

# Policies and Standards

<i>SECTION:</i> <b>Purchasing</b>	<i>NO.</i> <b>4.7</b>		
<i>CHAPTER:</i> <b>Materials Control</b>	<i>ISSUED:</i> <b>2/19/04</b>	<i>REV. A</i>	<i>REV. B</i>
<i>POLICY:</i> <b>Used Goods and Internet Purchasing</b>	<i>PAGE 1 OF 2</i>		

## PURPOSE

Purchase guidelines of used materials and/or equipment. The purchase of used materials and/or equipment requires a slightly different process.

## SCOPE

This policy applies to all Creighton University employees, faculty, staff and students.

## POLICY

Purchases of used materials and/or equipment are allowable if determined to be in the best interest of the University. A determination will be made on a case-by-case basis that the purchase of used materials and/or equipment is the best “overall” value for the University, taking into consideration a number of key variables, which affect the total cost of the materials and/or equipment.

The requesting department should first identify the minimum specifications required, and then identify the specific used materials and/or equipment that is acceptable.

- Departments/individuals should first check for used materials and/or equipment available on campus via Purchasing.
- All used materials and/or equipment in consideration should be in excellent condition.
- The requesting department should apply their best efforts to determine that the purchase of the materials and/or equipment would be in the best interest of the University and be prepared to document their conclusion via the “research” they have conducted. This might include:
  - Going to several websites to find the market trend for used materials and/or equipment, or quotes for similar used materials and/or equipment, or
  - Contact known materials and/or equipment suppliers, brokers, or colleagues to establish a fair market value.

The Purchasing Department’s process currently includes checking the OIG sanction list and GSA’s exclusion list for individuals and entities that have been excluded from participating in any federally funded programs, including healthcare programs.

**Anyone purchasing an item, service, supply or anything else over the Internet must conduct an OIG and GSA sanction search of the individual or entity before completing the purchase on line. A printout of the OIG and GSA sanction search must be attached to the Department’s VISA statement prior to submission for payment.**

Criteria to consider in making the determination of purchasing “used” versus “new” materials and/or equipment:

1. Manufacturer or brand, type, use and life expectancy of “new” versus “used” materials and/or equipment.

**Approved**

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2. Risks presented by “used” versus “new” materials and/or equipment (i.e. Possible contamination from prior usage, modification of materials and/or equipment that might pose safety hazards, etc.)
3. The relative price and general condition of used materials and/or equipment.
4. Warranty offered for “used” versus “new.”
5. Service, maintenance plans, and parts availability of “used” versus “new.”
6. Payment terms; used requiring total payment versus new with payment plan.
7. Consideration of the freight charges and F.O.B. Point.

## ELIGIBILITY

Any full time or part time employee, individual or firm making a commitment on behalf of the University that involves the exchange of University funds. This policy would cover any used purchases made over Internet sites, for example, e-Bay.

## ADMINISTRATION AND INTERPRETATIONS

If staff or faculty members have a specific product interest, they must contact that Purchasing Department. Purchasing will ask for documentation that validates a market-value ceiling for bidding purposes. Purchasing will also want to discuss what is known about the integrity of the seller because all materials and/or equipment sold is “as is” and despite representation, it is impossible to recover funds once an item is bought and paid for. If market value can be justified for a bid ceiling and the integrity of the seller established, we can consider the purchase.

## AMENDMENT/TERMINATION OF THIS POLICY

The University reserves the right to modify, amend or terminate this policy at any time. This policy does not constitute a contract between the University and its faculty or employees.

## VIOLATIONS/ENFORCEMENT

Creighton is subject to federal penalties of up to \$10,000 each time it contracts with an individual or entity that has been excluded by the Office of Inspector General (OIG) from participating in any federally funded health care program. In addition, Creighton risks losing any federally funded projects (i.e., research grants) if it contracts with an individual or entity that has been excluded by from government contracting by the General Services Administration (GSA).

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