

**ST. JOHN FISHER UNIVERSITY
PROCUREMENT PROCEDURES
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1. Organization

(a) Procurement Services Responsibilities

Procurement Services, a unit within the Controller's Office, is available for providing oversight of relationships between the University and its vendors and seeks to ensure that all aspects of University procurement relationships are held to ethical and professional standards. All purchase orders must go through the Procurement Services.

Procurement Services provides support to the University community by:

- Assisting with sourcing goods and services
- Maximizing the University's purchasing power by focusing on strategic sourcing, leveraging consortium arrangements and obtaining the best value
- Providing the University community with vendor, product and price information
- Acting as authorized agent of the University and insuring proper commitment of University funds
- Overseeing all purchases to ensure that the University is being fiscally responsible to its stakeholders
- Communicating and enforcing purchase-related University policies and procedures
- Assisting with competitive bidding and negotiations related to the purchase of goods and services, and reference check/source new vendors
- Advising departments regarding the availability of state and government contracts
- Evaluating shared commodities to take advantage of quantity discounts and establishing campus wide agreements
- Providing product standardization whenever possible
- Recycling/reselling surplus furniture and equipment

(b) Interdepartmental Relations

Communication between the requisitioning department (Requisitioner) and Procurement Services (Sourcing Specialist) is a mutual responsibility.

The Requisitioner should inform the Sourcing Specialist when:

- developing an item specification for planned procurement
- requiring that specific suppliers are to be added to a bid list
- planning procurement action involving a potential sole or single source of supply
- needing to identify sources of supply for a specific item or commodity
- supplier services or products are not in compliance with specification or expectation

The Sourcing Specialist will:

- assist the Requisitioner in developing specifications;
- assist the Requisitioner with information about sources of supply
- manage quotation requests and the bid process for selection of the most appropriate source of supply
- establish and conduct negotiations with successful bidders
- communicate with suppliers for information prior to and during the purchasing and procurement process
- update the Requisitioner with information relative to price, quality, and delivery of a requisitioned item during the purchasing and procurement process

- All information, including notes, reports and correspondence communicated between suppliers and requisitioners, pertaining to negotiations or purchase decisions, should be attached to the purchase requisition.
- Requisitioners are encouraged to consult with Procurement Services concerning materials, specifications or other general information. The Sourcing Specialist will arrange supplier conferences and obtain product information and other pertinent item and supplier information when requested.

Requisitioners are also encouraged to notify Procurement Services in the case of poor service or inferior product provided by a supplier. The Sourcing Specialist will engage with the supplier to address the issue.

2. Purchasing and Procurement Authorization

(a) Procurement Services Authorization

Procurement Services is a department in Finance Affairs Division and reports to the Controller’s Office. The Vice President for Finance Affairs and CFO of the University has delegated responsibility for the administration of procurement policies and procedures to the Director of Procurement.

(b) University’s Signatory Authorization

Making purchases, approving purchase order requisitions and entering into contracts on behalf of the University may occur only by the following individuals. Expenditures must be within the University’s approved operating or capital budget:

Approval Limits	Approval Required:	Additional Requirements:
Purchases		
Purchases (requisitions) Up to \$5,000	Budget Managers (or designees as authorized by Budget Manager for specific purchases) & Director of Procurement	Must be within approved budget, and with knowledge of respective Vice President and with knowledge of Controller (for Director of Procurement)
Purchases (requisitions) Up to \$20,000	Vice President (or their designees as authorized by VP for specific purchases/contracts)	Must be within approved budget.
Purchases (requisitions) \$20,000 and greater	President (or their designees as authorized by President for specific purchases/contracts)	Must be within approved budget.
Contracts		
Contracts Up to \$20,000	Deans (or their designees as authorized by Deans for specific purchases/contracts); & Director of Procurement	Must be within approved budget, and with knowledge of Provost (for Deans) and with knowledge of

		Controller (for Director of Procurement)
Contracts Up to \$50,000	Vice President (or their designees as authorized by VP for specific purchases/contracts); and the Controller	Must be within approved budget, and purchase to be relevant to VP's area of management; and VP /Controller should exercise sound judgment as to when to consult with President prior to executing purchase
Contracts Up to \$3 million (new)/ \$5 million (renewal)	President	Reviewed as dictated by Board of Trustees Bylaws
Contracts Above \$3 million (new)/ \$5 million (renewal)	Executive Committee or Full Board	None

No other University employees have the authority to execute contracts without the express written approval of the President, Vice President, Dean or Controller delegating such authority. Examples of appropriate contracts for delegation include ongoing and routine purchases, use of pre-approved forms, ongoing business relationships, and so forth.

