

# Louisiana State University

## Office of Facility Services

### Operating Instruction 1104

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**SUBJECT: MATERIAL PROCUREMENT**

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#### I. General

##### A. Regulations Pertaining to All Purchases

1. Without exception, Material Order Forms (MOF) must be approved and forwarded to the Material Control Office (MCO) for all orders prior to purchasing any materials. A Material Order Form is a multi-part internal document utilized by Facility Services. It has 3 different colored copies:

1. White: Official document to file in MCO-must be kept for 7 fiscal years
2. Yellow: Requestor keeps this copy for their file
3. Green: Payment/Trip ticket copy. This form is used by personnel who go to Plant Stores. Once materials are received, it is forwarded with the delivery ticket to Accounting or University Stores for payment.

B. All materials ordered for all types of purchases, with the exception of LaCarte Card purchases, must be received by MCO prior to installation. If time permits, vendors are to deliver materials to MCO. If materials need to be picked up in town, it is to be done by the University Stores driver. In case of an "emergency" and in special cases, the department head can authorize an employee to pick up materials in town. The employee is to bring the materials to MCO before delivering it to the job site. If for efficiency reasons materials need to be delivered directly to a job site, a representative from MCO needs to be notified and he/she will receive the material at the site.

C. Because there are several different types of purchasing methods, this Operating Instruction is divided by the different methods of procuring materials.

1. Petty Cash (\$75 or less)
2. University Stores Stock Items (no limit)
3. University Stores Non Stock Items (no limit)
4. LaCarte Cards (\$1,000 or less)
5. Requisition under \$5,000 with fax quotes
6. Requisition over \$5,000
7. Requisition for materials on State Contract
8. Emergency

## II. Types of Purchase

### A. Petty Cash

1. Should only be used when the following circumstances exist:
  - a. The material cost less than \$75.
  - b. The vendor refuses to accept any other form of payment.  
(Purchase Order, LaCarte)
  - c. No other vendor has the material available when it is needed.

### B. University Store Stock

1. The department completes a MOF, including the University Store catalog number and brings it to MCO
2. MCO will enter the order into the University Stores computer system and will let the requestor know if any items are on back order.
3. The requestor can make the necessary changes, if any, to the order and then informs the MCO if the materials are to be delivered or if it is to be picked up by the department. Note: If time permits, the materials should be delivered to MCO.
4. If materials are to be picked up by the department, it will be marked on the MOF. MCO gives the department the gold and green copies of the MOF and the yellow & pick copies are discarded. When the department arrives at University Stores, they will have the employee sign for the materials and they will bill Facility Services for the materials via their computer system.

5. If the materials are to be delivered to MCO, then the department received the gold copy for their files. When the materials are received, MCO will send the pink copy to the department to let them know the materials have arrived and the green copy is sent to Accounting.
6. When the department comes to pick up materials, the department signs the yellow copy of the MOF indicating that they have received the materials. University Stores will bill Facility Services via their computer system.

### **C. University Stores Direct Charges for Non-Stock Items**

1. The department completes a MOF and brings it to MCO.
2. MCO will enter the order into the University Stores computer system.
3. MCO gives the Department the gold copy and the green copy is sent to Accounting.
4. When the materials arrive, University Stores will deliver the items to MCO, who will then notify the Department that the material has arrived.
5. When the department comes to pick up the materials, the Department signs the paper from University Stores and it is filed with the yellow copies.
6. University Stores will bill Facility Services via their computer system.

### **D. LaCarte Cards**

1. LaCarte cards can only be used by the person whose name the card is issued to. For more details see website: [www.fas.lsu.edu/AcctServices/acctpay/lacarte.html](http://www.fas.lsu.edu/AcctServices/acctpay/lacarte.html)
2. There is a charge limit of \$1,000 per day, per vendor on this type of purchase.
3. The department completes a MOF and forwards it to the LaCarte holder. The LaCarte holder contacts a vendor, orders the materials, and charges the materials to their LaCarte card. The card holder forwards the MOF to MCO.
4. Because the card holder is personally responsible for the purchase, he/she has the option to receive the materials directly. If the materials are not to be received by the card holder, MCO files the White copy of the Material Order Form. If the materials are to be received by MCO then MCO will send the Pink copy to the card holder to let him/her know the material has arrived.

5. When the card holder comes to pick up the materials, the department signs the yellow copy of the MOF indicating that they have received the materials. The card holder receives the green copy of the MOF and the delivery ticket for their files.
6. On a weekly basis, Accounting Services, via the Internet, will notify each card holder of the charges made to their card. It is the responsibility of the card holder to verify that these charges are correct and charged to the correct account. Accounting Services will bill Facility Services.

#### E. Requisitions Under \$5,000 with Fax Quotes

1. There is a \$5,000 limit on this type of purchase.
2. The department completes a MOF, including detailed specifications and delivery requirements. **Note: All purchases for non-moveable equipment of any type exceeding \$1,000-electrical, mechanical, controls, etc.-intended for use as part of any building utility system, shall be accompanied by drawings and specifications, if appropriate, prepared and/or reviewed and approved by a licensed engineer who will sign and seal the document in accordance with the rules of the State Board of Registration.** The department forwards the MOF to MCO and keeps the gold copy for their files.
3. MCO using fax quotes forms located on the Purchasing website: [www.fas.lsu.edu/purchasing/PDRs/FRQ2PAGEFORM.pdf](http://www.fas.lsu.edu/purchasing/PDRs/FRQ2PAGEFORM.pdf)
  - a. MCO will contact a vendor for a budgetary quote. Once the quote is received, MCO will create a requisition in PRO with copies of the quote and the material order form attached. The requisition is routed to the department for review and approval. Once the requisition is approved, it will be routed back to MCO or Purchasing for departmental solicitation.
  - b. MCO will fax a request for quotes to at least (3) valid vendors. Vendors are given a minimum of 24 hours to respond. Once time has elapsed, the lowest bidder who responds is awarded the bid. MCO will review the bids, complete the tally sheet and upload a copy of all quotes into PRO. The requisition is then routed to the Department for review & approval. Once approved, the Department will route to Purchasing for a Purchase Order. Purchasing will then place the order with the vendor.

