



EMORY
UNIVERSITY

Procurement Best Practices and Associated Risks - 2024

Procurement and Support Services

Last Edit: 12/9/24

Procurement Process Flow





Best Practices SNAPSHOT

(Full Details Slides 9-42)

EMORY



Sourcing

1 Use existing Marketplace Suppliers

2 Suppliers complete the Supplier Information Form (SIF) for onboarding

- Requisitioner submits companies' SIFs in Emory Express
- Requisitioner submits Individuals or Limited Partnerships in Compass

3 Competitive bid Policy

Above \$10,000, obtaining bids/quotes from at least three (3) suppliers is required before purchase of a good or service is approved.

OR

If valid, complete the Single/Sole Source Form.



1 Contract Reviews

Low value, low-complexity, low risk purchases with terms and conditions = Procurement Contract Request Guidelines for Self-Service.

High risk and/or high dollar, \$50,000* or greater, = Submit Contract Review Request in Emory Express. **for entire contract period*

2 Ordering Requisition Process

1. Contract execution
2. Initiate an ordering requisition
3. Requisition approval
4. Attach written signature authority (not included in system workflow must be attached)
5. Requisition converts to a purchase order with associated terms and conditions



Paying and Receiving



For any order over \$5,000 or using a subaward PO, the ordering department will be notified that an invoice is available for receiving approval in Emory Express.

Invoice Payment Methods:

- Electronically cXML
- Supplier Portal
- Email invoice@emory.edu

Suppliers will be paid according to their supplier information form setup.

Payments to Domestic Individuals, Foreign Individuals, and International Suppliers are paid through Compass (NOT Emory Express) via a Payment Request.

Policy

Strategic Procurement Policy 2.121 Competitive bidding and supplier selection, contracting authority, issuance of purchasing transactions, purchasing methods, authorizations, receipt of goods and services, required documentation, and ethical practices.

Contract Approval and Signature Authority Policy 1.2 EVPs may delegate authority for contracts valued below \$250,000 in total contract value, as long as this delegation meets the criteria delineated in the policy.

Related Policies:

Equipment Capitalization Policy 2.129

Third-Party Supplier Background Check Policy 2.133

Emory Travel and Expense Reimbursement Policy 2.90

Conflict of Interest Policies: 4.87, 4.112, 4.115, 7.7, and 7.38



Associated Risks

Operational Disruptions: Impaired operations and increased costs.

Legal and Compliance Violations: Increased legal exposure and regulatory penalties.

Data Security Breaches: Potential financial, legal, and reputational damage.

Internal Audit Findings: Potential reputational damage, corrective actions, and additional oversight requirements.

Unprotected Intellectual Property: Loss of intellectual property rights and competitive advantage due to insufficient IP safeguards.

Unexpected Department Expenses: Additional taxes, duties, tariffs, or fees and potential US Customs Seizure of Imported goods.

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Strategic Procurement Policy 2.121

The policy addresses:

- competitive bidding and supplier selection,
- contracting authority,
- issuance of purchasing transactions,
- purchasing methods,
- authorizations,
- receipt of goods and services,
- required documentation, and
- ethical practices.



Strategic Procurement Policy 2.121

- The university's competitive bidding threshold is \$10,000, at which competition via bids and quotes from multiple suppliers is required before purchase of a good or service is approved.
- All funds are University funds (regardless of the source), and Strategic Procurement has the sole authority to issue Purchase Orders on behalf of the University.
- Uniform Transactions: Review Policy 1.2 for contracting of operating activities requiring uniform treatment across Emory for consistency in handling critical and sensitive matters.
- Auditors reference our Procurement Policy when performing audits and are checking to ensure that this due diligence is being followed.

Contract Approval and Signature Authority Policy 1.2

Individuals do not have the authority to enter negotiations or approve or sign contracts with external entities on behalf of Emory unless there is:

- (1) authority as set forth in the Bylaws of the University or one of its corporate legal entities;
- (2) a resolution of the Board(s) of Trustees;
- (3) a valid delegation of authority from the President or other Emory official listed herein; or
- (4) a purchase made in accordance with Emory's Procurement and Support Services Department Policies and Procedures.



