

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

The Colorado State University Libraries purchase thousands of books and periodicals from numerous publishers and jobbers each year. Many of these purchases must be made from a single source. Competitive bidding is generally not possible, but vendors providing best services and higher discounts are selected. The Libraries have unique procedures which apply to requirements, receipt, review, acceptance and reimbursement for these publications. The Libraries also have large requirements for bookbinding, restoration and microfilming services. These special operations require special purchasing forms and procedures that are authorized and outlined in this section.

II. POLICY

- A. The Director of Procurement and Contracting Services delegates authority to the Dean of Libraries to authorize purchases and to use the special forms and procedures in this section for the procurement of books and periodicals required by the libraries.
- B. Procurement of all capital equipment, all general usage supplies and library services (bookbinding and microfilming) shall be handled on standard University documents according to University procedures outlined in other sections of this manual.
- C. Generally, the Dean of Libraries delegates authority for purchases for the collection to the Collections and Contracts Services Department of University Libraries. The Monograph Section of Collections and Contracts selects vendors, places orders, and receives books and the Serial Section of Collections and Contracts selects vendors, places orders, and receives serial/periodical material. The Libraries' Accounting Unit authorizes payment of invoices, upon verification of receipt of material and invoices from Collections and Contracts staff.
- D. Purchasing by Collections and Contracts staff includes the selection of vendors, verification of the availability of funds, approval and placement of orders, and confirmation of receipt of materials and invoices.

III. PURCHASING PROCEDURES

- A. Procurement actions taken by the Libraries' staff:
 - Direct procurement of books and serial or electronic resources upon request of a University faculty member or student or as an item identified by a Library subject librarian. Library subject librarians approve requests by University faculty or students and send the request to Collections and Contracts Services for ordering. Libraries' Collections and Contracts Services staff create order records in the automated acquisitions system (INNOVATIVE). Orders are sent to the vendor either electronically or with a printed Library Purchase Order.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- Creating orders for books announced in the “form selections” distributed by Blackwell Book Services electronically, Yankee Books, and other selected vendors or announced on “Choice cards” or other announcements from publishers. Publishers and vendors are increasingly providing electronic lists of titles available for purchase, which Libraries staff review. Staff also review printed catalogs and other printed announcements from publishers.
 - Acceptance of “on approval” or “purchase plan” books received via special arrangement from Blackwell Book Services and other selected vendors.
 - Creation of requests for orders for books or serials by Subject Librarians by tagging an electronic record in a vendor database and referring the record electronically to Collections and Contracts. Blackwell Book Services, Yankee Books, or Books in Print are examples of vendors that have large online databases of published monographs. Collections and Contracts staff identifies order requests tagged by a selector in the vendor database and either enters them manually into INNOVATIVE or sends them electronically to INNOVATIVE where the order is in “hold” status until the purchase order is authorized by Collections and Contracts staff.
1. Procedures for each of the aforementioned types of procurement are outlined below.
 - a) The online order record in the INNOVATIVE system serves as the master copy of the purchase order for procurements for materials for the collection. The INNOVATIVE system automatically assigns purchase order numbers as an order is created and the system can generate a list of purchase order numbers for control. It also automatically encumbers, disencumbers and expends funds.
 - a) Direct order of monographs:
 - 1) Selecting what to purchase. A student, University faculty member or librarian may request that a specific book or publication be obtained and placed in the Library by completing the recommended order form, a form selection from a vendor, marking a publisher catalog or Choice card, etc., or by marking an electronic order request. Students or University faculty members send their requests to Library subject librarians who decide whether to select the title for the collection. Subject Librarians forward recommended orders to Library Collections and Contracts staff who research the online catalog and other applicable resources to eliminate duplicate orders before approving the request for purchase.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- 2) Purchase of requested volumes. Each separate title, for which a recommendation and approval have been established, as outlined above, and for which sufficient funds are available, is procured by use of a Library Purchase Order. A separate purchase order is used for each individual title, except in the case of sets and multiple copies. Using controlled passwords, Collections and Contracts staff enter order information in the Libraries' automated Collections and Contracts system (INNOVATIVE). The INNOVATIVE system automatically generates a unique purchase order number for each order placed.–
- 3) Distribution of Orders to suppliers:
 - a. For major vendors, staff sends orders electronically to the vendor and will not produce a printed copy of the purchase order. All information is tracked on the online ORDER record in INNOVATIVE.
 - b. For other suppliers, staff print order forms using the INNOVATIVE system and send the form to the supplier.
All information is tracked in the online ORDER.
- b) Selecting from vendor's printed or online forms:
 - 1) Print forms: Some vendors may forward a form or list which serves as notification of a new book. If the subject librarians want to order the item indicated on the form sent, their recommending signature is placed on the form or list slot to indicate that Collections and Contracts staff should order the book. Collections and Contracts staff search to eliminate duplicates and enter ordering information in the automated Collections and Contracts system. Print forms are becoming increasingly rare as vendors move to electronic versions.
 - 2) Electronic selection from vendor electronic databases: Library subject librarians access vendor publishing databases, such as Blackwell Book Service's Collection Manager, to find records for titles they wish to order. Library Subject Librarians tag the records; Collections and Contracts Staff, using special passwords, retrieve the tagged record, and download it to the INNOVATIVE system. After verifying the availability of funds and eliminating duplicates, Collections and Contracts staff sends the electronic order to the vendor.
- c) "On Approval" or "Purchase Plan" Books.
 - 1) General. Some vendors (Blackwell Book Services and others) send the Libraries "pre-selected approval books or purchase plan books" on a regular, usually weekly, basis. Profiles for these scholarly titles are established by subject

