

### Hypothetical Three – Dr. Berstein

Dr. Berstein purchases a high-precision isotopic piece of equipment for approximately \$60,000, \$16,272 of which he charges to an NSF award ending in 4 months.

He purchases the equipment to replace an obsolete older model of the equipment that was far slower and less precise in its measurements.

- Would you approve this charge? If so, why?
- If you would not approve this charge, what kinds of additional supporting documentation would you require from Dr. Berstein?
- What recommendations, if any, would you make in terms of reporting to the sponsor regarding this purchase?



Division of Financial and Business Services  
Purchasing Services  
**SOURCE AWARD JUSTIFICATION FORM**

This form must be attached to all purchase orders larger than \$5,000.

<b>Section A: DESCRIPTION OF COMPETITION</b> <i>(Supplier's selection was conducted as checked)</i>	
<input checked="" type="checkbox"/> Competition not obtained <b>Explanation:</b> sole source - see additional justification	
<input type="checkbox"/> Competition obtained previously	<b>Previous PO No.:</b>
<input checked="" type="checkbox"/> Written quotes obtained(attached)	

<b>Section B: REASON FOR SUPPLIER SELECTION</b> <i>(Supplier selection was justified as checked)</i>		
<input type="checkbox"/> Low bidder	<input checked="" type="checkbox"/> Sole source (justification attached)	<input type="checkbox"/> Contract supplier
<input type="checkbox"/> Contract attached	<input type="checkbox"/> Contract on file	
<input type="checkbox"/> Business justification <b>Explanation:</b>		

<b>Section C: PRICE QUOTED DEEMED AS FAIR AND REASONABLE</b> <i>(Provide demonstration that comparisons of same or similar items were obtained to establish price reasonableness. Attach reference and identify type and date of reference used.)</i>		
Comparison of proposed prices with:	<input type="checkbox"/> Previously proposed prices	<b>Previous PO No.:</b>
<input type="checkbox"/> Indexes	<input type="checkbox"/> Independent cost estimates	<input type="checkbox"/> Published market prices
<input checked="" type="checkbox"/> Discount/rebate arrangements	<input type="checkbox"/> Prices obtained through market research	
<input type="checkbox"/> Competitive Lists		

<b>Section D: SUPPLIER DIVERSITY COMPLIANCE</b> <i>(The following diverse suppliers were contacted as part of solicitation. Indicate the number of suppliers contacted in each classification. (check <a href="http://www.usc.edu/supplierdiversity/classifications">www.usc.edu/supplierdiversity/classifications</a> for definitions)</i>				
ANC	MOSB	Small	VOSB	<input checked="" type="checkbox"/> None
CDVBE	MOLB	SBA8(A)	WOSB	
HBCU	PHY	HUBZone	WOLB	
MI	SDVOSB	SDB	Local	

\_\_\_\_\_  
Buyer's Initials

04/25/13  
\_\_\_\_\_  
Date

# PICARRO

# INVOICE

3105 Patrick Henry Drive  
Santa Clara, CA 95054-1815

Phone # 408-962-3900

orders@picarro.com

Invoice#	[REDACTED]
Invoice Date	05/15/13
Invoice Due Date	06/14/13

### Bill To Address (USOC001)

University of Southern Cali.

USC Accounts Payable  
PO BOX 77967

Los Angeles, CA  
USA 90007

### Ship to Address

University of Southern Cali.

Los Angeles, CA  
USA, 90089

PO NUMBER	SALES ORDER	SHIP DATE	REP	INVOICE TERMS	SHIP VIA	FREIGHT TERMS
[REDACTED]	[REDACTED]	05/15/13	[REDACTED]	Net 30	Fedex Saver-PP&B	Destination

Model #	Description / SN#	Order Qty	Ship Qty	B/O Qty	Unit Price	Gross amount
G2131-I	ANALYZER ICO2 Isotopic CO2	1	1	0	78,750.00	US\$78,750.00

Serial numbers  
1398-CFGDS2168

S0504 HE Filter for CO2 Apps  
FREIGHT CHARGE  
PACKAGING & HANDLING

US\$5,250.00  
US\$410.00  
US\$350.00

Thank you for your business.

