



WAKE FOREST

UNIVERSITY

Financial Services

University Procurement Policy

September 1, 2019

Wake Forest University Reynolda Campus Procurement Policy
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Introduction

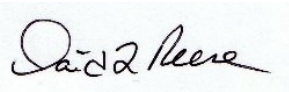
September 1, 2019

Thank you for taking the time to read this updated edition of Wake Forest University's procurement policy. This policy is the result of many campus conversations and is intended to make your work life better.

This document's purpose is to share essential information and rules around how we buy goods and services to support our academic mission and purpose. I hope this policy will communicate effectively to those who collaborate directly with our procure-to-pay team and to others who are affected by how well procurement is done at the University.

In a complex work environment, the best intended policy is rarely perfect. Professional judgment and sound business practices are always essential to ensure we are getting a fair deal and the best possible value for the University. As always, "Pro Humanitate" is our guiding principle and represents the heart of all we do together.

Thank you for your attention and support as we continue to make a difference in both our local and global community. Our Procurement & Payment Services team looks forward to serving with you.

A handwritten signature in black ink, reading "David L. Reese". The signature is written in a cursive style with a large, stylized "D" and "R".

David L. Reese
Senior Director, Procurement & Payment Services

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Working together brings the best value to the University.

1.1 General Principles

As a collaborative product with guidance from the University's senior business administrators and other campus subject matter experts, this policy serves as Wake Forest University's primary guidance on purchasing. This standardized procurement policy and the accompanying work processes have been created to conform with the University's values, policies, and procedures; and to comply with other external regulatory and legal requirements.

More importantly, this policy will help you confidently reach your purchasing objectives and achieve the best overall value for the University. With millions of dollars spent each year with suppliers by University representatives, your participation and collaboration is vital. Good procurement planning and execution is critical to delivering the right solutions, at the best value, on time, and within budget.

Roles and Responsibilities:

- ◆ All Reynolda Campus faculty, staff, and students who request or approve the purchase of goods and services from external suppliers are required to comply with this policy.
- ◆ The Senior Director, Procurement & Payment Services, is responsible for maintaining this policy, for obtaining executive leadership consensus in resolving any perceived conflicts between this policy and other University policies or regulatory guidance and law, and for approving exceptions.

Emergency Exceptions:

- ◆ Emergency purchases contrary to the guidance of this policy must be approved by senior departmental leadership and promptly communicated to [Procurement & Payment Services](#).
- ◆ Take immediate action using your best judgment and available spend authority to stabilize emergency situations that endanger life or limb, create unplanned operational disruption (e.g., resident displacement), or when University resources are at immediate risk of significant harm.
- ◆ Poor planning or failure to timely initiate the procurement process is not valid justification for non-compliance or for requesting a policy exception.
- ◆ When taking emergency response contrary to the guidance within this policy, notify Procurement & Payment Services as soon as safely possible and seek their follow-on assistance.
- ◆ **After Hours / Emergency Contact:** David Reese, (719) 332-9182 (mobile)

Supplier Management:

The University desires to conduct business with financially sound, responsible, and the best, most qualified and/or suitable suppliers with consideration of their past service, quality, and reliability. You should only seek to do business with suppliers who will represent and uphold the University's strong reputation of excellence, financial integrity, and desire for genuine community & global responsibility.

During each engagement and communication with suppliers, always be mindful that you are an extension of the University's reputation. In fact, you may be the only visible representative of the University that a supplier ever experiences. Be fair and responsible in all your business dealings.

The University will be a sound business partner to its suppliers: honoring commitments, establishing trust and good will, and operating fairly towards suppliers with transparency and integrity. You should seek to understand your suppliers' opinions and remain open to new ideas and creative ways to lower University costs and to improve performance. Seek to resolve performance and relationship issues quickly and seek advice from the Procurement & Payment Services team when you need assistance.

Strategic Relationships:

[Procurement & Payment Services](#) will frequently analyze the University's collective purchases, looking for opportunities where the University can benefit from further collaboration. You can also help to proactively identify opportunities for purchasing improvements and process waste reduction.

Collaboration with strategic suppliers is critical in this effort. You should carefully plan and deliberately manage how you engage with the suppliers who are most vital to your team's performance goals. Procurement & Payment Services is responsible for guiding collaboration across the University to establish long-range plans with the University's most strategic suppliers.

Good Business Judgment:

This policy has been written with full consideration of most purchasing scenarios that occur during the University's normal course of business operations. If you encounter a purchasing situation where good business judgment would seem to be in conflict with University policy, contact the Procurement & Payment Services team for help resolving the conflict. However, please remain mindful that concern for the University's overall administrative processes and other legal or standardization concerns may outweigh individualized issues.

Policy Updates:

This policy document will be updated, as required, to remain current with changing laws, regulations, and other University policies and practices. Changes will be detailed in a summary log at the end of this document upon first update.

Understanding Your Spend

Knowing how you spend is key to developing great procurement strategy.

2.1 General Principles

Increasingly, most University departments are reliant upon goods and services provided by external suppliers to achieve desired departmental outcomes. As such, understanding how you spend money with suppliers is fundamental to good business practices.

Spend Analysis is the process of collecting, cleansing, categorizing, and analyzing spend data for the purpose of understanding spending trends and identifying improvement opportunities. Beyond the basic advantage of equipping your team with increased knowledge to better manage your current supplier relationships, periodic analysis of your supplier spend will also help you forecast future requirements and enable the University to “get in front” of your future business needs with sound procurement strategy.

