

Title: Procurement Policy

Responsible Official: Vice President for Campus Services

Responsible University Office: Procurement and Distribution Services

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Case Western Reserve University

Procurement Policy

Case Western Reserve University Procurement Policy—Full Revision

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1. Purpose

The primary function of Procurement and Distribution Services (PDS) is to assist and support the University in pursuit of education and research in a manner that encourages responsible stewardship of resources. The department is committed to assisting the University community with the timely and cost-effective procurement of quality goods and services while complying with government and University policy.

2.PDS Responsibilities

PDS is responsible for assisting in the selection of preferred suppliers, negotiation of prices, and assurance of quality and delivery for commodity goods and services for most University areas*. At the request of individual departments, PDS will develop standards and specifications for non-commodity goods and services. PDS also issues purchase orders and administers the procurement card suite and applicable policy.

PDS works to ensure that the University complies with all applicable federal, state, and local regulations and University policies, and that it abides by appropriate ethical considerations. Its purchasing files are subject to audits by university auditors and federal agencies and must include proper documentation (e.g., purchase orders, contract negotiations, bid awards, sole- and single-source justifications, etc.).

By becoming familiar with the information that follows, users will assist PDS in fulfilling its responsibilities and help ensure they receive quality service. The U.S. government requires recipients of federal grants, such as CWRU, to adhere to specific terms and conditions. The overarching requirement CWRU must follow is the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR Part 200, referred to as Uniform Guidance.

*PDS does not have responsibility for the following areas:

- The purchase, sale, or lease of real estate.
- The design, construction, or alteration of plant facilities.
- All living animals and animal parts, which are handled by the Animal Resource Center; and
- Personal purchases.

3. Purchase Requisition

A purchase requisition is the official University document used to initiate a purchase order with all outside suppliers (<https://case.edu/erpf Financials/>). A properly completed and executed eProcurement requisition electronically submitted to PDS authorizes the department to process the requisition and issue a purchase order. A properly completed requisition includes budget checking.

When considering pending needs, users should also be aware of the time involved in generating a purchase requisition, obtaining necessary approvals, processing, procurement, and delivery.

Advanced planning can ensure needs are met before they become particularly urgent.

4. Purchase Orders

PDS has the authority to ask for reconsideration of source, specifications, and/or quantities if, in its judgment, the interest of the university can be better served. PDS also has the responsibility to ensure that the university abides by all applicable federal, state, and local regulations and university policies, and that it abides by appropriate ethical considerations. PDS reserves the right to purchase from a source other than the one suggested after consultation with the requesting department. The purchase requisition number should never be given to a supplier in place of a purchase order number. Suppliers will only be paid for their goods and services if they reference a valid purchase order number. Failure to follow these guidelines may result in delay of the order and delay in payment to the supplier on your behalf.

Purchase orders are used for various types of special requests for goods and services. A buyer in PDS processes the purchase order based on the category of the pre-approved electronic requisition submitted. Users shall not purchase nor commit to purchase items or services prior to the issuance of the purchase order.

Once a requisition is approved and budget checked, a purchase order is issued. The information supplied by the buyer—such as price confirmation, method of shipment, expected delivery date, and any special terms or notations—will be forwarded to the supplier.

The purchase order is a legally binding obligation when accepted by a supplier. Acceptance may be evidenced by written notification or a delivery of goods conforming to the terms of the contract. The purchase order also is binding on the University and may be changed or canceled by PDS only in accordance with the terms of the order.

- **Blanket Purchases Orders** are issued at the discretion of PDS to eliminate the highly transactional nature of creating purchases orders for repetitive purchases from a select supplier. Blanket purchase orders can only be issued to suppliers that meet the criteria of the Preferred Supplier Program or are part of the ORTM sub-contract procedure. Blanket purchase orders may also be issued for predictable, recurring monthly expenses such as utilities and rent or other fixed services agreements. A blanket PO should specify a start and end date, not to exceed 12 months.

No commencement of work or ordering of goods is authorized or shall constitute a commitment of the University until one of the above required POs has been issued. Procurement and Distribution Services will not process payments without a properly executed Purchase Order.

5. Pricing Agreements

PDS negotiates pricing agreements with selected suppliers to obtain more competitive prices, price protection, and to reduce the administrative costs of purchasing these goods. These agreements usually cover a one-year period.

PDS initiates pricing agreements when it is in the University's best interest to do so. PDS regularly evaluates existing pricing agreements to maximize cost savings. This practice ensures

competitiveness among suppliers, allows new suppliers to participate, and addresses market trends and economic changes that may occur with particular commodities.

The University is a member of several group purchasing programs and receives the benefits of their negotiated agreements with various suppliers. PDS utilizes these agreements whenever feasible to obtain the best total cost for the University. In some cases, however, the price from a non-group supplier is less and the product is equal to that offered by the group contract supplier. In those instances, users should consider purchasing from the non-group contract supplier, provided the University has made no commitment to the group purchasing program prior to the awarding of the contract. Prices from group purchasing agreements are never to be used to secure improved pricing from suppliers outside the group.

Pricing agreements affect source selection by PDS and are treated as confidential information. As is the case with all bids, prices and terms are not disclosed to competitors.

6. Bids and Quotes

Users will obtain comparable price quotations on all purchased items whenever practical. This is accomplished through negotiated pricing agreements, soliciting requests for proposals, and formal bidding procedures. Requests to suppliers are conducted in a manner that provides open and free competition to the maximum extent possible.

All supplier bids and quotations are evaluated based on product quality, technical compliance with specifications, total cost, and the supplier's acceptance of the University's terms and conditions. Any and all bids and quotations may be rejected when it is in the University's best interest to do so. Prices secured on bids and quotations are considered confidential and should not be discussed with suppliers by University personnel.