It is the responsibility of each Dean, Vice President and Controller to ensure that all appropriate personnel under his or her supervision, directly or indirectly, are fully aware of University policy regarding authority to make purchases.

With respect to the authority of the President and Vice Presidents, renewal contracts refer to the continuation of existing contractual arrangements, for example, insurance coverage, food service, bookstore, library or operations rendered by an outside provider.

The Office of the Vice President for Financial Affairs and CFO must be consulted on risk-related matters contained in any contracts with external parties, including matters relating to insurance, data security and transfer, and any tax-related matters contained in contracts with external parties.

The Office of the Vice President for Financial Affairs and CFO is the designated custodian of all major contracts, and all contracts should be sent to that office, or offices designated by them for filing and safekeeping.

3. Purchasing and Procurement Methods

(a) Competitive Procurement **Small Dollar Purchases (<\$5,000)**

For the purchase of goods and/or services whose aggregate dollar threshold does not exceed the \$5,000 competitive sourcing threshold, multiple quotes are not required but the requester should seek to ensure that the price is considered to be fair and reasonable. Fair and reasonable pricing is based on supply and demand, market indices and general market conditions. Therefore, departments should utilize their own knowledge of the industry, sector and its pricing, as well as all available resources such as:

- commercial prices
- previously proposed prices
- contract prices
- government pricing
- consortium pricing
- pricings found in published journals, advertisements, internet sites and auctions

Informal Quotes/Proposals

The identification and selection of appropriate suppliers from which competitive bids/quotes/proposals can be obtained is accomplished through a variety of acceptable methods. Ultimately, the goal is to enlist those suppliers that have the products, capabilities, deliverability, service levels, expertise, resources and knowledge of the University environment that will afford a successful outcome for the University stakeholder(s). Procurement Services maintains a listing of recommended and approved suppliers. Supplier quotes/proposals should be reviewed to determine if the most competitive pricing has been offered. If a supplier other than the lowest price is selected, a justification is required to indicate the specific rationale.

University-Wide Purchase Agreements – Procurement Services has competitively bid and negotiated contracts on behalf of the University that provide the best overall value for many commonly used supplies and services. The requestor should consult with the Procurement Director to determine if the product and/or service can be obtained through one of these contracts prior to soliciting competitive bids.

The Request for Quotation (RFQ)

When goods or services have standard or easily compared specifications and pricing is the main component, the competitive sourcing process best employed is a Request for Quote (RFQ) process. The RFQ process entails requesting and obtaining written quotes from potential suppliers that include a full description of the goods and/or services and any other specifications/requirements provided by the requester. Specifications must be clear and describe the technical requirements for the material, product or service. The description should include the range of acceptable characteristics or minimum acceptable standards and not contain features which unduly restrict competition. As a last resort, “brand name or equivalent” may be used provided that the required performance and other functional requirements are identified clearly. Potential suppliers should not participate in the development of specifications or they will be disqualified from participation in the process. Quotes should include the unit cost, extended cost, and other associated costs such as delivery costs. It is important to note that when requesting

quotes from potential suppliers, they must be presented in writing on the company's letterhead. Verbal bids are not accepted under any circumstances.

All price quotations received are to be evaluated on the basis of compliance to provided specifications/requirements, other communicated factors such as quality of goods/services and customer service support, and, ultimately, cost. It is important that when comparing prices to determine fair and reasonable pricing that the evaluation of the goods and services must be evaluated using the same criteria for each bidder. Bids or price quotations that are deemed unresponsive (e.g. missing key requested information, submitted after requested deadline) must be rejected and not considered by the requester.