Attr: [REDACTED]  
Please add e-mail: [REDACTED] for tracking# to be sent.

Quote: 130408MW-014

Thank you for your business:

Fed Ex tracking #'s [REDACTED]

### PAYMENT INSTRUCTIONS:

Remittance Address:  
Picarro, Inc  
3105 Patrick Henry Drive  
Santa Clara, CA 95054-1815

Wire transfers:  
Silicon Valley Bank  
3003 Tasman Drive, Santa Clara CA 95054 USA  
Routing# [REDACTED] Swift: [REDACTED]  
for credit to Picarro, Inc Acct# [REDACTED]

Total gross	:	US\$	84,350.00
Total discount	:	US\$	-29,275.00
Total freight	:	US\$	410.00
Total tax	:	US\$	4,452.75
<b>Total net amount</b>	:	<b>US\$</b>	<b>59,937.75</b>

PO/Reference Number [REDACTED] Revision 1 (Closed)

Available Actions Add Comment

Supplier Picarro, Inc.

Go

Status	<b>Purchase Order</b>	Revisions	PO Approvals	Shipments	Receiving	Invoices	Comments	Attachments (8)	History
<b>Summary</b>		Capital Asset Management	Facilities	Accounting Codes	Taxes/S&H				

Hide header

Hide value descriptions

General Information ?	Delivery ?	Billing ?
<b>PO/Reference Number</b> [REDACTED] <b>Revision Number</b> 1 <b>A/P status</b> Closed <b>Supplier Name</b> Picarro, Inc. <a href="#">more info...</a> <b>Supplier Number</b> <b>Address</b> 3105 Patrick Henry Santa Clara, CA 95054-1815 US <b>Purchase Order Date</b> 4/29/2013 <b>Original Revision Date</b> 4/29/2013 <b>Revision Date</b> 6/14/2013 <b>Distribution Date/Time</b> 4/29/2013 2:31 PM <b>Total</b> 60,441.75 <b>Requisition Number</b> [REDACTED] <a href="#">view</a>   <a href="#">print</a> <b>Business Purpose</b> Isotope Analyzer for [REDACTED] Lab <b>Previous PO Number</b> [REDACTED]	<b>Deliver To</b> <b>Attn:</b> [REDACTED] <b>Room:</b> [REDACTED] [REDACTED] Los Angeles, CA 90089 United States	<b>Bill To</b> USC Accounts Payable P.O. Box 77967 Los Angeles, CA 90007 United States  <b>Billing Options</b> Contract Payment Terms 0% 10, Net 10
<b>Contact Information</b> <b>Owner Name</b> [REDACTED] <b>Owner Phone</b> [REDACTED] <b>Owner Email</b> [REDACTED]  <b>Campus</b> UPC		
<b>Additional Information ?</b>	<b>Capital Asset Management ?</b>	<b>Facilities ?</b>

FOB  
PO Clauses

FOB USC  
Capital Asset System Type  
Capital Asset System State  
Equipment Notes

**Facilities**  
Crew Number  
Work Order Number

Orders and Documents Document Search Search Documents Logout 10062589

associated with this section.

Capital Asset Transaction Type Asset #

Stock Number

View/edit by line item...

View/edit by line item...

