

# Procurement Guidelines

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Because of their complexity and high volume, all of the University's procurement activities cannot be performed efficiently by a completely centralized procurement office. Therefore, the procurement responsibility for certain specialized items has been delegated to departments that are best qualified to make procurement decisions for these specialized items. In addition, to further streamline the procurement process certain individual(s) in each department (Designated Purchasers) have been delegated the procurement responsibility for repetitive purchases or low-dollar transactions. These Designated Purchasers have been issued TAP Cards (Travel and Purchasing Card) to facilitate their procurement activities.

All University employees who have been delegated procurement responsibility (Designated Purchasers) shall follow Policy 370.1, University Procurement Policy, the Procurement Guidelines established hereunder, Policy 370.3, Ethical and Proper Spending Practices, Policy 370.4, TAP Card Program, and the TAP Card Program Guidelines. Purchases funded by State or Federal grants, contracts, or restricted discretionary funds must also comply with the terms of the sponsors.

## I. Delegation of Procurement Authority

### A. Specialized Goods and Services

The departments listed below have been delegated the procurement authority for the specialized goods and services:

<b>Goods or Service</b>	<b>Designated Purchaser</b>
Plant maintenance materials	Facilities Services
Building modification or additions	Facilities Services
Library books and periodicals	Library
Golf equipment/supplies for resale	Golf Course
Printing	Marketing & Public Relations
Computer software/hardware*	Information Technology Services
Telecommunications equipment and services*	Information Technology Services
Multimedia equipment*	Information Technology Services

\* Refer to Policy 077.3, Purchase or Lease of Information Technology and 073.1, Grant Applications Requiring Use and/or Purchase of Computer-Related Equipment for further instructions on technology related purchase or lease.

## ***B. Low-Dollar Purchases***

University employees who have been delegated procurement responsibility for low-dollar goods and services will be issued a TAP Card, and are authorized to make business related purchases within their TAP Card transaction limits in accordance with Policy 370.4, TAP Card Program, and the TAP Card Program Guidelines. These Designated Purchasers need to develop expertise to perform procurement duties, such as obtaining quotes, preparing cost analysis and negotiating with the suppliers.

## **II. Roles and Responsibilities**

### ***A. Requestor***

- Initiates request for purchases.
- Provides specifications for the requested goods and services.
- Prepares Purchase Requisitions, if required (see Section III.A.), and obtains required approval(s) for the purchase.
- Works with Designated Purchaser or Director of Procurement & AP in obtaining competitive quotations or supplier proposals as required.
- Participates in negotiation and supplier selection where appropriate.
- Verifies receipt of the goods and services ordered and approves the invoice.

### ***B. Designated Purchaser***

- Is authorized to make business-related small-dollar, repetitive purchases using TAP Card within the card transaction limits.
- Is authorized to place orders requested by other employees in the department which have been properly approved and are within his/her TAP Card transaction limits.
- Is responsible for obtaining quotations, performing cost analysis and making procurement decisions.
- Needs to be familiar with procurement policies, guidelines, and the preferred suppliers and contracts.

### ***C. Approver***

- Has the fiscal responsibility for the funds being expended for the purchases.
- Ensures there is adequate funding for the purchase.
- Approves Purchase Requisitions.

Note: The Approver cannot be the Requestor or the Designated Purchaser.

#### ***D. Procurement Coordinator***

- Issues Purchase Orders or places the order on the Procurement Department's TAP Card as appropriate.
- Provides guidance and assistance to Requestors and Designated Purchasers on their procurement duties.
- Serves as the Program Administrator for the TAP Card Program (refer to TAP Card Program Guidelines).

#### ***E. Director of Procurement and Accounts Payable***

- Oversees all activities related to the University's procurement process.
- Establishes policies and guidelines related to University procurement.
- Approves Purchase Orders.
- Reviews contracts before they are signed by the proper approver (refer to Policy 370.5, Contract Approval and Signature Authority).
- Negotiates contracts and selects preferred suppliers.
- Assists Requestors with the bidding process when the purchase meets the competitive bidding threshold.
- Serves as the Program Administrator for the TAP Card program (refer to TAP Card Program Guidelines).