For the RFQ process a contract award must be based on the provision by the suppliers of the specified products or services. There should not be any variability in the product or service offering from suppliers in an RFQ. If all factors are equal (i.e. delivery schedule, freight costs, return policies, warranty's, etc.) then the lowest priced supplier may be awarded the contract. A summary should be completed to provide a record of the selection process and be attached to the requisition as supporting documentation. If a supplier other than the lowest price is selected, a justification is required to indicate the specific rationale.

The Request for Proposal (RFP)

When goods, and particularly services are complex and do not have standardized specifications, the competitive sourcing process best employed is the Request for Proposal (RFP) process and the following conditions apply:

- multiple solutions are available that will fit the need
- multiple suppliers can provide the same solution
- there is a requirement to determine the "best value" of the suppliers available solutions
- products/services for the project cannot be clearly specified
- different skills, expertise and technical capabilities are required from the suppliers
- lowest price is not the only determining criterion for awarding the contract

The Request for Proposal (RFP) / Competitive Proposal Process brings structure to the procurement decision through establishment of a document outlining requirements, articulation of evaluation criteria including relative importance, and often formal communication activities such as a pre-bid meeting/conference to clarify requirements. An RFP should include both standard University requirements and requirements specific to the product/service being sought. Specifications must be clear and describe the technical requirements for the material, product or service. The description should include the range of acceptable characteristics or minimum acceptable standards and not contain parameters which unduly restrict competition. Potential suppliers should not participate in the development of requirements or they will be disqualified from participation in the process.

After proposals are received, evaluated and terms negotiated, the contract(s) can be awarded to the supplier(s) presenting the best combination of price, delivery, compliance to specifications, capacity to perform, and quality of service

Confidentiality of Bids/Quotations/Proposals

All information supplied by vendors in their bid, quotation or proposal must be held in strict confidence by the employee(s) evaluating, approving or discussing the bid, quotation or proposal

and may not be revealed to any other vendor or persons that are directly or indirectly involved in the bid. This policy ensures that confidential information is safeguarded and prevents any potential conflict. In addition, upholding confidentiality of bids/quotations/proposals ensures that no vendor is given an unfair advantage in submitting bids; and no vendor is negatively impacted by disclosure of information.

While engaged in the bidding process it is imperative that all information given to those bidding, as well as the information received from those bidders is safeguarded so that it remains confidential. Safeguarding information includes that confidentiality is upheld during conversations between peers, colleagues, consultants, temporary associates and general conversations both in and out of the workplace.

Documents transmitted electronically through email, texts, fax and conventional mail including USPS or overnight mail services must be secured at the workplace so that information is not involuntarily or haphazardly obtained. Bid documents, proposals and all subsequent correspondence must be properly filed, maintained and secured so that it is not inadvertently revealed. Diligence in retrieving files from fax and copier machines is optimum to maintain confidentiality and to limit access to that information.

Information relating to the project being bid and without limitation, includes technical, financial, operational, legal, commercial, proprietary and any and all other information or data disclosed to or by the bidder in the bidding documents and must not be disclosed and must be kept confidential. Also, confidentiality must be upheld regarding price, products, delivery and contractual terms and conditions. Additionally, all analysis, compilations, studies and other documents prepared by the bidder or its officers, employees, agents or advisers which are submitted by the bidder, must also be kept confidential.

Single & Sole Source Justification

As part of the requirement for maintaining a maximally practicable competitive sourcing requirement, departments must provide ample justification for exemption from the competitive sourcing process where that process is normally required. Requests for exemptions should only occur in select circumstances, such as:

- An emergency exists which will cause harm as a result of the delay caused by following competitive purchasing and procurement procedures,
- The product or service can be obtained only from one source
- Only one satisfactory proposal is received through RFP or bid
- A sole source has been authorized by the Federal Awarding Agency

In these circumstances, the department seeking to purchase the goods or services must provide justification for the Sole or Single Source procurement decision by completing the Sole Source Justification Form.

As competitive sourcing provides a basis for determining price reasonableness, when competitive sourcing does not occur, it is necessary for Procurement Services to also assess the quote/proposal for price reasonableness.

Conflicts of Interest

Any person participating in an RFP evaluation or requesting a single/sole source procurement is also required to be in compliance with the University's Conflict of Interest policy.