Examples:

- ◆ You discover different people in your department have been buying similar items from the same company, but the supplier’s pricing has been inconsistent. Working together, you negotiate a consolidated contract that yields consistent pricing and a discount for your consolidated volume.
- ◆ Procurement & Payment Services approaches you with spend data showing that three other University departments are using the same supplier as you. Working together, the University negotiates a better overall deal for all four departments leveraging the total spend.
- ◆ Evaluating your spend history, you notice your department has significant spend with many different suppliers for the same service. You consolidate your requirements with two suppliers to improve performance and cost, while still maintaining multiple sources for needed flexibility.

2.2 Process Fundamentals

[Procurement & Payment Services](#) regularly reviews spend data on collective behalf of the University looking for performance and cost improvement opportunities. Additionally, each department should analyze their own supplier spend on a regular cadence based on their annual operational rhythms.

Fundamentally, look for opportunities to increase your business leverage while also eliminating process waste. Where can you consolidate? How can you eliminate administrative burden? Can you simplify the number of business relationships you have to manage? Can you use a faster procurement method? Can you make life better for you and your suppliers?

Be very intentional in your business approach to optimize the number of suppliers you conduct business with regularly and to minimize the need for new suppliers being added to Workday.

Truly understanding how your department spends requires more than just viewing your spend from an accounting perspective. So while your annual budget is a great place to start, it's rarely sufficient to stop there. Thankfully, spend analysis can be simple.

First, set your vision. Decide upon what you would like to improve. An easy way to think about procurement improvements is by quality, reliability, delivery, and cost. What's most important to you?

- ◆ **Quality:** How functional is the item/service you're buying?
- ◆ **Delivery:** How quickly are you able to obtain business value?
- ◆ **Cost:** How many resources are being consumed from start to finish?
- ◆ **Reliability:** How consistent is the quality, delivery, and cost?

Then, follow this simple Spend Analysis process:



Identify all sources available for your spend data (e.g., Workday, budget, PCard, etc.). Gather the data into one place and format. Cleanse the data looking for errors in transactional reporting & standardize the data for easy viewing. Group transactions by spend categories. Analyze for patterns. Repeat.

Remember to slice the data multiple directions looking for spend patterns by item/service and supplier. Are you spending a large amount in one area? How are you buying? Are you using too many different suppliers? Are you buying the same thing over and over again via many transactions? Are you seeking competitive bids for the same item/service repetitively? What will change in the coming year? Etc.

2.3 Policy

Departments should periodically conduct spend analysis and actively look for opportunities to improve their spending behavior with external suppliers, while also participating in University-wide initiatives focused on optimizing cross-departmental supplier spend.

PRO TIP - Key Spend Analysis Questions

Key questions to help you optimize your procurement practices:

- ◆ How much am I spending?
- ◆ How many transactions did that require?
- ◆ What spend categories am I buying within?
- ◆ How many suppliers am I using?
- ◆ Am I buying the same/similar item from different suppliers?
- ◆ Which of my suppliers are critical to my operations?
- ◆ Am I using the same supplier as other University departments?

Responsible use of University resources creates better outcomes.

3.1 General Principles

Wake Forest University is a vibrant and diverse academic community that believes in using our knowledge and talents to better the lives of others. As exemplified succinctly in the University's motto, *Pro Humanitate* (For Humanity), the University is committed to connecting sound business processes with meaningful social justice outcomes.

Competition:

- ◆ Full and open competition is good for the global economy. Actively encouraging adequate competition from more than one qualified company with minimal barriers to stymie supplier participation stimulates the market to provide quality goods and services at reasonable prices.
- ◆ Adequate competition helps minimize the risk of collusion between bidders and helps make the University's commitment to fair consideration of all business entities publicly visible.
- ◆ Competition is the University's primary methodology for assuring reasonable prices, and adequate competition is the simplest way to create business transparency and build community trust.

Supplier Diversity:

- ◆ Wake Forest University embraces the challenges of social responsibility and is committed to modeling informed business practices across the broad spectrum of inclusivity and equity while offering a safe environment for diverse companies to work and flourish.
- ◆ The University is committed to maintaining a diverse supplier base and building relationships with suppliers that reflect both the local and global community.
- ◆ The University thrives when local, small businesses and businesses owned by women, individuals with disabilities, veterans, and underrepresented groups also thrive.

Environmental Sustainability:

- ◆ Wake Forest is committed to improving the world and global climate by imaginative, innovative, and forward-looking efforts to better leverage its buying power and supplier relationships for good.
- ◆ Long-term value is more strategically important than short-term savings. While you can't prioritize everything, both energy reduction and resource preservation are very actionable—and reasonable.

- ◆ In your procurement practices, the University encourages you to take a holistic view focused toward a sustainable, high quality of life on campus, in our community, and across the globe.

Social Responsibility:

- ◆ As a global citizen, the University has a responsibility to ensure its direct and indirect procurement practices promote fair trade, freedom of association, human rights, indigenous rights, worker health & safety, sustainable compensation, and fundamental worker rights while repudiating discrimination, child and slave labor, human trafficking, and sourcing from conflict zones.
- ◆ Wake Forest University does not tolerate, permit, or engage in bribery or unethical behavior in any aspect of our business dealings, anywhere in the world. We also endeavor to only do business with others who share the same basic outlook on human rights and ethical standards of behavior.
- ◆ The University upholds the procurement laws and regulations of the countries we operate in and strives to improve the economic, cultural, and social well-being of the communities we operate in.

3.2 Process Fundamentals

The University embraces competition because it enables—not restricts—you to procure items and services that are truly best suited for your needs. Done properly, a simple competitive process is key to ensuring you are able to effectively balance the various quality, delivery, cost, and reliability attributes that are most important to the University and you.