4. When the material is received, MCO will send the pink copy to the department to let them know that the materials have arrived and the delivery ticket is attached to the yellow copy. MCO will complete the Receiving Report in PRO. Accounts Payable will pay the vendor and debit the appropriate Facility Services account.
5. When the department comes to pick up the materials, the department signs the yellow copy of the MOF indicating that they have received the materials.

#### **F. Requisitions Over \$5,000**

1. The department completes a MOF and Requisition in PRO, including detail specifications and delivery requirements. The Requisition is routed to the Department Head for approval.
  - a. **NOTE: All purchases for non-moveable equipment of any nature exceeding \$1,000 - electrical, mechanical, controls, etc - intended for use as part of any building utility system, shall be accompanied by drawings and specifications, if appropriate, prepared and/or reviewed and approved by a licensed engineer who will sign and seal the document in accordance with the rules of the State Board of Registration.**
2. The Department routes the requisition and specifications to Purchasing.
3. The Office of Purchasing will solicit bids and will forward a bid tabulation sheet to the requestor for his/her recommendation and approval. Once Purchasing receives approval, they will issue a Purchase Order.
4. When the materials are received, MCO will complete the Receiving Report in PRO and notify the department, via email or telephone, that the materials have been received. Accounts Payable will pay the vendor and debit the appropriate Facility Services account.
5. When the department comes to pick up the materials, the department signs the yellow copy of the MOF indicating that they have received the materials.

#### **G. Requisitions for Materials on State Contract**

1. There is no limit on this type of purchase.

2. The department completes a MOF and requisition, including the State Contract Number and the Commodity Number for each item. The department forwards the paperwork to MCO and keeps the gold copy for their files.
3. MCO will forward the requisition to Purchasing via PRO with appropriate attachments.
4. The Office of Purchasing will issue a Purchase Order.
5. When the materials have been received, MCO will complete the Receiving Report in PRO and notify the department, via email or telephone, that the materials have been received. Accounts Payable will pay the vendor and debit the appropriate Facility Services account.
6. When the department comes to pick up the materials, the department signs the yellow copy of the MOF indicating that they have received the materials.
7. **Grainger State Contract**: There is no limit, except the unit cost per item cannot exceed \$1,000.

#### **H. Emergency**

1. In a valid emergency situation deemed in writing by Purchasing, the requirement to obtain competitive prices or bids may be waived. An emergency is an event that endangers life, health, property or the functioning of the state government. Poor planning is not an emergency.
2. When an emergency purchase is initiated, the Office of Purchasing should be contacted for assistance. If an emergency condition arises after hours, then the department head should obtain any competitive pricing or bids possible and proceed while using discretion with the purchase. A written report explaining the emergency, along with a requisition for the materials, must be forwarded to MCO within two (2) working days.
3. MCO will make the necessary copies and forward the report and requisition to Office of Purchasing.
4. The Office of Purchasing reports all emergency purchases to the Legislative Auditor.

#### **I. University Stores Stock**

1. University Stores is an LSU department, and the following rules must be followed when ordering

2. At a minimum, two staff members must be involved in the order. If the requestor and the approver of the order is the same person, that person cannot receive the materials. Preferably, the requestor and the approver should be separate staff members.
3. If time permits, all items that are stocked at Stores should be ordered from Stores.

#### The Material Order Process

1. The department completes a MOF that includes University Store catalog numbers, delivery or pick up directions, and contact information. Note: If time permits, the materials should be delivered to MCO.
2. MOF is approved for purchase by authorized personnel. Authorized personnel are: Superintendents, Managers, Directors, and personnel assigned by the Director.
3. MOF will be entered into the University Stores computer system by the MCO department or the designated person within the Department. They will let the requestor know if any items are on back order. The requestor can then make necessary changes, if necessary.
4. The MOF is sent to MCO if not ordered from the MCO. The MOF is to be stamped-
  - a. Complete – has been ordered and picked up
  - b. Order Placed - order has been placed by department and will be delivered to MCO
5. If the materials are to be picked up by the department, it will be marked on the MFO. The green copy of the MOF is to be brought to University Stores. When the department arrives at University Stores, they will have the employee sign for the materials and their computer system will bill Facility Services.
6. If the material is to be delivered to MCO, then the department gets the yellow copy for their files. When the material is received, MCO fills in the location of the materials on the MFO and emails a copy of the MFO to the requestor to let them know that the material has arrived and the green copy is sent to Accounting.
7. When the department comes to pick up the materials, the department signs the white copy of the MOF indicating that they have received the materials. University Stores will bill Facility Services via their computer system.

**J. University Stores Direct Charges for Non-Stock Items**

1. The department completes a MOF and brings it to MCO
2. MCO will enter the order into the University Stores computer system.
3. MCO gives the Department the gold copy and green copy is sent to Accounting.
4. When the materials arrive, University Stores will deliver the items to MCO who will then notify the Department that the materials have arrived.
5. When the department comes to pick up the materials, the Department signs the paper from University Stores and it is filed with the yellow copy.
6. University Stores will bill Facility Services via their computer system