Failure to comply with the University's Conflict of Interest policy may lead to disciplinary action up to and including termination in accordance with applicable University policy.

(b) Purchasing Card:

University credit cards are intended to facilitate low-dollar, low-risk discretionary transactions. The standard single transaction limit on the procurement card is \$1,499.99. The procurement card may not be used to purchase capital equipment or services provided on St. John Fisher University (SJF) property.

The University's Purchasing Cards must only be used for work related expenses and for the purchase of approved goods, services, conference registration, seminars, and employee travel. All other purchases should be made using either a Purchase Order or the Direct Pay/Payment Request method.

The following items should not be purchased with a University Purchasing Card include but not limited to:

- Office supply purchases (the University's standing contract should be used),
- Contract maintenance,
- Services usually provided through Facilities Services,
- Personal gifts,
- Stationary and business cards (coordinate through the Print Center),
- Technology, monitors, laptops, printers or scanners (coordinate through OIT),
- Alcohol – see Alcohol guideline below,
- Capital equipment,
- Equipment involving trade-in or exchange,
- Furniture

(c) Payment Request Form

The Payment Request Form (instead of a purchase order) payment request method represents payment to a vendor for goods or services that are received directly by a department and paid directly by Accounts Payable. Examples include:

- Goods < \$1,500 (only if the supplier does not accept payment by credit card)
- Honoraria
- Postage
- Speaker Fees

(d) Requisitions and Purchase Orders (standard method for purchases > \$1,500)

Purchase Requisitions are created by departments using the *Purchase Order Request* form submit a request to Procurement Services to purchase the supplies, materials, equipment or services desired. IMPORTANT: A Purchase Requisition is NOT a Purchase Order. A Requisition does not have any legal authority and it cannot be used to place orders to suppliers. The Requisition Number is NOT the same as a Purchase Order Number. Requisitions must include appropriate FOAP and documentation to support the supplier selection in accordance with the *Competitive Procurement Policy*.

A **Purchase Order** is a contractual document once sent to and accepted by a supplier, binds the performance of both parties to the transaction. Only Procurement Services has the authority to issue purchase orders for the University. A purchase order includes standard terms and conditions that are designed to protect SJF legal rights in transactions with suppliers. Only Procurement Services has the authority to change or waive any standard PO terms and conditions including payment terms which are Net 30 days from the invoice date.

Purchase Order Types:

Standard Goods and Services:

Most purchase orders are in this category and represent a single transaction for goods or services that once delivered will be invoiced and paid. Quotations should always be provided with the requisition together with any other relevant communication with the supplier.

Maintenance and Service Agreements:

Maintenance and service agreement orders are purchase orders used to procure annual maintenance services typically for equipment and/or software. A standard requisition is used to establish the order and all relevant documentation provided by the supplier should be attached to the requisition for review and execution by Procurement Services. This type of order is generally established for one year and renewed each June 1st for the new fiscal year or on the renewal date of the agreement.

Standing/Blanket Orders:

A blanket or standing order is a single purchase order issued to cover repeat purchases of the same type of service or supply item purchased from a single supplier during a fiscal year. A standard requisition is used to establish a blanket order and should contain information regarding the specific products or services, pricing, and an estimated total value for the time period. Blanket/standing orders may be renewed for additional time periods with an approved requisition requesting that additional time and funds be added to an existing purchase order. By the nature of its intended use, a large number of transactions may occur between a department and a supplier under this type of purchase order. It is important that the department monitor the delivery of goods or services rendered on a monthly basis to insure the accuracy of supplier invoices and payment against them.

Change orders/Amendments to Purchase Orders:

All purchases, including changes, must comply with the *Competitive Procurement Policy*. If a change to a PO increases the total value of the order, please be sure that the approval authority is appropriate for the cumulative total. Moreover, quote/bid requirements are also determined by

order totals, therefore, increases to a PO may require new or additional bids if the change or cumulative result of multiple changes results in a significant increase in the total PO value.