You have great latitude in determining the appropriate methodology of competition. When in doubt, [Procurement & Payment Services](#) can advise you on the best course of action. Common methodologies for obtaining competitive pricing:

- ◆ **Request for Quotation (RFQ): a simplified request asking for only basic pricing & delivery terms.**
- ◆ **Request for Proposal (RFP): a formalized process asking suppliers to provide detailed quality, delivery, cost, and reliability information for evaluation and negotiation purposes.**
 - ◆ Typically used when multiple solutions or approaches are possible, or
 - ◆ When clarifications or negotiations are likely with suppliers after proposal receipt.
 - ◆ RFPs are encouraged for services valued greater than \$10,000.
- ◆ **Invitation for Bid (IFB): a formalized process where qualified suppliers provide “sealed bids.”**
 - ◆ Used when delivery/cost factors can be clearly evaluated without conversation, and
 - ◆ Seldom used—when suppliers can be evaluated for viability with minimal conversation.
 - ◆ Bids are opened & awarded to the responsive and responsible bidder with lowest cost.
- ◆ **Request for Information (RFI): a formalized process to learn more about products, services, or supplier capabilities prior to actually soliciting quotations, proposals, or bids.**
 - ◆ Typically used to explore new markets or to obtain introductory supplier information, and
 - ◆ Simplified in design to minimize the level of response effort for a supplier.
 - ◆ Used when information is not publicly available or readily accessible.

Once the proper competitive approach has been identified, you should establish simple evaluation criteria to outline how you will select the best supplier. This should be done well before soliciting quotes, proposals, or bids to make sure you obtain the best value from the competitive process.

For most goods or services, the following rubric works for evaluating supplier responses:

	Needs Improvement	Satisfactory	Excellent
Quality	<ul style="list-style-type: none"> ◆ Does not fully describe essential functionality of product/service. ◆ Does not meet minimum performance standards. ◆ Does not offer good record of past performance results. 	<ul style="list-style-type: none"> ◆ Fully describes essential functionality of product/service. ◆ Meets minimum performance standards. ◆ Offers good record of past performance on multiple occasions with one or few customers. 	<ul style="list-style-type: none"> ◆ Offers advanced insight into full functionality of product/service. ◆ Exceeds minimum performance standards. ◆ Offers exceptional record of past performance on multiple occasions with many customers.
Delivery	<ul style="list-style-type: none"> ◆ Does not meet necessary delivery timelines. 	<ul style="list-style-type: none"> ◆ Meets necessary delivery timelines. 	<ul style="list-style-type: none"> ◆ Exceeds necessary delivery timelines.
Cost	<ul style="list-style-type: none"> ◆ Provides incomplete cost information or insufficient detail. ◆ Pricing is unreasonably higher or lower than competitors. 	<ul style="list-style-type: none"> ◆ Provides requested information with sufficient detail to provide basic cost transparency. ◆ Pricing is competitive. 	<ul style="list-style-type: none"> ◆ Provides all requested cost information in a clear manner. ◆ Provides sufficient details to enable collaboration and transparency. ◆ Pricing is reasonably advantageous.
Reliability	<ul style="list-style-type: none"> ◆ Does not provide sufficient information to judge how consistent quality, delivery, and cost will be able to be maintained. 	<ul style="list-style-type: none"> ◆ Provides adequate information to give confidence in supplier's ability to maintain consistency in quality, delivery, and cost. 	<ul style="list-style-type: none"> ◆ Provides comprehensive detail regarding supplier's past history in maintaining consistent quality, delivery, and cost performance.

While the above basic criteria work well in many situations, you should always tailor the evaluation criteria to fit the nature of your requirement. Your evaluation criteria should become more comprehensive as you progress up the spectrum of complexity, criticality, and cost.

Based on the value or characteristics of what service or item you are buying, you may also need to consider adding criteria to address environmental sustainability and social responsibility concerns:

	Needs Improvement	Satisfactory	Excellent
Environmental Sustainability	<ul style="list-style-type: none"> ◆ Supplier does not address sustainability in meaningful way. ◆ Proposed item or service causes unreasonable harm. 	<ul style="list-style-type: none"> ◆ Supplier addresses sustainability in meaningful way. ◆ Proposed item or service does not cause unreasonable harm. 	<ul style="list-style-type: none"> ◆ Supplier provides competitive advantage for sustainability. ◆ Proposed item or service does not harm the environment.
Social Responsibility	<ul style="list-style-type: none"> ◆ Supplier has documented history of not meeting our social responsibility norms. 	<ul style="list-style-type: none"> ◆ Supplier has documented history of meeting our social responsibility norms; or at minimum, does not have negative documented history. 	<ul style="list-style-type: none"> ◆ Supplier provides competitive advantage with regard to social responsibility.

Further, to assist the University's intentional effort to cultivate a more diverse, equitable, and welcoming learning community, you should consider the diversity status of your suppliers. Your choices can improve how well the University reflects both the local and global community:

	Does Not Improve	Improves	Significantly Improves
Supplier Diversity	<ul style="list-style-type: none"> ◆ Supplier does not represent themselves as either local or small business; or as business owned by woman, veteran, individual with disabilities, or underrepresented group. 	<ul style="list-style-type: none"> ◆ Supplier represents themselves as either local or small business; or as a business owned by woman, veteran, individual with disabilities, or underrepresented group. 	<ul style="list-style-type: none"> ◆ Supplier represents themselves in multiple categories as either local or small business; or as a business owned by woman, veteran, individual with disabilities, or underrepresented group.