**Accounting Codes** ?

Account Number	Validation Code	Object Code	Overdraft Funds Request (use only with resubmission)	% of Price
534831 [REDACTED] Collaborative Research Documenting N2	VC5 51 52 53 54 55 56 57 58 CG ALL	17900 SCIENTIFIC EQUIPMENT OVER \$5000		27.15%
534831 [REDACTED] Collaborative Research (OSU USC RU):	VC5 51 52 53 54 55 56 57 58 CG ALL	17900 SCIENTIFIC EQUIPMENT OVER \$5000		31.54%
121831 [REDACTED] FEES	VC12 11 12 13 14 15 16 18 CU EX	17900 SCIENTIFIC EQUIPMENT OVER \$5000		20.66%
221801 [REDACTED] RESEARCH FUND [REDACTED]	VC8 21 22 23 24 25 26 27 28 CR EX	17900 SCIENTIFIC EQUIPMENT OVER \$5000		16.66%
221831 [REDACTED] POST-DOCTORAL FELLOWSHIP [REDACTED]	VC8 21 22 23 24 25 26 27 28 CR EX	17900 SCIENTIFIC EQUIPMENT OVER \$5000		3.99%

View/edit by line item...

**External Notes and Attachments** ? **Internal Notes and Attachments** ? **Distribution Information** ?

Note to Supplier ATTN: [REDACTED]  
Attachments for supplier  
Picarro Quote 130... (410k)

Internal Note Sole Source justification noted on line item 2. FM  
Internal Attachments  
img20130418\_12141... (486k)  
vc\_report (24k)  
DEBARMENT CERTIFI... (491k)  
GSA SAMPLE PRICIN... (854k)  
SOLE SOURCE - 5.pdf (126k)  
Picarro Quote 130... (1,628k)  
Re FW Picarro.msg (71k)

**Distribution Methods**  
The system will distribute purchase orders using the method(s) indicated below:  
Fax +1 (408) 962-3200

Line Item Details

?

Hide line details

For selected line items Add To Active Cart Go

Product Description	Catalog No	Size / Packaging	Unit Price	Quantity	Ext. Price
<b>1</b> ✓ <b>Item # G2131-I: δ13C High-Precision Isotopic CO2 CRDS Analyzer. (This price reflects an original price of \$78,750.00 and a discount of \$29,275.00)</b> <a href="#">more info...</a>		EA	49,475.00	1 EA	49,475.00 USD
Taxable <input checked="" type="checkbox"/>		Requisition <span>[REDACTED]</span> <a href="#">view</a>   <a href="#">print</a> Number			
Commodity Code 23 Research/Lab Supply & Equip		External Note Pricing reflects discount of - \$29,275.00 per quote. FM			
PO Clauses		Attachments for supplier			
		Internal Note Pricing reflects discount of - \$29,275.00 per quote. FM			
		Internal Attachments			
<b>2</b> ✓ <b>Item # S0504: He fitter for isotopic CO2 applications</b> <a href="#">more info...</a>		EA	5,250.00	1 EA	5,250.00 USD
Taxable <input checked="" type="checkbox"/>		Requisition <span>[REDACTED]</span> <a href="#">view</a>   <a href="#">print</a> Number			
Commodity Code 23 Research/Lab Supply & Equip		External Note			
PO Clauses		Attachments for supplier			
		Internal Note			
		Internal Attachments			

Shipping, Handling, and Tax charges are calculated and charged by each supplier. The values shown here are for estimation purposes, fund checking, and workflow approvals.

<b>Subtotal</b>	<b>54,725.00</b>
Sales Tax	4,956.75
Shipping Only	410.00
Shipping and Handling	350.00
<b>Total</b>	<b>60,441.75 USD</b>

Payment Request Document	Doc Nbr:		Status:	FINAL
	Initiator:	kfs	Created:	12:00 AM 05/22/2013
	Payment Request #:		Payment Request Status:	Auto-Approved

expand all collapse all  
\* required field

Document Overview

hide

<b>Document Overview</b>	
* Description: PO	Vendor: 30423-0
Organization Document Number:	Explanation:

<b>Financial Document Detail</b>	
* Year: 2013	Total Amount: 59,937.75

Vendor

hide

<b>Vendor Address</b>			
* Vendor:	Picarro, Inc.	* City:	Santa Clara
Vendor #:	30423-0	State:	CA
* Address 1:	3105 Patrick Henry	Province:	
Address 2:		Postal Code:	95054-1815
Attention:		* Country:	United States