COLORADO STATE UNIVERSITY PURCHASING MANUAL

librarians using a variety of criteria. The vendors send titles meeting these criteria. Subject librarians periodically review and refine the profiles as needed.

2) Procedures. With each shipment, the vendor supplies electronic files of bibliographic and invoice data. Collections and Contracts staff download these files into INNOVATIVE and use them to create an order record for each title and to record receipt and invoice information for each volume. The vendor also supplies a paper invoice with each shipment; which Collections and Contracts staff route to the Libraries Accounting Office.

2. Documentation of Receipt for above procurements. The vendor's invoice is checked against the shipment and the INNOVATIVE on-line record of the purchase order, annotated as appropriate, stamped, dated and signed by an authorized Collections and Contracts staff member and the original copy is sent to University Libraries' Accounting Office. Collections and Contracts staff also will record the invoice date and number, the payment amount, and the receipt of the item in the online purchase order record. The INNOVATIVE system sends the payment data into files awaiting approval by Library Accounting staff.
3. Serials/Periodicals Procurement
 - a) Initial Order. Librarians review requests for serials identified by campus faculty or library staff and determine which serials should be purchased. Subject Librarians send order requests to Collections and Contracts/Serials staff to place the order. The initial order may be established for a year or other specific time period but is usually established as "to continue until cancelled". A purchase order is established in INNOVATIVE; this same purchase order (and purchase order number) is used for subsequent renewals until the order is cancelled. Requests for serial titles over a certain amount are reviewed by a committee of librarians each year, since funding is limited.
 - b) Renewal Review. Subject Librarians periodically review serials/periodicals being received and indicate those to be cancelled. When a decision is made to cancel a serial/periodical, Collections and Contracts/Serials staff will notify the supplier to cancel the order at the end of the subscription period and the status of the order is coded as cancelled in the INNOVATIVE record.
 - c) Ordering Through Subscription Agents. University Libraries places many subscription orders through subscription agents/vendors rather than directly with the publisher to save costs of issuing checks, claiming and other staff intensive tasks that would otherwise be required. Procedures agents follow include:

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- 1) **Renewal Checklist:** Agents produce a renewal checklist that is based on the previous year's orders and prices. This checklist is sent to University Libraries in the summer to review and make corrections and is used as a basis for renewal of subscriptions for the next calendar year.
 - 2) **Master Service Agreements:** University Libraries has Master Service Agreements with major Serial Agents that are renewed annually. As part of the agreement, the Agent provides evidence of financial solvency to the University. Also, as part of the agreement, the Serial Agent guarantees that the publisher has been paid prior to sending University Libraries an invoice. Agents normally begin making renewal payments before the next subscription year begins to publishers in order to assure timely renewal and receipt of issues by University Libraries.
 - 3) **Payment to Publishers:** To verify that the Serial Agent has paid the publisher, University Libraries contacts publishers that represent the largest amount of expenditures with that Agent, using a sampling method approved by the University. University Libraries may also use the webpage of the publisher that lists payments if available or, in some cases; e mail notification by the publisher of payment is accepted as proof of payment from the serial vendor.
 - 4) **Tracking Invoice Payments:** University Libraries receives detailed invoices regarding the subscription period and payment amounts from the Subscription Agent after the publisher has been paid. These detailed invoices are recorded by Collections and Contracts staff in the INNOVATIVE Collections and Contracts system against the purchase order record.
- d) **Direct Orders.** For orders that are placed directly with publishers or producers of information, orders are sent to the supplier and invoices are received and processed for payment by Collections and Contracts and Accounting staff, respectively, similar to the process for monographs.
4. **Serials/Periodicals Receiving and Invoice Processing**
- a) **Receiving Procedures.** Collections and Contracts/Serials staff record the receipt of issues for ongoing print subscriptions in the check-in record in INNOVATIVE.
 - b) **Serials Invoice Processing**
 - 1) **Electronic Invoices.** Major serials vendors supply invoices for new and renewal orders in electronic and paper format. The electronic invoice files are made available to the Libraries on the vendor's website, where the Collections and Contracts/Serials staff retrieve them and download them into University

COLORADO STATE UNIVERSITY PURCHASING MANUAL

Libraries' online system. After verifying the accuracy of each charge, the electronic invoice is moved into the online pay file in INNOVATIVE and paperwork is forwarded to the Libraries Accounting office for payment processing. A working copy of the paper invoice is maintained in the serials office and the official copy of the paper invoice is filed in the Libraries Accounting office.

- 2) Paper Invoices. Many publishers may provide paper invoices for new and renewal orders. The accuracy of each charge is verified by Collections and Contracts/Serials staff against existing purchase orders and the invoice is manually keyed directly into a pay file on the online INNOVATIVE system. The paper invoice is then forwarded to the libraries Accounting office for payment processing and filing.
- 3) Prepayment procedure. If prepayment is required by the supplier, the original copy of the initial or renewal invoice should be stamped with the "received" stamp, but "prepayment" and current date should be entered in the block "Date Received". Collections and Contracts staff enter fund and purchase order number information in the appropriate fields and secure the signature of an authorized individual of the Libraries Collections and Contracts Services Department.

B. Securing payment for materials ordered on Libraries' Purchase orders.

1. Invoices that have been approved by Collections and Contracts staff in the INNOVATIVE automated acquisitions system are considered processed and are stored in INNOVATIVE's pay files until the payfile is posted; and then permanently stored in the system's order record. Libraries Accounting staff post the pay files: posting is the process where the system assigns voucher numbers and batches the invoices to prepare them for electronic transfer to the University Financial Resources System (FRS). When the files are batched in FRS Data Collect, Libraries Accounting staff review the batches in FRS for accuracy before transmitting the batch to the check-writing module in FRS (under the jurisdiction of University Accounts Payable) for payment. Original vendor invoices are retained by Libraries staff for six years, plus the current year. Copies are forwarded to University Accounts Payable upon request by vendor or when a University document is used for payment (i.e. University Purchase Order.)
2. When prepayment is required by the vendor, a copy of the purchase order and invoice is forwarded to Accounts Payable to be sent with the check to the vendor. Libraries Accounting staff note the check attachment information on the original paper invoice before filing it.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

3. The INNOVATIVE documentation consists of a Posting Register (summary of transactions for each fund), an Invoice Register (detailed list of each invoice including purchase order numbers), an Invoice Summary (list of voucher numbers, vendors, and invoice totals), and an Encumbrance Register (list of purchase orders encumbered since last posting).