Determination of Price Reasonableness

Users are expected to determine that the price paid is fair, reasonable, and in the best interests of the University. For all purchases of goods, equipment, and most services greater than or equal to \$50,000, formal competitive bidding, in conjunction with PDS, is the established method for determining price reasonableness. **At least two quotes are necessary for general purchases of goods and services between \$10,000 and \$49,999 and three quotes for purchases \$50,000 and over (*See exemptions below).**

Although one quote is acceptable for purchases under \$10,000 and for exempted commodities, users are encouraged to secure multiple quotes to procure the best value.

All purchases over \$250,000 will require the completion of the [Price Analysis and Reasonableness Form](#) and associated steps. The Price Analysis and Reasonableness Form needs completed BEFORE competitive bidding is performed. To complete these steps, the private investigator and/or the department support team should contact the Senior Director of Procurement, the Office of Research and Technology Management (ORTM), and Controller's Office to be guided through this process and completion of this form. Please plan for up to 8 weeks to complete the steps and procurement activities. This analysis form must be completed prior to obtaining quotes and bids.

Formal Competitive Bidding

All purchase requisitions for goods, equipment, and services with an aggregate value of \$10,000 or more are required to be bid competitively except when otherwise specified by:

- federal, state or local regulations
- an existing contractual obligation
- circumstances identified in Contract Review.

Users should seek bids from at least three sources; more are acceptable. Users are responsible for obtaining these bids and should ensure the bids are based on a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description should not contain features that unnecessarily restrict competition. In highly technical equipment purchases the user is strongly encouraged to solicit the involvement of other offices such as the Office of General Counsel, PDS and other appropriate experts.

It is PDS' responsibility to ensure price quotations obtained are from qualified suppliers in the procurement of goods, equipment and services, and items that such as transit insurance, warranties, installation, transportation, etc. are adequately covered. PDS is responsible for determining that prudent procurement practices are followed and documented. PDS will retain all such corroborating documentation.

If the user chooses not to select the lowest-cost bidder, the user must provide written justification for the decision to PDS. PDS will ensure that the documentation required to support the supplier selection is proper and complete.

PDS will issue a purchase order to the selected supplier and notify unsuccessful bidders. *The University reserves the right to reject any bid.*

Exemptions from Formal Competitive Bidding

- **Preferred Suppliers** - Preferred Supplier purchases more than \$50,000 **may** be exempt from Formal Competitive Bidding. If it is determined by PDS that alternate suppliers may supply the identical product at a more competitive value, additional bids/quotes may be requested. Preferred Suppliers have competitively bid or negotiated agreements which lock in competitive pricing for a select group of products or services. Pricing Agreements cover a wide range of products and services. These agreements may be negotiated by the University or made available to the University through one of several Group Purchasing organizations of which the University is a member.
- **Sole- and Single-Source Purchases.** Users must occasionally make a purchase involving a single or sole source supplier. Such purchases must be accompanied by a Single/Sole Source Justification Form (<https://case.edu/procurement/purchasing/forms>) when submitted to PDS.

All federally sponsored grants and contracts require some form of written competitive bid or an acceptable Single/Sole Source Justification Form if bidding is to be waived.

Definitions:

- **Sole-Source Supplier:** The supplier is the only known supplier in the world of the goods or services requested.
- **Single-Source Supplier:** The item may be available from multiple suppliers, but only the requested supplier is acceptable for reasons including, but not necessarily limited to: repair, or replacement parts; equipment must be compatible with other equipment currently in use; supplementary components of the same manufacturer; unique features or performance essential to the intended application; compliance with the University's standard programs; necessary to meet physical design.
- **Professional, Consulting, and Creative Services.**
Several creative service categories and/or professional services including consulting and services related to creative design, architectural services, legal services, and financial services may be exempt from formal competitive bidding requirements. The requirements applied to these service categories are as follows:
 1. Singular projects with less than \$10,000 total cost- No formal bidding requirement. However, obtainment of two price quotes is always recommended.
 2. Singular projects with total cost from \$10,000-\$50,000- No formal bidding requirement but cost reasonableness is highly recommended to support the purchase.

Singular engagements with a total cost that exceeds \$50,000- Three bids must be submitted or the sponsoring management center is required to submit justification to include the Dean's approval or the CFO if UGEN related for the selection of the service provider to the designated office for approval. Submittals should be routed using the Professional Services Bid Exemption Approval Form (<https://case.edu/procurement/purchasing/forms>). PDS will serve as the intake and expeditor for the processing of the Bid Exemption Form and related contract and will issue the PO in accordance with Purchasing Policy.

- **Additional Categories Exempted from Bidding Requirements**

Some professional services and goods do not lend themselves to standard competitive bidding processes but still require the inherent financial controls of workflow, encumbrance and contract terms and conditions. Several service/good categories:

- Advertisements
- Florists (under \$10,000)
- Lodging (Under \$10,000)
- Membership and Dues
- Registrations
- Subscriptions
- Taxis / Limousine Service (Under \$10,000)
- Multiple projects within an exempted service category with an aggregate value of over

\$50,000 schedule to be provided within a 12-month period- Bidding exemption is voided and a formal RFP process must be undertaken to support supplier selection.

7. Independent Contractors

The University seeks to use its regular and temporary employees to the maximum extent possible for the performance of work on behalf of the University. Apart from professional service providers, independent contractors, or consultants (e.g., consultants or professionals in IT, public relations, law firms, accounting firms, marketing, and design/architecture firms) should be used only when services cannot be provided adequately by regular or temporary employees.

Definition An Independent Contractor is a person or business who performs services for another person or entity under an express or implied agreement and who is not subject to the other's control, or right to control, the manner and means of performing the services (i.e.-not as an employee). One who engages an independent contractor is not liable to others for the acts or omissions of the independent contractor.