### **III. Acquisition Process**

All University purchases need to be properly approved before the order is placed. There are two primary means to make purchases for the University:

- University issued credit card (i.e. the TAP Card)
- Purchase Orders

Certain types of purchases can be made without a Purchase Order if the supplier does not accept credit cards. The payment for such purchases is addressed in Non-PO Payment below.

TAP Card (Travel and Purchasing Card) is University's preferred method for making purchases, provided that the purchases meet the TAP Card Program Guidelines. Purchase Orders should be utilized when the TAP Card use is restricted by the University policies, or the supplier does not accept credit card as a method of payment. The use of TAP Card is defined in Policy 370.4, TAP Card Program, and the TAP Card Program Guidelines.

## ***A. Purchase Requisition***

A Purchase Requisition is required when the purchase needs to be processed through the Procurement office due to the following reasons:

- The purchase value exceeds the Designated Purchaser's TAP Card transaction limit.
- The merchant does not accept credit card payment and requires a Purchase Order.
- The purchase meets the competitive bidding threshold (see Section IV).
- The purchase qualifies as a capital acquisition (see Section IV, B and C).

It is the Requestor's responsibility to ensure that a Purchase Requisition is properly prepared, approved and submitted to the Procurement office prior to the merchandise or service being ordered.

A properly prepared Purchase Requisition should include adequate specifications and catalog/part number(s) of the product(s) to be purchased, description of service to be delivered, General Ledger account number(s) to which the expense will be charged, and signatures of the Requestor and the proper Approver. Supplier quote(s), documentation of competitive bidding, justification for supplier selection, and Sole Source Justification, where required, should be attached to the Purchase Requisition. Upon receiving the Requisition, the Procurement office will promptly conduct a competitive bidding process, if required, or issue a Purchase Order.

## ***B. Purchase Order***

The Purchase Order is a legal document which constitutes a contract between the University and a supplier. The Purchase Orders will be generated by the Procurement office based on the information provided on the Purchase Requisition.

## ***C. Emergency Order***

When there is a need for an immediate purchase and the use of TAP Card is prohibited, the Requestor should contact the Procurement office for assistance. No verbal purchase order should be given prior to this contact.

## ***D. TAP Card Purchases***

TAP Card cardholders are authorized to make business-related purchases valued up to their card transaction limit. The cardholders shall comply with Policy 370.4, TAP Card Program and the instructions contained in the TAP Card Program Guidelines.

## ***E. Non-PO Payment***

Some goods and services may be purchased without a Purchase Order if the supplier does not accept credit card payment. Payment for such purchases, usually submitted on a check request, must be approved by the individual who has the fiscal responsibility for the funds being expended for the purchases. Listed below are items which are normally paid on a check request or an invoice with appropriate approval(s):

- Professional services such as architect fees, attorney fees, staffing and executive search service, etc.
- Advertising
- Insurance
- Building construction or renovation
- Certification fees
- Moving expense for employee relocation
- Lease payments
- Consultant fees

#### ***F. Rebates and Rewards***

Any rebates or rewards earned on the University purchases belong to the University and must be applied to other University purchases.

#### ***G. Debarment Certification***

Purchases of \$25,000 or more involving federal funds must be cleared of Federal Debarment before an order is issued. A Debarment Certification letter must be submitted by the suppliers and attached to the Purchase Requisition. The Debarment Certification letter can be accessed on Furman's website, in My Apps under Employee Form in the Purchasing folder.

#### ***H. Purchase of Safety and Protective Equipment***

The purchase of safety and protective equipment should be coordinated between the purchaser's department head and the Risk Management office. Emphasis will be placed on the inherent safety considerations used in the design and durability of each item. All machines and equipment purchased should be in compliance with federal and state Occupational Safety and Health regulations.