C. Authorized Signatures.

Libraries Collections and Contracts and Accounting staff are authorized by the University Business and Financial Services Office and the Dean of Libraries to perform the above procedures. The Collections and Contracts Services Coordinator authorizes staff to allow access to specific segments of the INNOVATIVE system. Functions within the INNOVATIVE system are passworded. The Accounting Director authorizes access to FRS. The Dean of Libraries signs all contracts/agreements on behalf of the Library.

D. Special procedures.

1. Deposits: The Library subscribes to electronic document delivery services where access to articles or indexes must be purchased in advance. Examples of such services include First Search. To assure uninterrupted service to these electronic services for the University's faculty and students, University Libraries makes a deposit of funds to the vendor that handles the service. The deposit is for a specific number of searches or is an estimated amount based on past use of the product. The amount of the deposit is determined by a committee of Collections and Contracts, Accounting and Collection Development staff in University Libraries. University Libraries receives and verifies statements from the vendor on how many searches have been done or articles have been delivered to Library patrons each month.
2. Cancellations. Library Purchase Orders which have been issued and encumbered may be cancelled because the book is not available at the vendor due to being out of print, out of stock, not handled by that vendor, etc. A cancellation may also be initiated by University Libraries prior to shipment due to notice of an unacceptable increase in price, change in requirements, error in ordering, etc. When an order is cancelled in INNOVATIVE, any encumbrance is automatically disencumbered when the payfile is posted by Accounting Staff.
3. Refunds. Refunds may be received from vendors when prepaid orders cannot be filled. The refund is treated as a reduction of expense.
4. Credit memoranda. Credit memoranda may be initiated by University Libraries or by the respective vendor. Credit memoranda are normally issued when incorrect, duplicate, damaged, un-ordered, etc., books are received. Since numerous books, ordered on

COLORADO STATE UNIVERSITY PURCHASING MANUAL

various Purchase Orders, may be billed on one invoice, the credit memoranda are effectively used as a means of correcting the above types of incorrect charges so that the total invoice may be promptly closed out. The credit memoranda should be applied against the next payment to the respective vendor. A refund check should be requested if no order is contemplated in the near future.

5. Purchases from fund account prefix 5-3. Contract and Grant (account prefix 5-3) monies terminate with the end of the contract or grant rather than at the end of the fiscal year. Refunds or cancellations received after such termination are required to be referred to the Sponsor for disposal action. University Libraries should contact the Office of Sponsored Research for appropriate action.
6. Unsolicited Items. On occasion, unsolicited material is received from vendors for review by the Libraries. University Libraries may choose to purchase such items but is not required to do so. If chosen, the transaction is processed according to normal policy and procedure.
7. Electronic Products and Contracts. The Libraries purchases access to many electronic products to aid in the research and teaching needs of faculty, staff and students of the University. These include abstracting services, full text journals, database services with document delivery options, or other information databases that may be in CD-ROM format or delivered via the Internet. Library subject librarians review these products for suitability to the collection and usefulness to patrons. Approved requests are forwarded to Collections and Contracts staff to generate a purchase order in the INNOVATIVE automated acquisitions system.

Typically, many of these products require University Libraries to sign a license agreement to obtain access to the product. The Dean of Libraries is delegated responsibility for signing the license agreement as Dean/Department on behalf of University Libraries for these products regardless of price and is also the designated Board Designate for University Libraries. University Libraries Board Designate is authorized to sign contracts as Board Designate up to \$50,000. University Libraries also has a Controller Designate, approved by the University and State. University Libraries' Controller Designate is authorized to sign contracts up to \$50,000. When ordered, the item is assigned an INNOVATIVE purchase order number, which also serves to provide a contract tracking number through normal library procedures. These products are uniquely assembled by the producer and often have special search strategies or other features that do not make competitive bidding possible.

