and Disbursement 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 Procurement Services 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. Procurement Services sends renewal requisition letters to all affected departments in advance of the fiscal year end to expedite this process.

### 11.7 Procurement Activity Reports

Procurement and Disbursement Services (PDS) offers online reports that answer your most common purchasing, payment and demand check questions. The intent of the reports is to consolidate and streamline your procurement and disbursement tracking and reporting.

The PDS webpage documents how to access and use these important reports: [Procurement & Disbursements Reports](#)

For a complete listing of all PDS reports, [click here](#).

For an overview of the Departments role in the purchasing and payment process, [click here](#).

Department Invoice Reports (DIRs) - The electronic DIR is now called the "Invoice Detail Report".

Departmental PO Copies - The Departmental PO copies can be found using the "PO Detail Report".

### Privilege Management Reports (SigAuth)

Procurement and Disbursement Services uses a database that contains users' privileges to many Vanderbilt applications. You can generate these reports to determine who has requisition signature authorization ("SigAuth") for a particular center as well as to view audit trail information about when users were set up with privileges on certain applications.

For a Desk Reference document you can print and use as a reporting aid, [click here](#)

Follow this link to the Privilege Management SigAuth report page: [SigAuth Reports](#)

### 11.8 Departmental Routing Codes (DRC)

Procurement and Disbursement Services use a system of departmental routing codes (DRC's) for dispatching purchase orders and invoice correspondence to departments. Federal Express also uses these codes for their deliveries. Using this system offers you several benefits:

- merchandise may be sent to one location and correspondence to another (this is particularly useful for large departments);
- one person can easily be designated to receive all purchasing-related documents;
- addresses may be updated on many documents with one operation.
- When the address associated with your DRC changes, please send notification to Procurement at:

DRC Codes  
VU Station B #357000

To view your Departmental Routing Code information [click here](#).

If your department does not yet have a code, please print and complete the [Departmental Routing Code Request Form](#) and return it to Procurement at the address shown on the form.

The routing code should be placed in the upper right hand corner of your purchase requisition. To be effective, the code must appear on every order created by the department.

## 12.0 Specialized Purchases

### 12.1 Internal Vanderbilt Requisitions

The I-1180 Requisition for Supplies (“1180”) from Stock and Other Internal Charges Form (#60-005-802) may be used to procure items and services from internal operations of the university. This form may be used for purchases from departments such as the university Bookstore, VU Printing Services, VU Dining Services and VUMC Copy Center.

Procurement Services is not involved in the processing of this form and ordering departments may contact the respective service department directly.

1180 forms are purchased from the printer using eProcurement.

### 12.2 University Business Operations

University departments are encouraged to support the business operations of the university. The Internal Requisition Form I-1180 is currently used to place orders to these operations. Many of these departments will convert to accepting eProcurement orders in the near future.

Business Operation	Services	Web Link
VU Printing Services	All VU and VUMC business cards, stationary, envelopes, custom printing, copier services	<a href="#">VU Printing Services</a>
VUMC Copy Center	Medical Center Forms ordering, copier services, “Smart Print” copier lease program	<a href="#">VUMC Copy Center</a>
VU Dining Services	Catering services	<a href="#">VU Dining Services</a>
VU Book Store	VU licensed apparel and gifts, books, misc.	<a href="#">Vanderbilt Bookstore</a>

### 12.3 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 or VUMC Space & Facilities Planning departments to properly manage these transactions.

## 12.4 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.

University central campus	VU Plant Operations	<a href="#">VU Plant Operations</a>	322-2622
University central campus	Campus Planning & Construction	<a href="#">Campus Planning &amp; Construction</a>	322-2715
Vanderbilt University Medical Center	VUMC Plant Services	<a href="#">VUMC Plant Services</a>	343-4443
Vanderbilt University Medical Center	Space & Facilities Planning	<a href="#">Space &amp; Facilities Planning</a>	322-4962

## 12.5 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.

The Human Resources department administers this policy for the university. Procurement Services 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](#)

Departments are to submit the Services, Independent Contractor/External Consultant Requisition "S" REQ (MC 2995) form for all consultant orders regardless of the size of the engagement.

The Vanderbilt Professional Services Agreement (PSA) should be used in place of outside consultant contracts whenever possible for most consultant engagements. Contact Procurement Services for the latest version of the template.

## 12.6 Forms

There are four primary sources for operational forms at Vanderbilt University:

1. Purchased Forms – These forms are printed and inventoried by an external supplier (Standard Register) and ordered via eProcurement. These forms have part numbers with the following format: 60-XXX-XXX See the [Guide to Ordering Forms with eProcurement](#)

2. Medical Center Forms – These forms are produced and sold by the VUMC Copy Center and ordered by using the 1180 internal requisition form. Their part number format is MC-XXXX Click here for [VUMC Copy Center Forms](#)
3. Downloadable Forms produced by various VU departments are available from the Forms Locator web site: [Forms Locator](#)
4. Department Specific forms – These are very specific application forms only available directly from a specific department, usually from their website.

### **12.7 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 Procurement Services 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 Procurement Services. Signature authority for real estate leases is documented in the Delegation of Authority Policy.