The University's Office of Sustainability is the recommended resource for environmental sustainability questions and can provide additional market insight and evaluation considerations to help you make accurate and informed procurement decisions. Common topics for your consideration include:

- ◆ **Energy:** the consumption of electricity is the primary factor in the University's impact upon the environment. Prioritize energy reduction in your choices.
- ◆ **Waste:** focus on preventing materials from ending up in the recycling stage. Prioritize value characteristics like durability, warranties, and reuse. Reward suppliers who reduce or eliminate packaging materials. Minimize construction and renovation waste. Innovate toward zero waste.
- ◆ **Transportation:** think about how your product or service is being delivered. Prioritize a reduction in transportation costs because transportation is a key driver of energy consumption. Consolidate your purchases to reduce the number of deliveries. Consider how many vehicles your purchasing action is bringing onto campus. Buy local to reduce transportation costs and impact.
- ◆ **Biodiversity Loss:** consider your impact upon habitat loss and fragmentation, over-exploitation, pollution, global climate change, over-consumption, illegal trade, and species extinction. Maximize the use of recycled materials. Minimize the consumption of virgin materials. Evaluate where the materials came from & how they were mined or manufactured. Consider your suppliers' practices.

The University is willing to prioritize long-term strategic decisions and encourages you to utilize comprehensive evaluation criteria in your purchasing decisions. Before making any new purchase, the following decision hierarchy can help guide your decision process:



PRO TIP - Ask Before You Buy

Prior to purchasing an item or service, consider the following :

- ◆ Do you really need the product or service?
- ◆ Is the product size / magnitude necessary? Are all the product or service features necessary?
- ◆ Is there a suitable alternative that is less harmful and safe to use?
- ◆ Is the product designed to be durable? Is it easy to maintain and repair?
- ◆ Is the product reusable, compostable, or recyclable? Does the service generate waste?
- ◆ Is the product produced locally? How far did it travel from where it was manufactured to where it's going to be used? How much energy is transportation going to use?
- ◆ Does the product contain any exotic or endangered materials? Where did the wood come from? How was it harvested? Where was the material mined? What were the working conditions?
- ◆ Is the product energy efficient? Is there valid third-party certification or only company marketing?
- ◆ Is the packaging minimal, made from recycled materials, and recyclable or reusable?
- ◆ How will the product be disposed? What are the end-of-life requirements for the service?

Documenting Your Decisions:

At every value of purchase, strive to create transparency in your purchasing actions. Arguably, the most important element of the sourcing process is supplier selection, and it's often the most scrutinized element of the process too. Utilizing a thorough process of selection and providing good documentation of your decisions are critical, particularly for purchases valued over \$10,000.

Below is an easy example template for concisely documenting your evaluation criteria and selection:

Evaluation Criteria	Quality	Delivery	Cost	Reliability	Diversity Sustainability Social	Overall Average
Weighting	35	10	25	20	10	
Rating: Supplier A	1	3	7	1	3	2.9 - Satisfactory
Rating: Supplier B	3	7	3	7	3	4.20 - Satisfactory
Rating: Supplier C	7	7	7	7	7	7 - Excellent

1	3	7
Needs Improvement (0-1 Overall Avg.)	Satisfactory (2-5 Overall Avg.)	Excellent (6-7 Overall Avg.)
Rating Scale		

Notional Criteria
and Rating Data

Using a [template](#), such as the one above, can help guide you or a team of evaluators to the best value decision on behalf of the University. You can adjust the evaluation criteria and weighting to best suit your requirement. Price must always be a substantial factor in your source selection process but does not have to be the primary factor as long as you can determine the price to be fair and reasonable.

3.3 Policy

The University requires the following core responsible procurement practices to be followed by all Reynolda Campus faculty, staff, and students who request or approve goods and services from external suppliers. These policies are in addition to applicable federal and state laws and regulations, and other University policies. Absent of clear guidance, sound and ethical business management is the University's expectation. When in doubt, seek professional guidance from Legal or Financial Services experts.

Faculty, staff, and students are expected to avoid real or perceived [Conflicts of Interest](#) and to assure illegal, unethical, or unfair trade practices are never tolerated, such as price fixing, bid rigging, bribery, kickbacks, threats, intentional misrepresentation, favoritism, and undue influence. In short, all those involved in University procurement are required to follow the University's [Business Practice Standards](#) and avoid any real or perceived personal benefit from their individual purchasing responsibilities.

Procurement Thresholds:

Value	Responsibility Requirements
\$10,000 or less <i>Simplified Procedures</i> <i>Commonly: University PCard / Purchase Order</i>	<ul style="list-style-type: none"> ◆ Seek price competition only to the extent needed to justify price reasonableness. ◆ Distribute purchases equitably among qualified suppliers when repetitive purchases are anticipated. ◆ Ensure repetitive purchases of the same or similar item or service do not exceed \$10,000 in aggregate during the same fiscal year unless the below procedures for greater than \$10,000 are followed. ◆ Consider supplier diversity, environmental sustainability, and social responsibility criteria in the evaluation process for supplier selection and award. ◆ Maintain documentation as necessary for approvals and payment. ◆ Comply with University spend category strategy, upon notification.
\$10,001 to \$125,000 <i>Informal RFQs and RFPs</i> <i>Commonly: Purchase Order</i>	<ul style="list-style-type: none"> ◆ Seek adequate price competition. ◆ Utilize informal solicitation methods (e.g., email) but maintain documentation of solicitations, quotations and proposals, evaluations, and supplier award decisions. ◆ Make contract award to the offeror whose proposal represents the best value to the University. ◆ Consider price as a substantial factor in the source selection process. ◆ Mitigate risk by utilizing selection criteria additional to price, such as quality, delivery, and reliability. ◆ Consider supplier diversity, environmental sustainability, and social responsibility criteria in the evaluation process for supplier selection and award. ◆ Ensure repetitive purchases of the same or similar item or service do not exceed \$125,000 in aggregate during the same fiscal year unless the below procedures for greater than \$125,000 are followed. ◆ Maintain detailed documentation from solicitation to final payment. ◆ Comply with University spend category strategy.
\$125,001 to \$250,000 <i>Formal RFQs and RFPs</i> <i>Commonly: Purchase Order / Formal Contract</i>	<ul style="list-style-type: none"> ◆ Prepare a detailed, written scope of work prior to market solicitation. ◆ Obtain approval from Procurement & Payment Services prior to market solicitation. ◆ Seek adequate price competition. ◆ Exclude suppliers who were directly involved in developing or drafting specifications, requirements, statements of work, or bid and proposal documents. ◆ Make contract award to the offeror whose proposal represents the best value to the University. ◆ Consider price as a substantial factor in the source selection process. ◆ Mitigate risk by utilizing selection criteria additional to price, such as quality, delivery, and reliability. ◆ Ensure repetitive purchases of the same or similar item or service do not exceed \$250,000 in aggregate during the same fiscal year unless the below procedures for greater than \$250,000 are followed. ◆ Include supplier diversity, environmental sustainability, and social responsibility criteria in the evaluation process for supplier selection and award. ◆ Maintain detailed documentation from solicitation to final payment. ◆ Comply with University spend category strategy.
\$250,001 and greater <i>Formal RFQs and RFPs</i> <i>Commonly: Purchase Order / Formal Contract</i>	<ul style="list-style-type: none"> ◆ Consult with Procurement & Payment Services at the beginning of the ideation stage. ◆ Include formal representation from Procurement & Payment Services on the team responsible for acquisition strategy, supplier evaluation, negotiations, and award selection. ◆ Perform cost or price analysis to affirm price reasonableness—competition alone is not sufficient. ◆ NOTE: The above requirements for items and services valued greater than \$125,000 will generally apply but may be further tailored by the Procurement & Payment Services team.

NOTE 1: Adequate Price Competition is achieved when two or more responsible offerors, competing independently, submit viable offers. However, you should carefully consider how competitive the supplier market is for your particular purchase when deciding what is the appropriate number of suppliers to include. In highly competitive markets, you should attempt to provide ample opportunities for price comparison.

NOTE 2: Purchasers must consider the aggregate value of the full requirement in determining the correct threshold guidance. E.g., if a multi-year agreement is anticipated, the full contract value inclusive of the price (including tax, transportation, and any other expected charges) for all years of expected performance will determine the responsibility threshold.

NOTE 3: Price must always be a significant evaluation factor but does not have to be the primary factor, as long as the purchaser can reasonably determine the price to be fair based upon current market conditions.

NOTE 4: Do not make or approve University purchases unless you have adequate spend authority, as detailed in the University's [Spend Authority and Administrative Procedure](#).

NOTE 5: Do not sign written contracts unless you have been given authority to do so, as detailed in the University's [Contract Management Administrative Procedure](#). As required, utilize your Contract Monitor to route all contracts to the University's Contracts Administrator for review and signatures.

NOTE 6: Exceptions to the policy established in this section require documented approval from the [Procurement & Payment Services](#) team *prior* to purchase.

NOTE 7: When adequate price competition is required but not possible, approval is required to be documented in Workday via the "Single/Sole Source" create request form.

NOTE 8: Purchases utilizing grant funding from North Carolina require solicitation above \$100,000.

Preferred Supplier Websites Available in Workday

Access to certain supplier websites has been made available through the Purchases worklet in Workday. Your use of these online catalogs enables a reduction in administrative work and expenses for the University, so evaluation preference is appropriate for goods and services available through these catalogs. However, adequate price competition is still required based on the aggregate purchase value.

Exclusions & Special Situations

The following items generally do not require adequate price competition:

- ◆ Academic testing services & accreditation fees.
- ◆ Advertisements (minor).
- ◆ Artists, original works of art, photographers, authors, and writers.
- ◆ Booth space at conferences, exhibits, fairs, and product shows.
- ◆ Contracts for institutions, individuals, and businesses named in grant awards.
- ◆ Cost of employee recruitment prior to hire.
- ◆ Drugs and pharmaceuticals.
- ◆ Insurance.
- ◆ Library resource materials.
- ◆ Major utilities.
- ◆ Professional certifications.
- ◆ Research participant incentives.
- ◆ Security and Police Officers provided by local governments.
- ◆ Shipping charges.
- ◆ Training & conference registrations.
- ◆ Travel expenses: airline tickets, travel agency fees, vehicle rentals, hotels, and meals (with the exception of chartered buses and airfare).

NOTE: The above list is subject to frequent review and reconsideration based on ongoing efforts by the University to create a unique procurement strategy for each spend category. Procurement & Payment Services will update this policy and notify campus when competition strategy changes.

NOTE: Consult with Procurement & Payment Services before making purchases greater than \$125,000.

Donor Considerations:

The University is privileged to have many suppliers who are also deeply connected to the world-class educational mission of Wake Forest University. Their philanthropic gifts help enable top faculty recruitment, provide leading-edge technology in our classrooms, support innovative academic programs, and make possible diverse learning & development opportunities for our students.

Your consideration of a supplier's philanthropic support to the University is appropriate and may be utilized as a competitive evaluation criteria in your supplier selection process. This is similar to any business value a particular supplier offers the University in the competitive marketplace.

However, weighting of this individual consideration can never be more significant than other quality, cost, or reliability criteria used in your evaluation. Careful documentation is required to ensure your supplier selection decision is fully transparent and competitive. An existing donor relationship is never sufficient cause for a single/sole source approval decision.

In these circumstances, you must consult with both University Advancement and Procurement & Payment Services prior to finalizing your supplier selection process to ensure appropriateness and full transparency.