<b>Vendor Info</b>			
Customer #:		Payment Terms:	P-Net 30 Days
Check Stub Notes:		Shipping Title:	DESTINATION
Special Handling Instructions:		Shipping Payment Terms:	

Invoice Info

hide

<b>Invoice Info</b>			
* Invoice Number:		* Purchase Order #:	
Pay Date:	06/14/2013 No (Immediate Pay)	PO Notes:	No
* Invoice Date:	05/15/2013	Payment Request Cost Source:	ESTIMATE
PO End Date:		Payment Classification:	
Payment Attachment Indicator:	No	AP Processed Date:	06/14/2013 09:51 AM
Extract Date:	06/17/2013 12:00 AM <a href="#">disbursement info</a>		
Check Routing:			

Process Items

hide

Object Code and Sub-Object Code inquiries and descriptions have been removed because this is a prior year document.

<b>Purchase Order Line Item Totals</b>			
Encumbrance excluding freight & s/h	Total Encumbrance Amount Relieved	Total Paid Amount	
59,650.25	59,650.25	59,177.75	

Item Line #	Open Qty	UOM	PO Unit/Ext Price	Qty Invoiced	Unit Cost	Extended Cost	Tax Amount	Use Tax Amount	Total Amount	Catalog #	Work Order #	Stock #	Assigned To Trade In	Description
1	0.00	EA	49,475.0000	1.00	49,475.0000	49,475.00	4,025.58	0.00	53,500.58				No	Item # G2131-1: 13C High-Precision Isotopic CO2 CRDS Analyzer. (This price reflects an original price)
<a href="#">show Accounting Lines</a>														
2	0.00	EA	5,250.0000	1.00	5,250.0000	5,250.00	427.17	0.00	5,677.17				No	Item # S0504: He filter for isotopic CO2 applications
<a href="#">show Accounting Lines</a>														

Invoice Total Prior to Additional Charges: 54,725.00

<b>Additional Charges</b>							
* Item Type	Original Amount from PO	Outstanding Encumbered Amount	Extended Cost	Tax Amount	Use Tax Amount	Total Amount	Description
Freight			410.0000	0.00	0.00	410.00	Freight
<a href="#">show Accounting Lines</a>							
Shipping and Handling			350.0000	0.00	0.00	350.00	Shipping and Handling

▶ show Accounting Lines						
<b>Trade In</b>						
Trade In :		0.0000	0.00	0.00	0.00	Trade In
▶ show Accounting Lines						
<b>Total Before Discount:</b>						<b>55,485.00</b>
<b>Payment Terms Discount</b>						
Payment Terms Discount :		0.0000	0.00	0.00	0.00	Payment Terms Discount
▶ show Accounting Lines						
<b>Full Order Discount</b>						
Full Order Discount :		0.0000	0.00	0.00	0.00	Full Order Discount
▶ show Accounting Lines						
<b>Total Prior to Tax:</b>						<b>55,485.00</b>
<b>Total Sales Tax:</b>						<b>4,452.75</b>
<b>Total Withholding:</b>						<b>0.00</b>
<b>Grand Total Amount to be Paid to Vendor:</b>						<b>59,937.75</b>
<b>Total Use Tax:</b>						<b>0.00</b>
<b>Grand Total Including Use Tax:</b>						<b>59,937.75</b>

Tax	▶ show
Tax Corrections	▶ show
Account Summary	▼ hide

Object Code and Sub-Object Code inquiries and descriptions have been removed because this is a prior year document.

