

## How Do I Buy or Handle ...

### *Inventory Consignment for Labs*

Using a supplier's Biological Consignment Program to provide an on-site inventory of frequently used biological products for researchers and faculty can provide significant efficiency and is encouraged whenever practical. Based on the economies of scale, Virginia Tech and the contractors can use the advantages of consolidated order placement and a single ship-to address to establish and maintain the program.

Several elements must be considered when deciding whether to use a supplier's Consignment Program.

The issues below must be addressed by the sponsoring Department:

1. There must be an existing contract between the supplier and Virginia Tech. Contact the Procurement Department to verify.
2. Identify which Department will physically house the cabinet for the biological consignment.
3. Identify who will secure the biological consignment inventory.
4. Determine if there will be any financial liability for the inventory losses from the biological consignment.
5. Determine if there is any supplemental agreement that the University must sign.

The issues below must be addressed by letter from the supplier to the Department:

- It is strongly desired that title to all consigned inventory remain with the Contractor until the individual end user purchases it. Supplier must confirm this in writing.
- Explain in detail the process by which biological consignment stock will be replenished and invoiced. Acknowledge that orders will be entered in HokieMart, and explain the process.



If the above considerations can be answered to the satisfaction of the Department, prepare memo documentation substantiating these points. If the supplier wishes to have any document or agreement signed, obtain that and send it to Procurement for review to ensure that it creates no conflict with the basic contract or contain other undesirable restrictive terms.

To begin the Consignment Program, the Department must submit the memo documentation and letter from the supplier to Procurement for review and implementation.

**For more information contact:**

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