Group Purchasing Organizations (GPOs):

The University frequently enters into contracts and supplier agreements via purchasing consortiums that leverage the combined buying power of 60,000+ government, education, and nonprofit organizations nationwide through hundreds of pre-established contracts. Major GPOs include:

- ♦ [Educational & Institutional Cooperative Purchasing.](#)
- ♦ [Omnia Partners.](#)
- ♦ [Sourcewell.](#)

Utilization of GPO contracts can help you save significant time and money, as their contracts have already been competitively sourced with input from subject matter experts from many other universities and offer standard terms & conditions that have already been negotiated with suppliers.

Although the University does encourage the use of GPO contracts when available, use of a GPO contract alone does not satisfy the requirement for adequate price competition. For purchases greater than \$10,000, you must always consider multiple sources. However, evaluation preference is often appropriate when considering GPO offers, due to the pre-negotiated terms and conditions they offer.

Consult with Procurement & Payment Services for advice on when GPO contracts might be available.

Information Systems and Security:

The Office of Information Systems (IS) is the primary resource for all things computing at the University. Collaboration with their team enables secure, reliable, and integrated technology resources. They can help you solve problems, investigate options, experiment, and implement innovative solutions. Compliance with University information security requirements is required when purchasing technology or technology-enabled services.

Technology and technology services that interact with credit/debit card data must be reviewed by IS and the University's Payment Card Compliance Committee to ensure the technology and services are secure and comply with necessary Payment Card Industry Data Security Standards.

Procurement & Payment Services works closely with IS to assure software and technology purchases and renewals are fully compliant with necessary accessibility and security requirements, especially for goods or services that impact students or a broad campus audience. Procurement & Payment Services will notify you upon review of your purchase requisitions or market solicitations when you need to further collaborate with IS prior to purchase, but you should be familiar with [IS policies and standards](#).

Procurement Specialists:

The [Procurement & Payment Services](#) team is comprised of skilled procurement and accounts payable professionals who are willing and able to assist you in your purchasing needs. In particular, the Procurement Specialists who are on staff are trained and experienced in the art of executing proposal requests, negotiating prices, establishing contracts, and communicating with suppliers. You are encouraged to seek their help early and often, especially as required by policy for purchases valued greater than \$125,000.

Choosing Your Methodology

Optimizing the way you buy & pay can save the University considerable time.

4.1 General Principles

Selecting the right contractual instrument and accompanying payment methodology is an important step for you to consider at the beginning of your purchasing process. This decision can be critical in establishing how well you're able to manage the purchase when differences of opinion arise between the University and the supplier. This decision will also impact the level of overall administrative burden and oversight required by the collective University team during supplier performance.

In general, the University allows purchases to be made with the University PCard or a Workday Purchase Order. Formal contracts created outside of Workday are also required to be submitted into Workday for approval workflow and accompanying Purchase Order creation; in these cases, you can seek advice from the [Procurement & Payment Services](#) team for solicitation and contract templates.

Contract Definition:

- ◆ A contract is an agreement between two parties creating an obligation for both of them to perform specific acts. Each party is legally bound to perform the specified duties, such as delivering goods or services and rendering payment.
- ◆ One party must make a clear offer, and the other party must clearly accept. In order for the contract to be enforceable, each party must exchange something of value.
- ◆ For legal purposes, contracts do not have to be written in order to be enforceable. You should always be careful with your verbal communications to suppliers. Best practice is to have written documentation supporting your agreement terms for significant purchases.

Spend Authority / Contract Management:

All purchasing decisions by University faculty, staff, and students are required to be in full compliance with this University Procurement Policy. Additionally, the University has detailed guidance on who has authority to approve procurement expenditures and who can sign written agreements that create legally binding obligations on behalf of the University.

These procedures are defined in the University's [Spend Authority and Administrative Procedure](#) and the [Contract Management Administrative Procedure](#), respectively.

Signing a contract on behalf of the University is an important responsibility and should be performed only by an individual with the authority to do so and with an understanding of the obligations being undertaken. Generally, written contracts valued at \$10,000 or below may be executed in accordance

with departmental procedures, unless otherwise stipulated by policy. When in doubt, seek advice from the University's Legal Department or the [Procurement & Payment Services](#) team.

NOTE: With few exceptions, formal review by the University's Legal Department is required for contracts valued \$250,000 or more. You should allow time for this in your acquisition plan & schedule.

Payment Methods and Terms:

The University has multiple payment methodologies that can be utilized to pay suppliers, including credit card (PCard), virtual card (vCard), automated clearing house (ACH), check, and wire (limited use only). For circumstances requiring repetitive or multiple payments, consult with Procurement & Payment Services for advice prior to obligating the University to a supplier, because the choice of your payment methodology can have a significant administrative impact on the collective University team.

For purchase order or direct pay commitments, the University prefers to pay with a vCard, which is a one-time use credit card number. Exceptions to the default payment terms of net 45 days for entities must be approved by Procurement & Payment Services prior to obligating the University.

Prompt receiving of goods & service in Workday is essential to avoid late payment fees.

4.2 Process Fundamentals

When to Use the University PCard:

Goods and Services \$2,500 and below may generally be purchased with a PCard. Common items approved for PCard spend when a clear and documented "bonafide" business purpose exists include:

- ◆ Academic testing services and accreditation fees.
- ◆ Advertisements (minor).
- ◆ Booth space at conferences, exhibits, fairs, and product shows.
- ◆ Catering services & expenses related to University sponsored conferences, seminars, and meetings.
- ◆ Cost of employee recruitment prior to hire.
- ◆ Dues and subscriptions.
- ◆ Entertainment expenses.
- ◆ Minor repairs, maintenance, or installation.
- ◆ One-time payments to suppliers.
- ◆ Training and conference registrations.
- ◆ Travel expenses: airline tickets, travel agency fees, vehicle rentals, hotels, and meals.
- ◆ Utility expenses.