Contract Approval and Signature Authority Policy 1.2

Pursuant to the University Bylaws, the following officers have the duties as outlined in Policy and may delegate in writing the responsibility to execute contracts or sign agreements within any of those defined areas, unless otherwise prohibited by the Bylaws or the Board of Trustees, and shall be authorized to execute all contracts, conveyances, and proxies in the name of the University and, in the President's absence or disability, to act in his or her stead on all nonacademic matters.

Executive Vice President for Business and Administration, or

Executive Vice President for Academic Affairs and Provost, or

Executive Vice President for Health Affairs.



Contract Approval and Signature Authority Policy 1.2

Contract Value	Signature Authority
\$20,000 and below	Director
\$20,001 to \$40,000	Senior Director or Executive Director
\$40,001 to \$60,000	Assistant Vice President
\$60,001 to \$150,000	Vice President, Associate Vice President, or Sr. Assoc. Vice President
\$150,001 to \$249,999	Senior Vice President
\$250,000 and above	Executive Vice President

Sourcing

**EMORY
EXPRESS**

EMORY EXPRESS

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- **Identify** your need.
- Search the **Emory Express Marketplace** and/or punchout tiles for goods and services.
- Utilize **Emory's Marketplace Suppliers** to maximize the University's buying position and minimize your overall cost.
 - Contact your sourcing team for additional assistance if:
 - Your goods/services exceeds the competitive bid threshold,
 - You are unable to locate the goods/services in Emory Express
 - If you are unable to identify a supplier
- If total purchase exceeds competitive bidding threshold, find two other sources for quotes and/or complete the Single/Sole Source Form.



Supplier Onboarding



*Before the university can pay an invoice, a valid **Supplier Information Form (SIF) must be entered into the university's supplier database** by the supplier.*

For Companies: In Emory Express, upload the SIF as part of the Supplier Request Form process. For international suppliers, in addition to the SIF, the W-8BEN or W-BENE is also required.

For Payee or Individual/Limited Partnership: In Compass, attach the SIF. Accounts Payable will set up the supplier and attach it to the payment request, where appropriate.



Risk Consideration Checklist*



purchase price
maintenance cost
repair cost
shipping terms
payment terms
importing time
duties
fees
tariffs

IP rights
exposure of sensitive data
data breaches
unauthorized access
 mishandling sensitive data
resulting in violations of data
protection laws (e.g., FERPA,
HIPAA, GDPR, etc.)



Non-compliance with governing documents for purchases funded by a grant or federal contract can lead to loss of eligibility for federal contracts and grants.



*Both domestic and international shipping and receiving, including any required importing permits, documentation, tariffs, fees and duties, are **ultimately the purchasers' and their departments' responsibility**. Note: Additional tariffs and fees on products imported from outside of the United States can be significant.*



Sustainable Procurement



Sustainability is meeting the needs of today, without compromising the opportunities of tomorrow. Emory strives to serve as a model of transformative, proactive, and sustainable choices at every level.

Key Factors in Sustainable Procurement Decisions:

Environmental Goals

+

Social Benefits

+

Traditional Financial Evaluation



Supplier Diversity and Inclusion Program



Emory's Supplier Diversity program supports our commitment to care for the communities we serve and aligns with the [One Emory framework](#). The program leverages our purchasing to drive economic inclusion for qualified diverse suppliers. We strive to increase participation in Emory University's procurement opportunities for businesses that are classified as 51% owned and operated as:

Minority Business Enterprise (MBE), Women's Business Enterprise (WBE), Disabled Owned Business Enterprise (DOBE), Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE), Small Disadvantaged Business (SDB), Historically Underutilized Business Small Business (HUBZONE), Veteran Business Enterprise (VBE), Service-Disabled Veteran Business Enterprise (SDVBE), Women-Owned Small Business (WOSB), Small Business Enterprise (SBE).