See <http://www.irs.gov/taxtopics/tc762.html> for more information.

Standard terms and legal review

All agreements involving independent contractors, consultants, or outside professional services must be in writing. The University's standard templated agreement includes terms and conditions that have been reviewed by university administration, including the Office of General Counsel. This form of agreement should be used whenever possible. This standard agreement form can be used whether the other party is considered an independent contractor, consultant, or outside professional service provider.

Standard/templated Independent Contractor Agreements are generated by PDS. Employees may request a standard Independent Contractor Agreement be generated by entering required information at: <https://case.edu/procurement/purchasing/contracts/independent-> contractors along with an approved requisition in PeopleSoft. Once the requested information is entered into the form and a requisition routed to Purchasing via PeopleSoft, an agreement is created and mailed to the independent contractor, consultant, or outside professional along with a Supplier Form and an IRS W9 form. When all the required signatures and forms are returned from the Independent Contractor, consultant, or outside professional to Purchasing, the supplier will be entered into the PeopleSoft database so that a Purchase Order may be issued.

Approval process

Standard consulting agreement generated by PDS

Because these agreements use standard approved terms, they do not require an additional separate review by the Office of General Counsel. Price reasonableness must still be established. See Section 3 "Bids and Quotes".

The outside professional or consultant cannot begin work until the proper approval is obtained and both the University and outside professional or consultant have signed a valid agreement. A

properly executed Purchase Order (PO) must also be in place prior to the commencement of services.

Non-standard agreements (Supplier provided contract)

Any Procurement agreement other than those generated by PDS require legal review by PDS in coordination by the Office of General Counsel. PDS will coordinate this review with OGC to expedite the execution of the contract.

The outside professional consultant, or service provider cannot begin work until the proper approval is obtained and both the University and outside professional or consultant have signed a valid agreement. A properly executed Purchase Order (PO) must also be in place prior to the commencement of services.

For more information regarding the application, review and execution process, please see <https://case.edu/procurement/purchasing/contracts>

Violation of this policy may result in disciplinary action and/or appropriate sanctions in accordance with the provisions of the applicable policies (e.g., within the Faculty Handbook or human resources [policies](https://case.edu/compliance/university-policies) found here: <https://case.edu/compliance/university-policies>

8. Contract Review and Execution

This procedure describes both the responsibilities and authority of those individuals authorized to sign Procurement-related contracts on behalf of the University. For purposes of this procedure, a contract is defined as an agreement in which the University is one of the parties and which will legally bind the University to rights and/or obligations and/or financial liability. It includes but is not limited to real estate and personal property purchase and sale documents, affiliation agreements, construction contracts, licensing agreements, equipment maintenance agreements, patent rights, royalties and independent contractor agreements.

It is the role of PDS to provide a business review of all the above types of contracts to ensure that this policy (Purchasing) and other related policies are followed. Legal review is provided by PDS in coordination with the Office of General Counsel.

Contracts shall not be executed nor obligations assumed by the University until all steps have been completed by this and other related Business Policies. This includes, but is not limited to, Competitive Bidding, and Business Policies.

The types of contracts PDS serves to facilitate include:

- Maintenance Contracts for scientific equipment, office equipment and other miscellaneous equipment.
- Equipment and material purchases, rentals, leases and/or financing agreements.
- Licensing Agreements.
- Independent Contractor Agreements
- Templated Routine Agreements
- Space Rental Agreements

- Catering Agreements
- Group Travel Agreements
- Templated Artist Agreements

Execution/Requests for Approval

The following information must be submitted with the PeopleSoft requisition to PDS prior to the initiation of services or purchase of material that includes a contract:

- Bids (See Bids and Quotes)
- Approved requisition in PeopleSoft
- If applicable, Professional Services Bid Exemption Approval
- If an Independent Contractor, a concise explanation of the business reason(s) for deciding to engage a professional or consulting firm, including:
 - The reason why regular or temporary University employees cannot reasonably perform the necessary services.
 - The specified period of the engagement; and
 - The nature and estimated amount of out-of-pocket/travel expenses to be paid by the University.
- Contract to be routed for signatures by PDS
- Supplier Information Form if new supplier to PeopleSoft (W9 certification included).
See Supplier Form at <https://case.edu/procurement/purchasing/forms>

PDS will ensure that all Procurement-related contracts are forwarded for legal review if applicable for the purchase of goods or service. PDS also will route approved contract for signature to two (2) Officers of the University or their designees. See Signature Delegation and Policy at <https://case.edu/generalcounsel/faqs>.

Once all of the required documentation has been submitted, reviewed, and approved by the Procurement representative, a Purchase Order (PO) and the executed contract will be issued to the supplier from PDS. **In all cases, a PO will not be issued until the signed/executed contract is received back from the supplier.**

PDS assumes responsibility of this routing in the execution of the related Purchase Order. The only exception to this policy is NIH subcontracts, which may be signed by one officer or designee.

Any contract for the purchase of goods and services which requires external financing of any kind must be approved and signed by the Chief Financial Officer or the President.

No Procurement contractual document will be signed without prior review and approval of the Procurement and Distribution and/or the Office of General Counsel in coordination with PDS.

To expedite the contract review and approval process, users should provide all required documentation. Users also should provide as much lead time as possible before the actual date the contract must be approved and clearly indicate any deadlines involved.

9. Leasing & Rentals

Most of the University's equipment and personal property is purchased outright. However, in some rare circumstances, Procurement and Distribution Services (PDS) may recommend leasing or renting instead of purchasing. The decision to lease or rent is made on a case-by-case basis, considering factors such as the purchase price, maintenance and service costs, expected life expectancy, duration of need, obsolescence, available funding, and prevailing interest rates. The leasing or rental process aims to ensure that the University acquires the equipment in the most cost-effective manner.