When the above type of purchases exceed \$2,500 or an individual's PCard spend authority limits, cardholders may [request consideration](#) for a limit increase from the PCard Administrator.

Seek guidance from the [Financial Services Tax Office](#) when a purchase from a foreign individual or entity is anticipated.

NOTE: Refer to section 3.3 of this policy and its procurement threshold guidance for "\$10,000 or less."

Full guidance on PCard usage can be found in the [University PCard Program Manual](#).

When to Use a Purchase Order:

Purchase Orders are generally required when you are not using a PCard. Utilize the Purchases worklet in Workday to create a requisition from the web-enabled catalogs of the University's preferred suppliers, or you can also create a requisition to purchase from other suppliers or to purchase specific items and services that are not part of the preferred supplier catalogs. This process will produce an automated Purchase Order. You should also attach contractual documents created outside of Workday.

NOTE: If you are purchasing from a supplier not already in Workday, you will need to create a supplier request in Workday. Beyond basic information, you will need to provide other relevant documentation, such as a W-9, W8-BEN or W8-BEN-E, Independent Contractor checklist, and certificate of insurance.

Refer to Workday training and support documentation for help, or consult with the Procurement & Payment Services team for additional guidance.

Preferred Supplier Websites Available in Workday:

The ability to connect to supplier websites (e.g., Office Depot, CDW-G, ThermoFisher Scientific, Airgas, VWR, Dell, Lenovo, Apple, Grainger, and SupplyWorks) is available within the Purchases worklet in Workday. When you purchase an item through the catalogs, Workday will automatically create and transmit a Purchase Order to the appropriate supplier, once your request is approved.

Simplified payment processes have already been arranged with these suppliers. Collectively, your use of these online catalogs enables a reduction in administrative work and expenses for the University, so evaluation preference is appropriate for goods and services available through the Workday catalogs.

When to Use Direct Pay:

Absent of clear guidance, you should always utilize a PCard or Purchase Order. However, in select circumstances, the University will allow you to establish a contract agreement outside of these two possibilities and simply submit an invoice for payment to the Procurement & Payment Services team. When approved, these actions do not require an accompanying Purchase Order.

This purchase method is typically only approved when the procure-to-pay administrative effort is clearly optimized for the collective University team and other appropriate means of legal and performance oversight and financial compliance is assured by some form of underlying contract. Contact Procurement & Payment Services before obligating the University for direct pay expenditures.

4.3 Policy

PCard Spend

Maximize the use of the PCard for your spend \$2,500 and below. However, the PCard is not to be used for: cash advances, charitable contributions, controlled substances, radioactive or hazardous materials, motor vehicles, software, annual software renewals, software licenses, or the "right to use" any copyrighted material from international suppliers.

Services valued greater than \$2,500 require [Procurement & Payment Services](#) approval.

Other PCard Guidance:

Other applicable guidance and rules are also found in these University policies, procedures & manuals:

- ♦ [Meal and Entertainment Administrative Procedure.](#)
- ♦ [Business Expense Policy.](#)
- ♦ [Travel Administrative Procedure.](#)
- ♦ [Accounts Payable Disbursement Policy.](#)
- ♦ [University PCard Program Manual.](#)

Allowable Direct Pay:

Unless restricted by other University policy or leadership direction, the following goods and services are the only procurement expenses allowed for Direct Pay (*i.e., when no Purchase Order is required*):

- ♦ Accreditation Fees.
- ♦ Original works of art, artists, theater groups, musicians, photographers, authors, and writers.
- ♦ Athletic game guarantee fees.
- ♦ Awards, fellowships, prizes, scholarships, and stipends.
- ♦ Catering (Aramark and Spectra only).
- ♦ Charitable contributions and donations.
- ♦ Clinical trials and research participants.
- ♦ Competition judges.
- ♦ Conference registration and registration fees.
- ♦ Copyright.
- ♦ Entertainers.
- ♦ Entertainment expenses.
- ♦ Financial, banking, benefits, investment, insurance, and tax related payments.
- ♦ Foundation payments.
- ♦ Freight, shipping, and handling.
- ♦ Game day workers.
- ♦ Guest speakers, lecturers, and honorariums.
- ♦ Legal fees.
- ♦ Medical examination fees and service payments.
- ♦ Postage.
- ♦ Proctoring and note taking services.
- ♦ Real estate and rental agreements.
- ♦ Refunds and reimbursements.
- ♦ Royalties.
- ♦ Subscriptions, dues, and memberships.
- ♦ Travel.
- ♦ Major utilities, cell phones, mobile devices and service, telecom, and internet.

NOTE: Exceptions require approval from Procurement & Payment Services. The above list is subject to frequent review and reconsideration based on ongoing efforts by the University to create a unique procurement strategy for each spend category. The Procurement & Payment Services team coordinates this process in conjunction with University organizations and will update this policy and notify campus when any overall procurement strategy changes.

NOTE: Consult with [Procurement & Payment Services](#) before making purchases greater than \$125,000.

Leases:

A lease is a contract (or part of a contract) that gives one party the right to use an asset of another party for a period of time in exchange for consideration. For example, you can lease building space (e.g., Innovation Quarter, Wake Washington), printing devices (e.g., Xerox machines), scientific or athletic equipment, etc. Leases are often identifiable by monthly recurring charges and are subject to additional accounting requirements, which significantly affect the University's Financial Statements.

Prior to entering any lease agreement, you must consult with [Procurement & Payment Services](#). You must also contact the [Real Estate Office](#) prior to beginning the process of looking for residential, office, warehouse, retail, or other leased space.