Contracting

Emory Express Ordering Requisition Process

1. Requisition approval
2. Requisition converts to a purchase order with associated terms and conditions*
3. Attach written signature authority (not included in system workflow must be attached)
4. Emory's preference is Net 30 days and no prepayment terms.
5. **Signed quote may alter Emory's standard Ordering Purchase Order Terms and Conditions.*

**After contract execution,
an ordering requisition must be initiated.**



Contract Review: Two Paths

Self-Service Contract Review:

When purchases are low-value, low-complexity, and/or low-risk with few terms and conditions follow the Procurement Contract Request Guidelines for Self-Service.



Contract Request Guidelines for Self-Service

Procurement Contract Review Request:

When purchases are high-risk and/or high-dollar (\$50,000* or greater) Submit a Procurement Contract Review Request in Emory Express.
(note include the entire contract period)



Procurement Contract Review Request



Self Service - Contract Review Guidelines

- Departments can execute “Self-Service” contracts for standard, low-dollar, low-complexity, low-risk contracts.
 - Used for Goods and Services
 - Saves time on low-dollar, low-complexity, low-risk contracts.
 - Allows each department to use the standard guidelines to determine if a review by central procurement is needed
 - Requestor should use their discretion if a low-dollar, low-complexity, and low-risk contract should be submitted to Procurement for review.
- **Departments are required to attach competitive bids and executed contracts (and retain for department’s records) to the ordering requisition for audit purposes.**





Procurement Review - Contract Review Guidelines

Procurement Review Required If



Spend:	Total term more than \$50,000
Compliance:	Confidentiality, COI, Privacy or Restricted Information
Terms:	Greater than 3 years, no right to terminate without cause, contains auto-renewal
Access:	Physical or verbal contact with a student, patient, research subject, minors, access to confidential information
Regulations:	Restricted, Regulated, Controlled purchases
Other:	Non-US Entity, Exclusivity, Branding, etc.
Intellectual Property	

Procurement review allows for: ● Risk mitigation ● Contract volume and status visibility ● Central resources collaboration on significant opportunities to decrease costs and manage working capital.



Contract Review Guidelines – Dept. Review

If a contract requires review from other departments*, procurement will facilitate these discussions in collaboration with the ordering department. Departments could include:

- *Office of General Counsel*
- *Enterprise Risk Management and Insurance Services*
- *Office of Information Technology- IT Governance, Security Review, ART Review, Hosted Data, NDAA-889 purchases*
- *Capital Assets*
- *Tax Implications*
- *Compliance- Privacy and Sensitive Data, PCI, Conflict of Interest, GDPR*
- *Environmental Health and Safety Office*
- *Office of Sustainable Initiatives*
- *Import and Export Control*
- *Office of Sponsored Programs*
- *Office of Research Administrative Services*
- *Impacted Departments: Campus Services, DAR, Campus Life, Marketing, etc.*

(note that this is not an exhaustive list of departments)

**and could add additional review time*



Contract Review Guidelines - Independent Contractor

Procurement Review for Independent Contractor Requests



- Initiate an **Independent Contractor Request form** to Initiate a contract request with an individual who will perform services for a business unit, whereby the business unit has the right to specify the expected result or outcome to be accomplished by the scope or statement of work, but not the means and methods by which the result is to be accomplished.

Remember:

- The earnings of an independent contractor are subject to Self-Employment Tax
- Federal and state tax laws require Emory to ensure individuals who provide services are properly classified as an independent contractor.
- Businesses generally do not have to pay taxes on payments to independent contractors.



Blanket Purchase Order (BPO)

Blanket purchase order – A BPO is a designed to establish an agreement that typically spans over months or years. The associated contractual agreement establishes the goods and/or services to be provided at a predetermined total quantity and unit price.