4. Supplier Qualifications

(a) Preferred Vendor Contracts for Goods & Services

The College has standing contracts with vendors to provide various products or services at negotiated rates. These include, but are not limited to:

- Hotels & Travel accommodations
- Rental Cars
- Office Supplies
- Janitorial Products
- Furniture
- Computers
- Event and Tent Rentals

For more information on University contracts, as well as NYS maintained contracts, contact the Procurement Services.

(b) Guidelines for Supplier Interaction

Supplier representatives can be a valuable source of information for products and services. It is in the best interest of the University to assure that all suppliers are treated in a fair and impartial manner and to avoid favoritism and conflict of interest. To assist you in dealing with supplier representatives, the following guidelines are suggested:

- Contact the Procurement Services in advance to save time with your purchase. S/he may be able to provide names, addresses and/or phone numbers of supplier(s), and existing contracts offering the goods or services required. S/he can also assist in developing a procurement plan.
- Plan to discuss your need with more than one supplier. Information gathering may reveal alternatives or data not previously discovered.
- All suppliers should be given the same information so each has an equal opportunity to compete. Not providing equal information can be construed as showing favoritism or misrepresentation. Recognize that permanent business relations can be maintained only on a structure of honesty and fair dealings. Difficult economic times also promote a litigious environment. Failure to treat all suppliers equitably may result in protests, which can delay the procurement process.
- Discuss all aspects of the need: i.e., what happens after the department owns the purchase. Consider the life cycle approach, which includes: length of warranty, cost of maintenance, supplies, training, repair costs after warranty, and/or response time required for repair. The cost of the equipment or good may be insignificant compared to these “hidden” costs over the life of the product.
- Guard against overreaction to a supplier created crisis: “Price goes up after the first of the month” or “This is the last one in stock”.
- Unsolicited telephone sales should be ignored or referred to Procurement Services. Such items have often been found to be overpriced and of inferior quality.

- Conduct all business dealings in an impartial and ethical manner. Never accept gifts, gratuities or payments of any kind, including luncheon or dinner engagements or event tickets.
- Do not commit the University by telling a salesperson he or she has the order. Only an authorized Purchasing and Procurement designee may sign and approve purchases from suppliers. If you enter into an agreement without the proper authority, you may be held personally liable for payment.

(c) Independent Contractors

In order to comply with IRS tax law, SJF must determine whether an individual providing services is an employee or an independent contractor prior to engaging the individual. The Controller's Office will assist in determining the correct classification.

(d) Minority and Small Businesses / Affirmative Action

SJF's objective is to increase its business with minority business enterprises (MBEs) via affirmative action to promote procurement of products and services from these suppliers.

Procurement Services will:

- Seek out purchasing and procurement opportunities for MBE suppliers at the University and include in solicitations whenever possible.
- Identify and assist MBE suppliers to qualify them to do business with the University by considering requirements carefully to permit maximum participation.
- Serve as a resource bank for information concerning MBE suppliers utilizing resources such as the Small Business Administration and Minority Business Development Agency.

5. Specialized Policies and Procedures

(a) Capital Expenditures

Non-Technology Purchases: The University defines these Capital Expenditure as furniture, fixtures, non-technology-based library collection materials, and equipment (ex: a new vehicle or laboratory equipment). Approved non-technology purchases will be included in the departmental budget when approved.

Technology Purchases: The University defines Capital Expenditure 'technology' purchase broadly and includes any University owned equipment that connects to the University's wired, or wireless network, or for which OIT will be expected to provide technical support. Examples of common technology are:

- Desktop computers, laptop computers and accessories,
- Tablets and accessories,
- Local and network printers or scanners,
- software,
- Televisions,
- Cabling,
- Network infrastructure,
- Office telephones,
- Classroom and conference room technology (including SMART boards).

Note that the purchase of computers for students as a part of the course curriculum will be facilitated by OIT, but budgeted and charged to the respective department. These purchases should be budgeted using the Tuition Included Expense account and pre-approved by the Dean and Provost.

(b) Business Meals & Events

For a business meal to be reimbursable, the business purpose with a list of attendees and their business relationship to the University is required by the IRS regulations. A detailed list of attendees must accompany the receipt for meals up to and including 10 people. For a group of more than 10 people, a detailed description of the event must be provided.