

## OFFICE OF PROCUREMENT

### BRIEF OVERVIEW OF POLICIES AND PROCEDURES

The Office of Procurement is the campus unit which has been designated the sole responsibility for the procurement of all commodities, supplies, equipment and services for the campus.

The Office of Procurement provides services to the campus community on all procurement matters and related activities to include (but not limited to) locating and developing sources of supply, developing and assisting departments in developing specifications, soliciting bids, quotations and proposals, negotiating contracts, and interacting with vendors.

*Departments are not authorized to sign any contracts, enter into any agreements, or make any commitments with regards to the procurement of commodities, supplies, equipment or services which are binding to the University in any way; therefore, departments are requested to send such documents to the Office of Procurement for review and approval. Requestors may be held personally responsible for unauthorized purchases (purchases made without a legitimate purchase order, check request or VISA card prior to receiving items).*

**Departments must initiate a requisition, check request, or use their VISA Purchasing Card to request an item or service.**

### VISA PURCHASING CARD

The State of Maryland Comptroller's Office currently has a contract with US Bank for VISA Purchasing Cards. The VISA purchasing card allows the end-user to purchase items under \$2,500 which is considered the standard Single Purchase Limit (SPL) for the University. **CERTAIN RESRICTIONS DO APPLY.** Departments can obtain supplies and/or services in a more timely manner and vendors receive payment in 3 days. *Interested program participants must attend a training session before completing application forms to request a VISA card. Please call the Office of Procurement at extension 7940 for more information.*

Listed below are the dollar categories and basic procedures for the procurement of supplies, services, maintenance, and construction:

**A. REQUISITION SUBMITTAL**

**Requests under \$2,500** – do not require any competitiveness (additional quotes are not required).

**NOTE:** If the requestor has a University VISA Purchasing card and the vendor accepts VISA, it must be used to purchase items within this dollar category. Cardholders must be certain that the requested item/service is allowable under the VISA PCard policies and procedures.

**For all categories that follow** – competition must be sought to the extent possible as determined by the procurement officer considering such factors as the availability of vendors, dollar value of the procurement, cost of administering the procurement, time available to make the procurement including delivery time, and sound business judgment consistent with the above.

**Requests \$2,501 - \$5,000** - this dollar category requires verbal quotes which may be typed on or attached to the requisition. The verbal quotes must indicate the vendor's name, address, telephone number, price, name of person who quoted the price, and date. Verbal quotes are not required if utilizing a University/State contract.

**Requests \$5,001 - \$100,000** requires signed written quotes OR formal bids depending on the nature of the request. If requests are formally bid by the Office of Procurement; the request may be advertised. (Processing time for formal bids is 2-4 weeks depending on the dollar amount of the request). Written quotes may be solicited by the requesting department to expedite the request but is not mandatory; **formal bids** are solicited ONLY by the Office of Procurement. Competitiveness is not required if using a State/University contract.

When soliciting written quotes and/or formal bids, detailed specifications are very important and must accompany any request sent to a vendor or the Office of Procurement for processing. When a department solicits written quotes, departments must make certain that all vendors are given the same information so that each vendor is given an equal opportunity to submit an accurate price on the requested item(s) or offer an equivalent based on the specifications given.

**Requests over \$100,000 - \$500,00** must be formally bid and advertised in the EMarylandMarket Place and other publications as deemed appropriate if a University/State contract is not being used.

**Requests over \$500,000** request must be formally bid by the Office of Procurement unless a State/University is being used. Requests that fall into this dollar category must be approved by the Board of Public Works prior to releasing the purchase order/contract to the vendor (turn around time may be 3-6 weeks). When soliciting formal bids, detailed specifications are very important and must accompany any request sent to the Office of Procurement for processing. Purchasing will be certain that all vendors receive the same information so that each vendor is given an equal opportunity to submit an accurate price on the requested item(s) or offer an equivalent based on the specifications given. (Processing time for request that fall under this category may take 3-6 weeks).

**Blanket Purchase Order** - are used to purchase non-specific/specific and miscellaneous items when a requestor does not know exactly what will be purchased or what the exact quantity may be. A blanket is assigned an effective period (7/1/09 - 6/30/10) for the purchase of miscellaneous items. A blanket purchase order can not exceed \$2500 per invoice/request and can not exceed \$10,000 within a fiscal year. Blanket purchase orders can not cross fiscal years.