Goods Example:

Microsoft Office 365 Product Licensing 3 yr agreement 100 licenses at \$5.00 each per year for a total contractual agreement of \$1,500.00. The requestor should create one single requisition with three line items including

Line 1: Year 1 of Microsoft Office 365 Product Licensing 3 yr agreement Qty:100 at \$5.00 each total line \$500.00;

Line 2: Year 2 of Microsoft Office 365 Product Licensing 3 yr agreement Qty:100 at \$5.00 each total line \$500.00;

Line 3: Year 3 of Microsoft Office 365 Product Licensing 3 yr agreement Qty:100 at \$5.00 each total line \$500.00.

Total requisition cost is \$1,500 for 3 yrs of 100 licenses per year.

Services Example:

Deloitte Consulting LLP Strategic Consulting Services for the period of September 1, 2024 - August 31, 2025, in the amount of \$55,000. The requestor should create one requisition with one line item at unit cost of \$55,000.



Buying

Ordering Requisitions in Emory Express (*Preferred Method*)

- Punchout
- Catalog
- Blanket Purchase Order
- Non-Catalog Form



Emory Express Purchase Order Benefits

- Captures the full engagement in one place.
- Encumbers engagement, earmarking budgetary funds to pay future invoices and providing visibility to the treasury department on anticipated demand on cash.
- Suppliers submit invoices directly against POs, via email or electronically.
- Minimizes departmental transaction approvals required for supplier payment.
- Contains protective, contractual terms & conditions that are not present when using other types of ordering and payment.
- Allows Suppliers to ship PO orders using a University-wide inbound FedEx Account that charges to your PO Speed Type. The account number and instructions are provided to Suppliers via the PO. Charges for packages not referencing Emory Express POs and/or not billed per PO instructions will be rejected.



Ordering Requisition Tips

- ✓ Select the correct supplier
- ✓ Ensure the requisition's lines mirror the quote*

Internal Attachments (Emory view only)

- *Competitive bid documents and Single/Sole Source Form, as applicable.*
- *Written signature authority not included in system workflow must be attached.*

External Attachments (Sent to the supplier with Ordering PO)

- *Quote and Executed Contract, as applicable*



Non-PO Purchases - Secondary Methods

Purchasing Card

- Only use when the Preferred Method, *Order Requisition in Emory Express*, is not available except as listed below:
 - Memberships Dues and Subscriptions
 - Shipping and Courier Services, excluding FedEx
 - Warehouse and Storage Rentals
 - Group Business Meals, Beverages, and Entertainment



Corporate Card

- Only use for Individual Business Travel Related Expenses



Non-PO Purchases – Check Requests

Use Check Requests for:

- Conferences/Training Registrations
- Homeland Security
- Memberships/Subscriptions
- Published Research for journals
- Royalties
- Payments for fraternities/alumni chapters
- Debt service and other bank payments
- Insurance/benefits
- Utilities
- Uniform Transactions: Designed to support campus-wide activities with unique operational demands, delegated approval may be provided for check requests.



Compliance with Competitive Bid Threshold

The University's competitive bid threshold is currently \$10,000. To comply with Strategic Procurement Policy 2.121, which governs during audits, a purchase transaction at or above this value must satisfy proof of competitive bidding requirements which include:

1. University Approved Contract; or
2. Quotes from two additional suppliers that provide the same goods/services (at least three quotes total); or
3. A valid Single/Sole Source form.

Departmental transaction approvers should ensure that this documentation exists on all needed transactions before approving to avoid downstream rejection.



Single/ Sole Source Guidelines



Single Source- Exists when only one supplier is able to meet your needs, but the goods/services can be purchased from more than one supplier. Usually, goods and services having more than one potential supplier requires competitive bidding.

Sole Source - Exists when the supplier is the only source for those goods/services.
Example: The purchase of a windmill, which is patented under Patent #US244169A.



Matrix for Single/Sole Source Purchases

Checklist for Sole/Single Source Purchases: The table below identifies required documents, the division of responsibilities between the requesting departments and units within Procurement and Support Services and the chronological order of the Sole/Single Source purchasing process.