PDS, in collaboration with the appropriate finance stakeholders, works with departments and users to identify the most advantageous leasing or rental arrangement. Any external lease is formalized through the issuance of a purchase order.

Types of Leases and Rentals

Leasing is a financing mechanism rather than a funding source. The University primarily considers leasing when an item's direct purchase is either impractical due to cost or prohibited by the funding source (such as with sponsored research projects). Items to be considered for leasing must have a value of at least \$50,000. The decision to lease should consider factors such as the technical and operational useful life of the item, its continued use beyond the lease term, budgeting constraints, financing terms (interest rate, repayment period), and the impact of the lease on financial statements.

Items rented, leased, or loaned at no charge to the university are still required to go through the requisition process and/or contract review by PDS prior to the commencement of the commencement of the no charge arrangement.

PDS is responsible for overseeing the leasing approval process, ensuring procurement policies such as bidding are completed, clarifying equipment costs and lease terms, routing contracts for review and signature, reporting all leases and rentals on an annual basis, and coordinating with Capital Asset Accounting to obtain financial guidance on whether leasing or purchasing is the most advantageous option. PDS is to notify Capital Asset Accounting when any lease or rental agreement is entered into by the university

10. Capital Equipment

The University defines capital equipment as all major equipment, furniture, and fixtures with an acquisition cost of \$5,000 or more and a useful life of at least two years. In addition, component pieces that are less than \$5,000 but are part of a larger system will be capitalized.

Capital equipment purchases are subject to the purchase workflow process. Purchases of capital equipment of more than \$10,000 are subject to the purchase workflow approval process and the competitive bidding process.

The Equipment Accounting Department (<https://case.edu/controller/accounting/capital-assets-equipment-accounting>) is responsible for recording and monitoring all capital equipment purchases. Equipment accounting will verify the purchase requisition for proper expense classification prior to order placement and will contact the requesting department if a change of

expense class must be made.

11. Honorariums

What is an Honorarium:

An honorarium is an ex-gratia payment, i.e., a payment made to a non-employee individual as a gift in recognition of service without the giver recognizing themselves as having any liability or legal obligation, to a person (not a company) for his or her services in a volunteer capacity or for services for which fees are not traditionally required.

The honorarium CANNOT be paid for:

- Individuals bearing responsibility for grading or taking class attendance (follow HR employment processes)
- Speakers, forum, workshop, seminar, lecture series or multiple course lectures that qualify as professional services in which the person expects to be paid a fee for service
- Any current employee of CWRU
- A foreign national on F-1, H-1B, TN and O visas (Refer to the most current [Honorarium Acceptance Form](#) for instructions on how to pay foreign nationals)
- Travel reimbursements for B-2/VWT visas (Exceptions must be approved in advance by the CWRU Travel Department),
- A foreign national who does not meet the 9/6/5 Rule (see page 3).
- Without business purposes (study, training, and research)
- Material misrepresentation of proposed visit

Expenses:

Reimbursement of the Honorarium's expenses (for example, travel expenses) are not guaranteed and must be preapproved by the department before the expense is incurred. Receipts for actual expenses incurred up to the preapproved amount will be considered reimbursable. Receipts should be attached to the payment request or requisition.

Procedures:

Refer to the current [Honorarium Acceptance Form](#) for the most updated procedures and rules regarding the processing of honorariums.

12. Gift Cards

Allowable Uses of Gift Cards

- Pay Study Participants (refer to Guidelines on how to Pay Study Participants: <https://case.edu/procurement/accounts-payable/research-studies>).
- Prizes, Awards, Recognition, Incentives, and Gifts so as long as they are in compliance with Employee Recognition Policy (www.case.edu/compliance) and the gift card is not related to employment.
- Focus Groups or Surveys for Program Evaluation (cannot exceed \$75 / participant)

Gift cards are considered taxable income by the IRS and any issuance of a gift card to employees, as a gift, or for "services rendered" is not typically a recognized use of university funds. Please see the

policy on “Employee Recognition” for further information.

Non-Allowable Uses of Gift Cards

- Compensation or payment for services or purchases
- Compensation in lieu of payment for employment or bonuses
- Personal Gifts
- Avoiding university procurement or payment policies
- Alcohol or restricted items

Loss, Theft, or Fraudulent Use of Gift Cards

Loss, theft, unreceived, misuse, and fraudulent use of gift cards is fully investigated when it occurs. Gift cards unreceived, lost, stolen, and/or misused should be immediately reported so an investigation can start, and gift cards can attempt to be deactivated immediately to reduce financial losses. The following departments ALL should be contacted for support if the event of known or suspected loss, theft, fraud, misuse, or unreceived gift cards: the gift card supplier, procurement, office of general counsel, internal audit, and CWRU police.

Purchasing Gift Cards

Gift cards cannot be purchased on a Payment Request, a Procurement Card, or using personal funds. Gift Cards purchased using personal funds are not reimbursable by the university under any circumstances.

Gift cards can only be purchased through a Purchase Order. The requisition must include a properly completed Gift Card Justification Form. Most gift cards are purchased through SmartCART’s preferred gift card supplier (presently BlackHawk Network).

13. Controlled Substances and Pharmaceuticals

Controlled Substances and Prescription Drugs

I. General Guidelines

1. Controlled substances and prescription drugs may be ordered through the University for the following purposes only:
 - a. clinical care by University Health and Counseling, provided the controlled substance or prescription drug is included on a list approved by the Responsible Person, for the CWRU DEA registration for University Health and Counseling; or
 - b. clinical procedures in the School of Dental Medicine, provided the controlled substance or prescription drug is included on a list approved by the Responsible Person for the CWRU DEA registration for the School of Dental Medicine; or
 - c. animal care in the CWRU Animal Resource Center provided the controlled substance or prescription drug is included on a list approved by the Responsible Person for the CWRU DEA registration for research use; or
 - d. animal research conducted pursuant to a research protocol approved by the CWRU IACUC; or
 - e. another specific research use such as an in vitro experiment provided such use is

approved in advance by, the Vice Dean of Research in the School of Medicine for studies in the School of Medicine, or the Associate Vice President for Research for studies in other schools, and memorialized in writing by the Responsible Person on the CWRU DEA registration for research use.