### **12.8 Performing Artist / Guest Speaker Contracts**

Procurement Services 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 Procurement Services first to request the appropriate contract template.

### **12.9 Research Animal Purchases**

The Division of Animal Care (DAC) is the service core of the Office of Research that provides procurement, husbandry, and healthcare for experimental animals, as well as scientific/technical support for VU researchers.

The Division of Animal Care is charged with the responsibility for managing and approving all requisitions for research animal purchases. Procurement Services 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](#)

### **12.10 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 in patient care are vested with the VUMC Hospital Pharmacy. Operating under an annual renewable special license, the Pharmacy may issue controlled substances only to individuals with prescriptions for medical purposes or other individuals having DEA license numbers. [VUMC Pharmacy](#)

## 12.11 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/>

## 13.0 Vehicle Acquisition & Licensing Process

### 13.1 Vehicle Purchases

The process for purchasing new or replacement vehicles is the same as that prescribed for the purchase of other capital equipment. All departments should bring their requirements to Procurement Services for review prior to requesting quotes from dealers. In no case should departments commit to a vehicle purchase without Procurement Services review and approval. Vehicle titles and all sales documentation is retained by Procurement Services.

Departments should consider using the university's Zip Car or WeCar programs in lieu of purchasing or leasing vehicles. Information on the Zip Car and WeCar programs and other alternative transportation services are available at [VU Traffic & Parking Alternative Transportation](#)

### 13.2 Vehicle Leases / Long Term Rentals

Proposed vehicle leases must be submitted to the department's appropriate Financial Management for review and approval (see Section 5.2 Capital Equipment Requisition Process) prior to submission to Procurement Services.

### 13.3 Vehicle License Renewals

All university and Medical Center vehicles 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.**

Procurement Services 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, Procurement Services should be notified prior to the expiration date. Procurement Services should be notified if the department's designated contact changes.

Disposal of all university owned vehicles must be coordinated through Procurement Services to insure proper completion of title documents.

In some cases, the cost of the license may be charged to a restricted center. It is the department's responsibility to inform Procurement Services if the restricted center has expired or changed.

### **13.4 Emissions Testing**

Vanderbilt Plant Operations operates the Vehicle Emissions program for all university central and Medical Center operated vehicles. Program details are posted at their web site:

[VU Plant Operations Vehicle Program](#)

Appointments for emissions inspections may be made by calling 322-2622, 4-9675 or 3-9675 at the Vanderbilt garage. The garage is located at 625 Chestnut Street and is open Monday-Friday 7:30 - 11:30am and 12:30-4:30pm. The emissions testing technician will process the documentation and send it to Procurement Services. Procurement Services will obtain the renewal stickers/plates and notify your office. License stickers or plates may be picked up at Procurement Services, Baker Building Suite 1110.

For Vanderbilt licensed vehicles, the ORIGINAL Vehicle Emissions Inspection Certificate must be received in Procurement Services before the license can be renewed. The certificate must be received no later than 10 working days prior to the Expiration Date to insure the license is renewed.

### **13.5 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.

## **14.0 International Shipments & Customs Brokers**

### **14.1 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.

### **14.2 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.

### 14.3 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 equipments
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

#### 14.4 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](http://www.valexander.com)

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

<b>Fees</b> (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 Teresa Hudson at V. Alexander (885-0020, ext 467). She 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 : [thudson@valexander.com](mailto:thudson@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 : [thudson@valexander.com](mailto:thudson@valexander.com)

U.S. Port  
Of Arrival: (This may vary by supplier shipping the product. Please consult Procurement Services 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.

- 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
- Duty and tax calculation
- Customs bonds
- Protest preparation and filing
- Follow-up on liquidation issues
- Visibility of imports and exports via My Global Trade Data
- Mexico customs brokerage coordination
- Notification of changes in duty and tax information worldwide
- 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](#)

## 14.5 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.

## 15.0 Travel Program

### 15.1 Travel Policy

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

### 15.2 Travel

The [Vanderbilt Travel](#) website presents all travel related services and programs now available to all Vanderbilt departments including a customized online booking tool using Rearden Commerce. Contracts and programs with our approved travel agency FROSCHE Travel, airlines, hotels, rental car companies, and ground transportation services are listed. Information on meeting/event planning and links to internal and external travel-related resources are also available. Departments are strongly encouraged to book all travel services via this portal to take advantage of the discounted rates for airlines, hotels and car rentals. Use of the authorized agency also provides Procurement Services with travel statistics that are useful in our contract negotiations with travel service providers.

**As of June 17, 2013, all Vanderbilt faculty and staff will begin booking new business travel through Vanderbilt's new travel management company, Polk CTM.**

Polk CTM will manage the university's new travel system's online booking tool, powered by Concur, which will be piloted by several departments across the university beginning in May and will be available to all employees by June 17. Employees not included in the six-week pilot who would like to use the new system should call Polk directly to book travel.

Any travel currently booked through FROSCHE or directly with PCard or personal credit card can continue as planned. FROSCHE will continue to provide support for travel occurring after July 31, 2013, that was booked prior to June 17.

<http://omni-test.its.vanderbilt.edu/travel-april/about.php>