**Standing Purchase Order** - are competitive and operate in a similar fashion as blanket purchase order. A standing order is used when a department knows what is to be ordered, an approximate quantity and, in some instances, a scheduled interval for desired shipments. There is no limit on the dollar value and it can be established as high as \$25,000, if required, in a fiscal year. The \$2500 per invoice DOES NOT apply.

## **B. SOLE SOURCE REQUISITIONS**

There are five (5) circumstances under which a sole source requisition can be submitted: 1) when only one source exist which meets the requirement, 2) when compatibility of equipment, accessories, or replacement parts is the paramount consideration, 3) when a vendor's item is needed for trial use or testing, 4) when a sole vendor's item is to be procured for resale, and 5) when certain public utility services are to be procured and only one source exists. A sole source form must accompany the requisition and may be obtained from the Office of Procurement. The dollar categories for sole source requisitions are listed below:

**Requests under \$2,500** – additional documentation IS NOT required.

**NOTE:** If the requestor has a University VISA Purchasing card and the vendor accepts VISA, it must be used to purchase items within this dollar

category. Cardholders must be certain that the requested item/service is allowable under the VISA PCard policies and procedures.

**Requests \$2,501 - \$5,000** – requisition must be accompanied by a sole source form (forms may be obtained from the Office of Procurement).

**Requests \$5,001 - \$25,000** – requisition must be accompanied by a sole source form and proper documentation from the vendor to verify address, price, and services.

**Requests \$25,001 – \$100,000** - requisition must be accompanied by a letter of justification (can not use the sole source form for requests exceeding \$25,000) and proper documentation from the vendor to verify address, price, and services.

**Request \$100,001 - \$500,000** – requisition must be accompanied by a letter of justification and proper documentation to verify price and services must be attached. Additional reporting requirements may apply.

**Requests over \$500,000** - requisition must be accompanied by a letter of justification and proper documentation to verify price and services must be attached. Requests that fall into this dollar category must be approved by the Board of Public Works prior to releasing the contract (turn around time may be 3-6 weeks).

## C. CHECK REQUESTS

Check requests are submitted for items/services only when the vendor will not accept a University purchase order or VISA card. Proper documentation must be attached to verify the requestor's address, the requested items and/or services, and price. A federal identification number and/or social security number must appear on all check requests.

**Requests up to \$50** – are forwarded to the Business Office for further processing. Payment will be made in 1-2 weeks by the Comptroller's Office.

**Requests over \$50** - are forwarded to Accounts Payable for further processing. Payment will be made by the State which usually takes 3-4 weeks.

**NOTE:** If the requestor has a University VISA Purchasing card and the vendor accepts VISA, it must be used to purchase items within these dollar categories. Cardholders must be certain that the requested item/service is allowable under the VISA PCard policies and procedures.

## D. CONFIRMING REQUISITIONS

Medical expenses, utility bills, and advertisements are paid via a confirming requisition and do not require a letter of justification. Requestors must initiate a requisition and indicate in the description that it is a “confirming requisition”, the type of service and the amount. An invoice must accompany the confirming requisition.

**NOTE:** If the requestor has a University VISA Purchasing card and the vendor accepts VISA, it must be used to purchase items within these dollar categories. Cardholders must be certain that the requested item/service is allowable under the VISA PCard policies and procedures.

Orders that have been received due to certain circumstances that were not properly obtained by way of a purchase order, check request, or VISA may also result in the requestor submitting a “**confirming requisition**” for payment. Requestors must initiate a requisition and indicate in the description that it is a “confirming requisition”, the type of service and the amount. An original invoice and a letter of justification addressed to the Office of Procurement explaining why this request was placed without prior authorization of the Office of Procurement must be attached to the requisition. Once Purchasing has approved the confirming requisition, it is forwarded to Accounts Payable for further processing.

Orders placed without prior authorization of the Office of Procurement may result in the requestor using personal funds to pay for items ordered or services rendered.

**NOTE:** If the requestor has a University VISA Purchasing card and the vendor accepts VISA, it may be used to pay for items under \$2,500 that resulted in a confirming request. Cardholders must be certain that the requested item/service is allowable under the VISA PCard policies and procedures.

Because the vendor does not accept VISA does not justify a confirming requisition. If the vendor does not accept VISA, the requestor **SHOULD NOT PROCEED WITH THE ORDER BUT** initiate a requisition to request the item(s) so a Purchase Order can be processed and forwarded to the vendor.