- f. Prescription drugs (but *not* controlled substances) for procedure training by medical and physician assistant students, provided the use is approved in advance by the Vice Dean of Medical Education in the School of Medicine, and is included on a list approved by the Responsible Person for the CWRU license as a terminal distributor for this purpose.

2.Ordering procedures for each of the above purposes is set forth below in Section B.

3.Ordering controlled substances or prescription drugs through the University's procurement process for any other purpose is prohibited.

4.All ordering of controlled substances and prescription drugs for university purposes must be through the University's official e-procurement process and through suppliers approved by the University for this purpose. No controlled substances or prescription drugs may be ordered under a P-card unless the P-card holder receives prior written approval from the Director of Procurement & Distribution Services. No controlled substances or prescription drugs may be used for university purposes that are ordered outside this process.

5.No individual practitioner's DEA number may be used to acquire controlled substances or prescription drugs intended for university research, clinical procedures in the School of Dental Medicine, or other University purposes.

6.Orders for controlled substances and prescription drugs must contain only the controlled substance or prescription drug. The order cannot be combined with any other item.

7.Schedule I controlled substances can be used for authorized research only. They cannot be used for clinical purposes. Orders for Schedule I controlled substances for research require the following special procedures:

- a. Any investigator in the School of Medicine who desires to use a Schedule I controlled substance must first obtain prior written approval of the Vice Dean for Research.
- b. Investigators in other schools must first obtain prior written approval of the Associate Vice President for Research.
- c. Once approval is granted, the University shall work with the investigator to obtain a DEA registration in the name of the University with the investigator as the Responsible Person.

8. Orders for Schedule I and II controlled substances must include Copy 1 and Copy 2 of the DEA Form 222. The applicable Responsible Person must retain Copy 3 and forward copies 1 and 2 to Procurement.

9. Anyone seeking to use controlled substances or prescription drugs for university purposes must comply with other applicable University policies/procedures.

II. Ordering Procedures

A. Ordering procedure for Animal Research

- Orders for use in animal research may be placed either by the Responsible Person on the CWRU DEA registration for research use, or by employees identified by the Responsible Person, the Dean of the School of Medicine, or the Vice Dean for Research of the School of Medicine as authorized to place orders. The Responsible Person, the Dean or the Vice Dean shall notify the Director of Procurement & Distribution Services of the names of the employee(s) so authorized.
 1. Orders for controlled substances and prescription drugs for animal research must be entered into PeopleSoft eProcurement as a requisition.
 2. The line-item description must include:
 - a. name of controlled substance/prescription drug; and
 - b. catalog number; and
 - c. The requisition must identify currently designated responsible person. The name of the current RP listed at <https://case.edu/medicine/research/research-support/arc> .
 3. The justification/comments box that appears after you hit Review and Submit must include the following information:
 - a. Principal Investigator's name; and
 - b. IACUC protocol; and
 - c. Name and phone number of person(s) responsible for pick-up.
 4. All orders must be shipped to the Animal Resource Center, signature required.

B. Ordering procedure for Invitro Experiments and Other Approved Research Purposes

- Orders for in vitro experiments and other approved research purposes may be placed either by the Responsible Person on the CWRU DEA registration for research use, or by employees identified by the Responsible Person, the Dean of the School of Medicine or the Vice Dean for Research of the School of Medicine as authorized to place orders. The Responsible Person, the Dean or the Vice Dean shall notify the Director of Procurement & Distribution Services of the names of the employee(s) so authorized.
 1. Orders for controlled substances and prescription drugs for invitro experiments and other approved research purposes must be entered into PeopleSoft eProcurement as a requisition.
 2. The line-item description must include:
 - a. name of controlled substance/prescription drug; and
 - b. catalog number; and
 - c. The requisition must identify currently designated responsible person. The name of the current RP listed at <https://case.edu/medicine/research/research-support/arc>.
 3. The justification/comments box that appears after you hit Review and Submit must include the following information:
 - a. Principal Investigator's name; and
 - b. Name and phone number of person(s) responsible for pickup.
 - c. The approval signed by the Vice Dean for Research of the Associate Vice President for Research must be attached in the comments section of the requisition.

4. All orders must be shipped to the Animal Resource Center, signature required.

C. Ordering Procedure for the School of Dental Medicine

- Orders for the School of Dental Medicine may be placed either by: the Responsible Person on the CWRU DEA registration for the School of Dental Medicine, or by employees identified by the Responsible Person or the Dean of the School of Dental Medicine as authorized to place orders. The Responsible Person or the Dean shall notify the Director of Procurement & Distribution Services of the names of the employee(s) so authorized.
 1. Orders for controlled substances and prescription drugs must be entered into PeopleSoft eProcurement as a requisition.
 2. The line item description must include:
 - a. name of controlled substance/prescription drug; and
 - b. catalog number; and
 3. Orders of schedule I controlled substances for clinical procedures are prohibited.
 4. All orders must be shipped to the School of Dental Medicine, signature required.