Responsible Party	Good and Services Procurement Method	Single/Sole Source Form
Department Responsibility	Complete the form in the approval system required based on the Emory Commodity Matrix and include supporting documentation	Complete the Sole/Single Source Form and include as an attachment.
Procurement and Support Services Responsibility	A unit within Procurement and Support Services will review the information provided and either approve or contact the department for additional information.	Procurement and Support Services may review the information provided and contact the department if additional information is needed.



Purchases funded by Grants and/or Federal Contracts

Purchases funded by Grants and/or Federal Contracts will have additional stipulations per the governing document. The following groups can assist with these additional requirements.

- **Office of Sponsored Programs**

- Explore how the Office of Sponsored Research (OSP) can help you meet and exceed your research goals.

- **Office of Research Administration Services (RAS)**

- The Office of Research Administration (ORA) is comprised of several departments designed to support faculty, industry partners, and research administrators.
- Emory's payment terms are Net 30 days and prepayment **may not** be allowed under the grant.



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Five Purchasing Methods

Micro Purchases

For purchases up to \$10,000

Must distribute purchases equitably among qualified suppliers.

Small Purchases

For purchases between \$10,000 and \$250,000. Must obtain rate quotes from a sufficient number of qualified sources.

Noncompetitive Procurement

Use this method in specific circumstances including:

- Product/service is only available from a single source;
- Inadequate competition after solicitation of multiple sources;
- The awarding agency specifically authorizes a non-competitive procurement after a written request from the non-federal entity;
- Single/Sole Source Justification is required.

Note: the "continuity of research" is no longer an acceptable justification for sole source approval.

Sealed Bids*

For purchases of \$250,000+
Use this method, which is preferred for construction.

Competitive Proposals*

For purchases of \$250,000+
Use this method for cost reimbursement or fixed-price contracts when sealed bids are not appropriate.

**Submit a Contract Review Request and a Strategic Sourcing Manager will work with you.*



Office of Technology Transfer (OTT)

OTT is responsible for managing and commercializing intellectual property (IP) generated at Emory.

Key Functions Include: IP Protection, Licensing, Startup Support, Collaboration, and Compliance.

When to reach out to OTT:

- Development of patentable or licensable technology
- Research collaboration
- Startup formation
- Material Transfer Agreements
- IP Legal and compliance questions
- Patent law and regulations



Shipping Considerations- FedEx & VPL

Small Packages



A University-wide inbound FedEx Account exists exclusively for goods shipped under an Emory Express PO.

The account number and instructions are provided to Suppliers via the PO.



Emory will not pay for packages not associated with an Emory Express PO and/or not billed per PO instructions.

Large Packages (LTL >150lbs or requires a pallet)



Coordinate shipping with VPL (Emory's 3rd party inbound freight manager).

Supplier instructions and VPL contact information are contained on the PO.



If the supplier ships FedEx Freight Collect, your department will receive an invoice from FedEx Freight that must be paid directly to FedEx Freight via a department P-Card.



Mitigating Risks - Domestic Shipping

- ✓ **Shipping Address:** Ensure that order shipping addresses include package recipient, street name and room number (including 'Room' or 'Rm' for clarity). Abbreviate where able to avoid address truncation on shipping labels.
- ✓ **Order Timing:** Order temperature sensitive items earlier in the week and request extra dry ice to increase delivery window. Do not order perishable items for Friday delivery.
- ✓ **Perishable/ Valuables:** Request that suppliers ship perishable or valuable items using Overnight rather than Ground shipping services. Or use local suppliers.
- ✓ **Liability:** Most carrier's liability for a lost or stolen package is capped at \$100. If ordering something of high risk or high dollar value, you may want to coordinate with the Supplier to 'declare a value' and pay the associated fee to increase the carrier's liability cap.