\$5000 or less: Vendor contracts for products that cost \$5000 or less may be signed by the Dean of Libraries without further review by Procurement and Contracting Services and do not need the Contract Acceptance Form. The Libraries' designated Controller's

COLORADO STATE UNIVERSITY PURCHASING MANUAL

designee will also sign to signify funds are available and the contract has been reviewed for legal sufficiency. University Libraries Terms and Conditions form will be attached to the vendor contract.

\$5000 to \$50,000: For any electronic product with a license/contract between \$5000 and \$50,000, University Libraries' Controller's Designee verifies fund availability and legal compliance and signs the contract as Controller Designee. Library Collections and Contracts staff do a preliminary review of the license/contract for legal compliance and negotiate with the vendor as needed to insure legal compliance and to see needs of library users are met. If there is some legal concern, the contract is forwarded to Procurement and Contracting Services for review. In general, any contract over \$5000 should be signed on the University's Contract Acceptance Form as revised for University Libraries.

\$25,000 to \$50,000: Any contract over \$25,000 requires a sole source justification by University Libraries which is routed to the Department of Procurement and Contracting Services for review and signature. Procurement and Contracting Services will decide whether the contract needs further compliance review.

\$50,000 or over: Products that require license agreements/contracts that cost \$50,000 or over are always routed by Collections and Contracts staff to the Department of Procurement and Contracting Services for review and signatures. Procurement and Contracting Services is responsible for routing the contract for appropriate reviews and authorized signatures.

Library signatures: The Dean of Libraries or her/his designated backup who is normally one of the Assistant Deans, signs all agreements/contracts on behalf of University Libraries. The Assistant Dean who serves as the Controller Designee cannot sign as backup to the Dean of Libraries.

Sole Source: sole source documentation is not required for products that cost less than \$25,000. All products that cost \$25,000 or more must be referred to Procurement and Contracting Services with justification for sole source. University Libraries Coordinator of Collections and Contracts, or a designated backup, signs sole source documentation for University Libraries. The sole source shall state that there is not a conflict of interest on the part of library staff. University Libraries keeps a file of sole sources that have been approved.

Amendments to current licenses. University Libraries will use the University Contract Amendment form to handle signatures for amendments to existing licenses. The total dollar amount of the contract will include the costs from the original license in addition to the amount on the amendment(s) and will determine the type of review and signatures required.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

Electronic Resource Management: The Libraries Collections and Contracts department maintains files of signed license agreements and will retain copies of ceased agreements for six years plus the current year after a contract is discontinued. Copies of the Libraries' decision forms for electronic products will also be kept with the license agreement in the Collections and Contracts Department. University Libraries uses the Electronic Management Module of Innovative (ERM) to maintain information about each resource that has a license attached. ERM will store license terms and conditions and make them accessible online to other library staff and patrons. This enables University Libraries to meet the contract requirement to inform its users of the allowed and restricted uses of the product that contracts for many electronic products require. University Libraries will also link a digital copy of each license and sole source to the resource record for convenient review.

8. Consortia Agreements: University Libraries participates in consortia of other libraries to share collections and do cooperative purchasing to leverage resources. Two such consortia are the Alliance of Research Libraries (CARL) and the Greater Western Library Alliance (GWLA). The consortia brokers deals on behalf of its members with publishers that allow libraries to have access to titles purchased by any library within the consortia as well as capping inflation during the period of the contract with the publisher. University Libraries/University has a master service agreement with the Alliance that allows the Alliance to broker such deals on behalf of CSU.
9. ACARD procedures. The Collections and Contracts Services Department is authorized to use a University issued commercial credit card to assist in ordering and obtaining materials for the collection which are available via e commerce vendors. The Coordinator for Collections and Contracts Services designates staff for the Department who are cardholders. Cardholders are then authorized for specific amounts of transactions by Procurement and Contracting Services. Cardholders are expected to follow Library and University procedures for card security, tracking, and reporting expenditures. The P.O.s for ACARD purchases are entered in the Innovative System and receipt of materials is also recorded in the Innovative System.
10. Other ACARD Use: Staff in Accounting, Interlibrary Loan, and Preservation also use credit cards and Accounting follows University procedures for handling ACARDS.
11. Office Manuals: Manuals for staff use in offices are purchased from supply money, not from the funds for the collections.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