D. Ordering Procedure for University Health and Counseling

- Orders for the University Health and Counseling may be placed either by the Responsible Person on the CWRU DEA registration for the University Health and Counseling, or by employees identified by the Responsible Person or the Medical Director of University Health and Counseling as authorized to place orders. The Responsible Person or the Medical Director shall notify the Director of Procurement & Distribution Services of the names of the employee(s) so authorized.
 1. Orders for controlled substances and prescription drugs must be entered into PeopleSoft eProcurement as a requisition.
 2. The line-item description must include:
 - a. name of controlled substance/prescription drug; and
 - b. catalog number; and
 - c. formulation (strength of substance); and
 - d. if specific manufacturer's product is requested, include NDC#; and
 - e. the requisition must identify the Responsible Person on the CWRU DEA registration for University Health and Counseling as the "ship to address.
 3. Orders of schedule I controlled substances for clinical procedures are prohibited.
 4. All orders must be shipped to University Health and Counseling, signature required. PDS is responsible for maintaining a file of all controlled substances ordered for the University requiring a federal drug enforcement administration (DEA) license and Ohio State Board of Pharmacy license.

E. Ordering Procedure for Purpose of Procedure Training by Medical and Physician Assistant Students

- Orders for the purpose of procedure training by medical and physician assistant students may be placed either by: the Responsible Person on the CWRU Terminal Distributor License, by the Dean of the School of Medicine or the Vice Dean for Education, School of Medicine, or by employees identified by the Responsible

Person, the Dean or the Vice Dean as authorized to place orders. The Responsible Person, the Dean or the Vice Dean shall notify the Director of Procurement and Distribution Services of the names of the employees so authorized.

1. Controlled substances may NOT be ordered for this purpose.
2. Orders for prescription drugs for procedure training must be entered into PeopleSoft eProcurement as a requisition.
3. The line-item description must include:
 - a. name of prescription drug
 - b. Catalog number; and
 - c. formulation (strength of substance); and
 - d. if specific manufacturer's product is requested, include NDC#, if available; and
 - e. the requisition must identify the Responsible Person on the Terminal Distributor License as the "ship to" address.
 - f. All orders must be shipped to the CWRU Simulation Center at 1551 East 105th Street *Cleveland, Ohio* 44106. Phone: (216) 368-0064, signature required.

F. Ordering Procedure for Student Health Services

- Orders for the Student Health Services may be placed either by: the Responsible Person on the CWRU DEA registration for the Student Health Services, or by employees identified by the Responsible Person or the Medical Director of Student Health Services as authorized to place orders. The Responsible Person or the Medical Director shall notify the Director of Procurement & Distribution Services of the names of the employee(s) so authorized.
1. Orders for controlled substances and prescription drugs must be entered into PeopleSoft eProcurement as a requisition.
 2. The line-item description must include:
 - a. name of controlled substance/prescription drug; and
 - b. catalog number; and
 - c. formulation (strength of substance); and
 - d. if specific manufacturer's product is requested, include NDC#; and
 - e. the requisition must identify the Responsible Person on the CWRU DEA registration for Student Health Services as the "ship to" address.
 3. Orders of schedule I controlled substances for clinical procedures are prohibited. All orders must be shipped to Student Health Services, signature required. PDS is responsible for maintaining a file of all controlled substances ordered for the University requiring a federal drug enforcement administration (DEA) license and Ohio State Board of Pharmacy license

G. Ordering Procedure for Purpose of Procedure Training By Medical and Physician Assistant Students

- Orders for the purpose of procedure training by medical and physician assistant

students may be placed either by: the Responsible Person on the CWRU Terminal Distributor License, by the Dean of the School of Medicine or the Vice Dean for Education, School of Medicine, or by employees identified by the Responsible Person, the Dean or the Vice Dean as authorized to place orders. The Responsible Person, the Dean or the Vice Dean shall notify the Director of Procurement and Distribution Services of the names of the employees so authorized.

- Controlled substances may NOT be ordered for this purpose.
- 1. Orders for prescription drugs for procedure training must be entered into PeopleSoft eProcurement as a requisition.
- 2. The line-item description must include:
 - a. name of prescription drug; and catalog number; and
 - b. formulation (strength of substance); and
 - c. if specific manufacturer's product is requested, include NDC#, if available; and
 - d. the requisition must identify the Responsible Person on the Terminal Distributor License as the "ship to" address.
 - e. All orders must be shipped to the CWRU Simulation Center at 1551 East 105th Street *Cleveland, Ohio* 44106. Phone: (216) 368-0064, signature required.

14. Emergency Orders—outside supplier orders

When a department faces an emergency that requires a purchase order, they should generate the purchase requisition indicating both the due date and a "rush" notation in the comment section. Users also should call the PDS customer care team <https://case.edu/procurement/about-us/staff-directory> to inform the buyer of the emergency and that a requisition is forthcoming.

15. Expediting

PeopleSoft eProcurement (<https://case.edu/erpf Financials/>) allows departments to track their orders from purchase requisition creation through the issuance of the purchase order. Users experiencing excessive delay in receipt of materials and have confirmed that a purchase order number has been issued, can either contact the supplier directly or call the appropriate buyer <https://case.edu/procurement/about-us/staff-directory> to determine the order's status.

16. Gifts and Gratuities—University guidelines for acceptance

University personnel should be aware that offers of gratitude from suppliers can compromise or be seen to compromise objective judgment in product or service selection. An individual conflict of interest exists when a member of the University obtains a gift or financial benefit that might adversely affect or appear to affect the individual's judgment in carrying out University responsibilities. Accordingly, it is University policy to observe the highest standards of business ethics and to shield the employee, the University, and the supplier from any suggestion or appearance of conflict of interest. All members of the University community should consult and be familiar with the University's full conflict of interest policy at <https://case.edu/compliance/university-policies>.

No employee shall permit any real or perceived influence by suppliers that could conflict with the best interest of the University or prejudice the University's reputation. Expenditure of University funds to suppliers shall not by intention benefit any person officially connected with the University.