**Account Summary** [refresh account summary](#)

Account Summary 1										
Fiscal Year	Chart	Account Number	Sub-Account	Object Code	Sub-Object	Project	Org Ref Id	Organization Document Number	Amt	
2016	SC	121831		17900					12,385.72	

Items of Account Summary 1		
Item	Description	Amount
Item 1	Item # G2131-I: 13C High-Precision Isotopic CO2 CRDS Analyzer. (This price reflects an original price)	11,053.22
Item 2	Item # S0504: He filter for isotopic CO2 applications	1,172.90
Freight	Freight	86.10
Shipping and Handling	Shipping and Handling	73.50

Account Summary 2										
Fiscal Year	Chart	Account Number	Sub-Account	Object Code	Sub-Object	Project	Org Ref Id	Organization Document Number	Amt	
2016	SC	221801		17900					9,988.22	

Items of Account Summary 2		
Item	Description	Amount
Item 1	Item # G2131-I: 13C High-Precision Isotopic CO2 CRDS Analyzer. (This price reflects an original price)	8,913.20
Item 2	Item # S0504: He filter for isotopic CO2 applications	945.82
Freight	Freight	69.70
Shipping and Handling	Shipping and Handling	59.50

Account Summary 3										
Fiscal Year	Chart	Account Number	Sub-Account	Object Code	Sub-Object	Project	Org Ref Id	Organization Document Number	Amt	
2016	SC	221831		17900					2,391.58	

Items of Account Summary 3		
Item	Description	Amount
Item 1	Item # G2131-I: 13C High-Precision Isotopic CO2 CRDS Analyzer. (This price reflects an original price)	2,134.67
Item 2	Item # S0504: He filter for isotopic CO2 applications	226.51
Freight	Freight	16.40
Shipping and Handling	Shipping and Handling	14.00

Account Summary 4										
Fiscal Year	Chart	Account Number	Sub-Account	Object Code	Sub-Object	Project	Org Ref Id	Organization Document Number	Amt	
2016	SC	524831		17900					16,271.96	

Items of Account Summary 4		
Item	Description	Amount
Item 1	Item # G2131-I: 13C High-Precision Isotopic CO2 CRDS Analyzer. (This price reflects an original price)	14,525.40
Item 2	Item # S0504: He filter for isotopic CO2 applications	1,541.36
Freight	Freight	110.70
Shipping and Handling	Shipping and Handling	94.50

Account Summary 5										
Fiscal Year	Chart	Account Number	Sub-Account	Object Code	Sub-Object	Project	Org Ref Id	Organization Document Number	Amt	
2016	SC	524831		17900					18,900.27	



Items of Account Summary 5		
Item	Description	Amount
Item 1	Item # G2131-I: 13C High-Precision Isotopic CO2 CRDS Analyzer. (This price reflects an original price)	16,874.09
Item 2	Item # S0504: He filter for isotopic CO2 applications	1,790.58
Freight	Freight	127.10
Shipping and Handling	Shipping and Handling	108.50

- View Related Documents ▶ show
- View Payment History ▶ show
- General Ledger Pending Entries ▶ show
- Deferred Accounting Lines ▶ show
- Notes and Attachments (4) ▼ hide

Notes and Attachments							
	Posted Timestamp	Author	* Note Text	Attached File	Attachment Type	Notification Recipient	Actions
				Choose File No file chosen <span style="float: right;">CANCEL</span>			<span>add</span>
1	06/14/2013 09:51 AM	Kfs, Kfs	Invoice Image	Picarro Quote 130408MW-014 - USC - [REDACTED] G2131-I.pdf (0 bytes, <a href="#">hyperlink</a> )	Invoice Image		<span>send</span>
2	06/14/2013 09:51 AM	Kfs, Kfs	Invoice Image	Invoice Image - [REDACTED] (0 bytes, <a href="#">hyperlink</a> )	Invoice Image		<span>send</span>
3	06/14/2013 09:51 AM	Kfs, Kfs	Sole Source justification noted on line item 2. [REDACTED]				<span>send</span>
4	06/14/2013 09:51 AM	Kfs, Kfs	Pricing reflects discount of -\$29,275.00 per quote [REDACTED]				<span>send</span>

- Ad Hoc Recipients ▶ show
- Route Log ▶ show

send ad hoc request close