E. Special Library Services.

Negotiated contracts and/or CSU Purchase Orders when appropriate will be initiated as outlined in respective sections of the Purchasing Manual. If periodic "on call" services are required, an Open Purchase Order is appropriate. If an Authorization for Expenditure (AFE) is appropriate for special services, the reimbursement shall not exceed \$3,000. Special services such as bookbinding, microfilming, etc., required by University Libraries shall be processed by the Preservation or Collections and Contracts Librarian. Only binderies that are certified by the Library Binding Institute will be used. University Libraries' Accounting Office initiates Open Purchase Orders for special services as instructed by appropriate library departments. Examples of services that require an open purchase order include: services for contract cataloging, for physical processing of library materials, for Table of Contents Services, for authority control, etc.

F. Document certification.

Internally initiated purchasing documents shall be approved by authorized personnel in accordance with the Financial Policy and Procedure Instructions Manual (FPIs). Receiving documents should be signed by specific personnel designated and authorized by the Dean of Libraries.

G. Book disposal.

The Director of Procurement and Contracting Services authorizes the Libraries to dispose of surplus books, periodicals, etc., according to practices of the trade. In general, the Libraries will try to offer these materials to other libraries and public agencies. When the materials are of little or no value to other agencies, the Libraries may decide to offer these free on a first come, first serve basis, by placing the books in public areas of the Libraries for disposal to the public. Materials purchased with non-government funds or without other restrictions may be sold in a book sale. Proceeds from the sale will be deposited with Surplus Property office of the University and will be returned to the Libraries after all criteria have been met. If materials are in extremely poor condition or judged to be of no interest as free materials, the material may be discarded. The Libraries Gifts and Exchanges Section maintain records of the numbers of materials that are disposed of by the above processes.

II. GIFTS

- A. General. Most books and other items for the Libraries are secured by purchase procedures outlined in this section using State appropriated funds. There are, however, Collections and Contracts by direct gifts of books or gifts of money designated for Library Collections and Contracts.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

B. Policies.

1. All cash and gifts in-kind (with value) to the University are to be received and acknowledged by the University Foundation office. Gifts in-kind for the library collection are generally received and accepted by University Libraries.

a. Books. All books accepted after selection by the Libraries are:

- (1) To be an integral part of the Libraries' collections;
- (2) To be fully cataloged, including the use of gift book plates to identify the materials, when desirable;
- (3) To be shelved with other publications according to subject fields;
- (4) To be available to all patrons in accordance with the rules and regulations for borrowing.
- (5) To be acknowledged by the Libraries in writing unless the donor requests no notification.

b. Gifts of money. All money gifts shall be:

- (1) Forwarded to the University Foundation office immediately to be deposited in the correct Foundation Fund.
- (2) Expended by the Libraries in accordance with the terms of the gift.

c. Appraisal of Book Gifts.

The Libraries follows the following policy of the University as stated by the Director of the Development Fund, June 12, 1974:

“... it is the responsibility of the donor(s) to obtain a qualified appraisal of the item(s) being contributed to the University.”

In accordance with the tax laws passed by Congress in 1984, effective January 1, 1985, the Libraries requires a copy of an appraisal done by a qualified appraiser for any gift which the donor values at \$5,000 or more. The appraisal form and tax forms are forwarded to the University Foundation for relevant signatures of receipt of gift.

COLORADO STATE UNIVERSITY PURCHASING MANUAL

- d. Disposition. Gifts of books or other applicable items or items purchased with gift funds may be disposed of by University Libraries when obsolete, surplus or otherwise not usable or required. Such disposal, unless prevented by donor intent, may be accomplished by donations to selected educational, governmental or non-profit agencies; by exchange or by special sales authorized by Director of Procurement and Contracting Services.
- e. Procedures. Descriptions of gifts of books or journals donated to the Libraries should be listed on a disavowal form shown as Attachment #8. This form indicates gift materials were not originally purchased with State or Federal funds.

III. FORMS

Special forms approved for Library use as outlined in these procedures will be provided by University Libraries.