Tangible gifts or gratuities shall not be accepted where their value suggests more than a social gesture. Such gifts should be returned with a statement of university policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars, and holiday candy are acceptable.

Association with supplier representatives at modest business meals or business organization meetings is occasionally necessary and is neither questionable nor unethical, provided the individual keeps him- or herself free of obligation.

Personal loans of money or equipment are not to be accepted by an individual or supplier.

Solicitation of suppliers for merchandise or certificates to serve as door prizes or favors is normally prohibited. Those seeking an exception should provide a written explanation of their reasons to the senior vice president/chief financial officer.

17. Heavy Equipment Moving

The University is not equipped to receive and deliver heavy equipment and supplies through Central Receiving and Package Delivery. Therefore, PDS directs heavy and/or oversized items to a contracted outside moving company or the University Movers for delivery directly to the originating department.

PDS has the responsibility of determining where incoming goods are to be shipped at the time of order placement with the supplier. If an outside mover is used, the purchase order will be noted accordingly.

PDS will notify the Movers of an incoming shipment. Delivery arrangements will be made directly between the movers and the originating department. All packing materials will be disposed of by the contracted mover at the time of delivery. All costs incurred are the responsibility of the originating department.

If a buyer is unable to establish weight and dimensions at the time of order placement and the order cannot be properly received at the time of delivery, the University's Central Receiving Department has the authority to redirect the incoming shipment to the attention of the mover.

18. International Orders

PDS processes all international orders based on properly executed purchase requisitions.

Incoming orders are cleared through customs, based on the following procedures:

- a. The package carrier will notify the University's customs broker that a package has arrived and will forward the paperwork to the broker for processing.
- b. The customs broker will contact PDS of the arrived package.

- c. PDS will notify the user department.
- d. If the value of the order does not exceed \$1,000 the department has the option to clear the package themselves or allow the University's customs broker to clear the package.
- e. If the value of the order exceeds \$1,000 the package must be cleared by the University's customs broker.

Customs brokers' fees and duty costs are the responsibility of the user department.

When ordering from an international supplier, please take into consideration the cost of freight, broker's fees, and approximately nine to 12 percent in duty.

In some cases, items can be received duty-free upon application. If qualified, application approval may take up to 12 weeks. Please contact PDS prior to generating the purchase requisition to discuss qualifications.

Please be aware that International Suppliers require a W8 (not W9 domestic suppliers) along with the Supplier Form. The IRS mandates that although a copy may be submitted to begin the process, Procurement and Distribution Services must receive the original and signed W8 within the first 30 days of issuance of the PO. In addition, an original and executed W8 must be supplied annually to Procurement and Distribution Services per IRS guidelines. See <https://case.edu/procurement/purchasing/forms>

19. University Packages—outbound for mailing purposes only

FedEx is the preferred supplier for outbound University packages. Information related to the university's FedEx account, and details on how to sign up, can be found here: <https://case.edu/procurement/distribution-services-mailroom/mail-services>.

Small parcels that cannot fit into outgoing mailboxes may be shipped via USPS. A special outgoing mail pickup can be arranged with the Mailroom. Unless otherwise designated, all mail will be processed as first-class mail and must be accompanied by Mail Center Slip.

20. Personal Purchases

PDS does not enter any negotiation or become involved in any transaction for purchases of a personal nature for University faculty, staff, or students.

PDS may question requisitioned items that seem to be of a personal nature or an inappropriate expense against university funds.

21. Printing

A range of strategic printing solutions are offered to the University community that streamline and simplify the process of print (off-set), procurement, and production and reduce costs.

Standard University items—business cards, letterhead, envelopes, mailing labels, etc.

Printing services offers online ordering (<https://case.edu/printing>) of standard University items

that allows instant proof approval. The office has negotiated reduced fees with suppliers, and users are encouraged to explore the cost-effectiveness of this option.

Non-standard items

Users can utilize another online system (<https://case.edu/printing>) to submit print jobs and obtain competitive bids as required by university purchasing policy. Clients can request a quote online, which will then go out to the preferred print supplier list for bid.²¹ Radioactive material ordering procedure

The Office of Radiation Safety (<https://case.edu/ehs/radiation-and-laser-safety>) has established the following procedures when ordering radioactive material.

All radioactive material will be ordered using the University purchase requisition, including replacement orders and no-charge samples. Each purchase requisition must have the following information:

- Isotope;
- Quantity and unit of isotope ordered (e.g., 1x250 uCi);
- Inventory of isotope on hand in the laboratory; and
- Signature of authorized user or authorized alternate.

When complete, the purchase requisition will be routed electronically in PeopleSoft for all necessary approvals. Please note that purchase requisitions for radioactive materials require approval from radiation safety. The radiation safety office has a 3 p.m. deadline for processing radioactive requisitions due the following business day. Approved requisitions forwarded to the PDS are processed until 4 pm. Requisitions received after 4 p.m. are not guaranteed for next-day delivery. Upon approval by the Office of Radiation Safety, the purchase requisition is electronically routed to the PDS for processing.

Purchase requisitions for radioactive material to be delivered to MetroHealth Medical Center or V.A. Medical Center do not require the approval of the University's Office of Radiation Safety. However, these purchase requisitions do require the approval of the respective institution's radiation safety office. Contact the radiation safety office at those locations for instructions.

Sustainable purchases

Preference should be given to products and services that conserve natural resources and protect the environment to the extent practicable and economically feasible. Purchase of products that are ENERGY STAR certified in all areas for which such ratings exist is required.