Mitigating Risks -Importing/Exporting

- ✓ **Leadership Awareness:** Your department head and Chief Business Officer (CBO) should be aware of any international purchases.
- ✓ **Responsibility:** Your department is ultimately responsible for obtaining and submitting permits and/or other documents required by US Customs to clear imported items.
- ✓ **Import Costs:** Your department is responsible for any associated importing costs, including taxes, duties, tariffs, or fees levied by US Customs, import brokers, logistics carriers, etc., which can be significant.

To better understand these requirements, read and understand:

- Emory's Procurement Policy 2.121
- Emory's Importing International Packages – General U.S. Customs Clearance Guidelines Document
(On Emory Express homepage under 'Custom Brokerage')
- US Customs and Border Patrol Import Guidelines
(<https://www.cbp.gov/trade/basic-import-export>)



Importing/Exporting Documentation

Minimum Documentation Needed Prior to Shipping (if Emory is handling Customs Clearance):*

1. (Before Shipment) **A detailed commercial invoice containing:**
 - **Importer of Record (is always):** Emory University; 1599 Clifton Rd, 3rd Floor, Atlanta, GA 30322;
 - **Importer ID:** 58-0566256;
 - **Consignee/Delivery Address:** Person receiving package, School/Dept name and delivery address;
 - **Country of Origin/Manufacture:** (If biological, location where sample harvested);
 - **Purchase Description:** A detailed description of each item;
 - **End use for each item** (can be provided on separate document);
 - **Value reported for each item** (\$0.00 not allowed); and
 - **Applicable 10-digit Harmonized Tariff Code for each item** (<https://hts.usitc.gov/>).
 2. (Before Shipment) **Required permits and/or reference numbers or exclusionary language required by Other Governmental Agencies** (FDA, USDA, EPA, etc.);
 3. (Before Shipment) **Airwaybill or Tracking #** (ideally label copy);
 4. (Upon Arrival) **Arrival Notice** (provided by shipping carrier).
- * **Emory's Customs Broker should not be contacted until items listed are obtained, and they may request additional documents based on the HTS codes contained on the commercial invoice and the shipping method (air or ocean). Missing items may result in item return to the international shipper or US Customs seizure.**



Ordering PO Invoicing

Accounts Payable Process:

- **Invoicing:** Once the supplier receives the purchase order, the supplier submits an invoice per a preferred method listed on the PO, which includes via electronically cXML; via supplier portal; or via email to invoice@emory.edu for shipped goods and/or delivered services.
- If submitted via email, these invoices will be scanned into the system by our third-party scanner. Electronic invoices load directly into the system.
- **Approval:** The ordering department will be notified that an invoice is available for approval in Emory Express – for any order over \$5,000 or using a subaward PO.
- Once the invoice is approved, the system will pay the invoice according to the established payment terms with the supplier.

For questions, please contact Accounts Payable at emory.fsc@emory.edu



Compass Payment Requests

Payments to: Domestic Individuals, Foreign Individuals, and International Suppliers

- Attachments may include the following (all may not be applicable):
 - Invoice
 - Written signature authority not included in system workflow must be attached.
 - Competitive Bidding Documentation, if entire purchase exceeds competitive bid threshold (even if multiple, individual payments are below the competitive bid threshold)
 - Executed Contract
 - Supplier Information (SIF, W8 and Foreign Source Statement)



Compass
Payment Request



Foreign Wire
Payment Request

Additional Information



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Emory Express Guides:

- [Emory Express Job Aids](#)

Suppliers:

- [Invoice Payment Lookup \(Verify Supplier Payment Status\)](#)

Other:

- [Payments to Individuals - Submit via Compass \(Payment Request Center Tile\)](#)

QUESTIONS?

Procurement and Support Services Contact Emails:

Sourcing and Contracting, email sourcingandprocurement@emory.edu

PO Orders or Requisitions, email e-market@emory.edu

FedEx, email fedexrequest@emory.edu

Accounts Payable, email emory.fsc@emory.edu