#### ***I. Modification of Furman Owned Buildings***

The arrangement of services modifying University building or structures on or off Furman campus will require review and approval by Facilities Services to ensure building codes are adhered to, risk insurance is provided for, and maintenance expense is kept at a minimum.

## ***J. Green Purchasing***

Departments are encouraged to purchase recycled and other environmentally preferable products when possible. The [Green Purchasing Guidelines](#), accessible on the University's Procurement Services website, should be followed in making procurement decisions.

## ***K. Diversity Purchasing Initiative***

Furman University is committed to promoting the community's economic growth by extending opportunities to minority and women owned business enterprises. Refer to [Diversity Purchasing Initiative](#), accessible on the University's Procurement Services website, for detailed instructions.

## ***L. Insurance Requirements***

Furman University has established minimum contractor's liability insurance requirements. Suppliers who do business with the University are expected to meet these minimum requirements, which can be viewed on the University's website under Facilities Services on [Risk Management's webpage](#). Risk Management office must review and approve any exceptions to the standard insurance requirements.

## ***M. Terms & Conditions***

Suppliers who do business with Furman University are expected to accept the University's standard Terms & Conditions. Any deviation from the standard Terms & Conditions must be documented and approved by the Director of Procurement and AP. The standard Terms & Conditions can be accessed on the University's website under the Procurement Services webpage.

# **IV. Competitive Bidding Threshold**

University employees who have been delegated procurement responsibility should be familiar with the competitive bidding requirements defined in this section and ensure that these guidelines are followed for both the TAP Card and Purchase Order purchases.

## ***A. Purchases under \$5,000***

Other than the [Exceptions](#) noted below, purchases up to and including \$4,999.99 may be accomplished without securing competitive quotations. However, the Requestor and Designated Purchaser should ensure that the pricing is fair and reasonable by performing a cost analysis or conducting a market survey, and that the terms and delivery date are conducive to the University's needs. It is strongly recommended that the goods or services be purchased from a preferred supplier or on a negotiated contract if there is one established. The preferred supplier list and contract information can be found on the University's website under the Procurement Service's webpage. The Designated Purchaser should make a good faith effort to negotiate the best obtainable price, and request assistance from the Procurement office when needed.

### ***B. Purchases over \$5,000***

Other than the [Exceptions](#) noted below, for all purchases \$5,000 and over the Requestor and the Designated Purchaser should follow one of the procedures listed below:

- Obtain multiple quotations, and document the reason for supplier selection if the lowest bidder is not chosen. A Purchase Requisition needs to be processed through the Procurement office if the supplier does not accept credit card payment or the order amount exceeds the Designated Purchaser's TAP Card single transaction limit.
- If the Director of Procurement and AP deems it necessary and appropriate to conduct a competitive bidding process, the Requestor should provide detailed specifications of the product or service to be acquired and a list of potential suppliers to facilitate the creation of a bid document. The specifications should not contain features which will unduly restrict competition. A Purchase Requisition is required. All proposals will be evaluated based on the criteria established in the bid document, and all bidders will be given equal opportunity to compete for the business. The award shall be made to the bidder who offers the best overall value to the University. The reason for supplier selection should be documented and attached to the Purchase Requisition.
- In the event where competitive bidding is not feasible or not in the best interest of the University, the Requestor should fill out a [Sole Source Justification](#) form and submit it with the Purchase Requisition. The Sole Source Justification form can be accessed on the University's website in My Apps under Employee Forms in the Purchasing folder.

### ***C. Exceptions***

1. All capital purchases shall be processed through the Procurement office to ensure proper recording, tracking and accounting of the University property. Capital purchase

is defined as the purchase of any single piece of property or equipment valued at \$5,000 or more with a useful life of at least three (3) years.