22. Repairs—shipment back to a supplier for repairs

A purchase requisition is required to initiate all repair orders, except warranty repairs. Warranty repair orders must refer to the original purchase order number. In addition to the standard required information, the requisition must contain the following information:

- Description of equipment—including brand, model, and serial number.
- Estimated cost of repair or warranty information.
- Purchase order number that the item was originally purchased against, if available.
- Number of cartons being shipped to the supplier.
- Complete shipping address—no P.O. boxes.
- Weight of package, if known; and
- Whether the department wants the equipment insured, if so, the value must be provided.

Please note that if more than one package is being shipped, the value of each package must be indicated.

All items must be properly packed, and each package completely sealed and labeled for shipment. Neither PDS nor shipping will assume the responsibility for poorly packed material that results in damage.

Some suppliers require that a repair authorization number be assigned to the repair prior to shipping. PDS will obtain the proper authorization, if required. If the department has obtained the number, please indicate on the purchase requisition.

If the department requires the material to be picked up, the purchase requisition must be sent to PDS, noting on the purchase requisition the building and room number from which the package(s) will be picked up. A pickup order will be generated, following a pickup number, and faxed to the department in which copies will be forwarded to the Package Delivery Department for pick up. The purchase requisition and pickup numbers should be noted in the upper right-hand corner of each package.

Departments wishing to bring the material directly to receiving for shipment should take the package(s) to shipping/receiving, located on the first floor of the Service Building or Cedar Avenue Service Center's mail center. A copy of the purchase requisition should be attached to the package and the purchase requisition, and pickup numbers should be noted in the upper right-hand corner of the package(s), along with any applicable repair authorization number. PDS will not assume the responsibility for packages with incorrect shipping addresses, improper labeling of contents, incorrect contact person, etc.

23. Return - credit or exchange

Occasionally a department must return materials for credit or exchange. PDS coordinates the following types of returns:

- Incorrect items being returned in exchange for correct item.
- Defective or damaged items.
- Over shipments.
- Excess material ordered by the department.
- Material as received is not acceptable; and
- Goods are no longer required.

The requesting department should contact PDS with the following information: original purchase order number, supplier name, items and quantities of materials to be returned, and reason for return.

If necessary, PDS will make the necessary arrangements with the supplier and obtain a return goods authorization number, if required. PDS will contact the requesting department to arrange for the return of the material from the department after the proper return authorization has been received from the supplier. Do not bring materials to shipping/receiving until PDS has approved the return.

Any restocking charges due will be the responsibility of the requesting department. Additionally, some suppliers do not accept returns if fault lies with the ordering department. Proper planning of needs when generating orders can avoid costly and unnecessary returns. The supplier or freight company will assume responsibility for damage charges if, after a thorough investigation, it is deemed that merchandise was received damaged or defective.

All items must be properly packed, and each package completely sealed and labeled for shipment. Neither PDS nor shipping will assume the responsibility for poorly packed material that results in damage. If the original purchase was from the University Bookstore (<https://case.edu/campuservices/about-our-departments/university-bookstore>), the Department of Printing Services or (<https://case.edu/printing/>) Printing Central Stores, the return should be initiated by directly contacting the respective department.

24. Small, Local, and Independent business concerns

Please note that Case Western Reserve University, acting in good faith, may rely on representations by suppliers regarding their government classification status.

PDS commits to:

- Be knowledgeable about the importance of small, local, and independent business in daily activities.
- Interact with various public and private agencies and/or organizations dedicated to the identification and introduction of small, local, and independent business concerns.
- Interact with the University's Department of Research Administration and the appropriate federal regulatory agencies; and
- Maintain appropriate records of such business dealing.

Responsibilities:

PDS will assist principal investigators and research administrators with developing a business subcontracting plan that will identify requirements for meeting federal requirements. The appropriate buyer will, whenever possible, source the product to identify qualified suppliers.

Suggested sources include:

- Supplier suggested by the requisitioner; and
- Source publications.

The customer care team has the responsibility to maintain the supplier type list and can be consulted by the buyers for resource purposes. Supplier government classifications listed in PeopleSoft are as follows:

Government Classifications

- SBA – Small Business
- SDB – Small Disadvantaged Business
- SDV – Service-Disabled Veteran-Owned Business
- VOB – Veteran-Owned Business
- HUBZone – Historically Under-Utilized Business Zone

25. Taxes and Exemptions

Case Western Reserve is an Ohio nonprofit corporation and exempt from sales and use tax and from federal income tax as an organization described in section 501c(3) of the Internal Revenue Code. The University's federal tax identification number is 34-1018992.

PDS provides certificates of exemption to suppliers upon request.

26. Supplier Relations—Standards of Conduct

All interactions involving suppliers should be conducted at the highest level of personal and institutional integrity and fairness.

University employees should recognize real or perceived conflicts of interest in conducting University business with suppliers and firms in which they, a family member, or member of their household, have a financial interest and should avoid these situations. This applies particularly to university employees engaged in procurement, financial affairs, those handling or approving funds, and persons involved in determining what is to be procured. University employees must be familiar with the University's conflict of interest policy. University employees should disqualify themselves from procurement decisions in which they have a conflict of interest.

Whenever an apparent conflict of interest is suggested or identified, employees should report the conflict of interest, pursuant to the University's conflict of interest policy.

27. Warranties

Many purchased items are delivered with manufacturer warranty cards or certificates. It is the users' responsibility to complete the card and return it to the supplier immediately for proper certification.

All warranty information should be retained by the originating department for future reference. If repair service is required during the warranty period, the warranty information should be included on the purchase requisition that is processed to PDS.

28. Federally Sponsored Projects

Please refer first to the Office of Sponsored Projects Accounting (<https://case.edu/research/>) regarding purchases made with funding received through a federal grant.

29. Home Office / Hybrid Work Environment

Unless otherwise subject to regulatory requirements or other exemption by Office of Equity or Human Resources, under no circumstances are supplies, furniture, services, electronics, or equipment to be purchased for an off-campus work environment.