Fixed Assets:

Capital asset acquisitions, trade-ins, and disposals must be handled in accordance with the University's [Fixed Assets Administrative Policy](#). Contact Jessica Gorrell at gorrellj@wfu.edu for guidance.

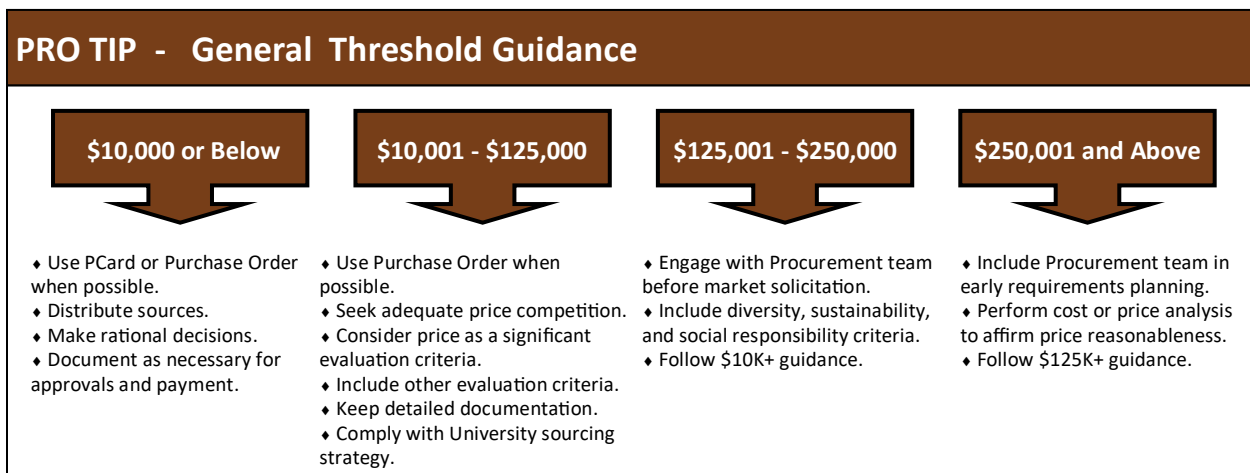
Grants:

Procurement done in conjunction with any third-party grant is typically required to follow specific guidance from the grant funder. Prior to purchasing goods or services associated with sponsored projects, you should contact Treasury's grant administration team at grants@wfu.edu.

Specifically with regard to Federal research grants: Your procurement actions must comply with Federal regulations commonly known as the "Uniform Guidance" ([2 CFR 200](#)). While the University's Procurement Policy has been written to generally conform with the Uniform Guidance, full compliance with this law will likely require additional precautions, process steps, and documentation by you.

You must consult with both the grants administration team and Procurement & Payment Services prior to making any purchase greater than \$10,000 to ensure compliance. Extensive documentation of your consultations, actions, and outcomes is essential when spending grant funds.

Non-compliance is illegal and may result in severe penalties and reputational consequences for the University, in addition to legal jeopardy and consequences for you. Always consult before you buy!



Who You Can Call

Never hesitate to reach out to others for help.

Procurement & Payment Services Key Contacts:

General Inquiries: (336) 758-UBUY (8289)

- ◆ **David Reese**, Senior Director, Procurement & Payment Services: (336) 758-1987, reesed@wfu.edu
- ◆ **Peter Nachand**, Associate Director, Procurement: (336) 758-5962, nachan@wfu.edu
 - ◆ **Kim Culberson**, Procurement Specialist II: (336) 758-4124, culberkw@wfu.edu
 - ◆ **Marla McNear**, Procurement Specialist II: (336) 758-4402, mcnearml@wfu.edu
 - ◆ **Garland Hilliard**, Procurement Specialist II: (336) 758-2412, hilliarg@wfu.edu
- ◆ **Johnny Trevino**, Contracts Administrator: (336) 758-3007 or 6102, trevinjs@wfu.edu
- ◆ **Erika Brown**, Strategic Relationships Manager: (336) 758-2976, brownel@wfu.edu
- ◆ **Allison Belton**, Director, Procurement & Payment Services: (336) 758-5183, beltonam@wfu.edu
 - ◆ **Linda Nichols**, Workday Lead: (336) 758-2413, nicholld@wfu.edu
 - ◆ **Patty Spencer**, Procurement Specialist: (336) 758-4160, spencepg@wfu.edu
 - ◆ **Summer Peters**, Senior Analyst, Payment Services, (336) 758-5690, peterssa@wfu.edu
 - ◆ **April Britt**, Supplier Administrator, (336) 758-2414, brittac@wfu.edu
 - ◆ **Nicolle Gaillard**, PCard Administrator: (336) 758-5998, ngaillar@wfu.edu
- ◆ **Category Specific Assistance:**
 - ◆ **Equipment** - Peter Nachand
 - ◆ **Facilities / Construction** - Kim Culberson
 - ◆ **Furniture** - Kim Culberson
 - ◆ **Information Technology** - Marla McNear
 - ◆ **Maintenance, Repair, and Operations** (e.g., Grainger, Graybar, Lowe's) - Kim Culberson
 - ◆ **Mobile Communications** - Garland Hilliard
 - ◆ **Office Supplies** - Garland Hilliard
 - ◆ **Professional Services** - Peter Nachand
 - ◆ **Print Services** - Garland Hilliard
 - ◆ **Services** (general) - Peter Nachand
 - ◆ **Scientific** - Peter Nachand
 - ◆ **Travel & Transportation** - Peter Nachand
 - ◆ **Vehicles** - Garland Hilliard

For more information, please visit <https://finance.wfu.edu>.