2. All lease agreements regardless of dollar amount must be reviewed by the Director of Procurement and Accounts Payable, and approved by the Vice President for Finance and Administration.
3. Purchases or lease for information technology-related equipment, software, or services must be approved by the Chief Information Officer, or his delegate, and processed through Information and Technology Services. This will ensure compatibility with University technology and support services. Information technology-related equipment includes computers, displays, multimedia equipment, telecommunications equipment, and electronic mobile devices (e.g. tablets such as the iPad). A Furman asset tag must be attached to all University owned technology-related equipment. University funds cannot be used to purchase: cell phones, data plans, cloud-hosted services, apps for electronic mobile devices, or any software, unless the purchase has been pre-approved by the Chief Information Officer. For more details refer to policies 077.3, Purchase or Lease of Information Technology and 073.1, Grant Applications Requiring Use and/or Purchase of Computer-Related Equipment.
4. Purchases funded by Federal or State grants may have a lower threshold for competitive bidding. The Requestor should comply with the terms of the grant and adhere to regulations found in OMB Circular A-110. OMB circular A-110 section e\_40-48 identifies required procurement standards. Detailed requirements can be found at <http://www.whitehouse.gov/omb/circulars/a110/a110.html#40>.

#### ***D. Sole Source Justification***

A Sole Source Justification needs to be completed and submitted with the Purchase Requisition or attached to the TAP Card statement when it is infeasible or inappropriate to conduct the competitive bidding process as required by the guidelines herein. The Requestor must provide a valid reason for not following the bidding procedure. The Sole Source Justification form can be accessed on the University's website in My Apps, under Employee Forms in the Purchasing folder.

#### **V. Preferred Suppliers and Contracts**

Preferred Suppliers are selected by the Procurement office through competitive bidding or market survey for low-cost repetitively-purchased items such as office supplies, desk chairs, file



cabinets, etc. In addition, the University participates in the E&I Cooperative, South Carolina Independent Colleges and Universities, US Community and other buying consortium agreements. Departments are encouraged to utilize Preferred Suppliers and consortium agreements to obtain the best possible prices.

## **VI. Approvals**

All purchases must be approved by someone other than the Requestor or the Designated Purchaser.

### **A. Purchase Requisitions**

All Purchase Requisitions must be signed by the Requestor and approved by the Requestor's Budget Unit Head when the purchase is funded by the department's operating budget, or the fund manager when the purchase is funded by restricted funds, federal or state grants, and other contracts.

### **B. Purchase Orders**

A Purchase Order is a legally binding contract between the University and the supplier. Purchase Orders can only be generated by the Procurement office. All Purchase Orders must be signed by the Director of Procurement and Accounts Payable.

### **C. TAP Card Transactions**

All TAP Card transactions must be approved according to the TAP Card Program Guidelines.

### **D. Delegation of Approval Authority**

During their absence the Approvers may delegate the approval authority to another individual within the department. The delegation must be in writing and must be attached to the Purchase Requisition or the TAP Card statement.

## **VII. Invoice and Payment**

### **A. Invoice Processing**

It is the Requestor's responsibility to ensure that the supplier is paid within a reasonable period of time or according to the agreed-to terms after the goods or service has been received and inspected without any issue. Payments on TAP Cards should be documented and approved in accordance with the TAP Card Program Guidelines; for all other purchases, an invoice must be submitted to Accounts Payable before a payment can be processed. The invoice should include

the Purchase Order number, description of goods or service, invoice amount, and the Requestor's approval signature and date.

## **B. Deposit (Advance Payment)**

If the supplier requires a deposit with the Purchase Order, an invoice with the deposit amount and the Requestor's approval signature must be submitted to Accounts Payable before the payment can be processed.

## **VIII. Supplier Relationship**

Suppliers are selected for their ability to serve the needs of the University by providing quality products or services in the most economical and efficient manner possible. Selected suppliers must submit a copy of their W-9 to the Procurement office.

All other things being equal, the University should do business with alumni, local businesses, women- and minority-owned businesses, and other individuals and businesses that support Furman.

Unsolicited contacts from sales representatives should be referred to the Procurement office.

Some suppliers require that the University complete a credit application before they accept Furman University's Purchase Orders. Such credit applications should be submitted to Financial Services for completion.

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