Purchasing Department  
User’s Guide

Commodity and Service Purchases

Any tangible object is considered to be a commodity and is acquired with a Purchase Order (PO) and/or purchasing card (P-Card). Services are considered to be an intangible product and are procured through a Service Purchase Contract (SPC).

It is important to understand that a fully executed and approved Purchase Order or Service Purchase Contract must be in effect before any goods are received or services commence. After-the-fact Purchase Orders/SPC’s are prohibited; employees may be held personally liable for goods or services procured without an approved contract in place.

Steps - How to process Requisitions

1. Prior to processing Purchase Requisitions you must first ensure all steps outlined in the guidelines below have been completed.
2. Ensure funds are available in the department budget via the proper BI/SAP budget reports.
3. Obtain the necessary vendor information
4. Create a Purchase Requisition via ESS or SAP (ESS preferred method)
5. Electronic approval/releases are made via SAP. Note: To avoid delay of approval, ensure you have provided detailed information on the requisition. For example: # of items, size, color, model #, details about service, etc. Also attach any quotes, correspondence or other pertinent information
6. Once Purchase Requisition is processed, a Purchase Order/SPC is issued by Purchasing

Guidelines for Purchasing Commodities

Up to $19,400

Purchases less than $10,300 do not require advertising or competitive bidding. While bidding is not required the University encourages departments to solicit quotes, take advantage of volume discounts, and use any other techniques to obtain the lowest possible prices.

Purchases from $10,300 - $19,400 require 3 formal quotations. This process may include telephone, fax, internet, or other electronic price quotes. Price quotes must be electronically attached to the requisition.

Note:

- If the commodity is a food purchase, a Justification Approval Form for Food must be completed prior to entering a requisition; approved request must be electronically attached to the Purchase Requisition. Please note all food purchases over $500 must be purchased through Campus Dining Services.
- If the commodity is a gift, award or promotional item, please complete the Justification Approval Form for Gifts & Awards prior to entering a requisition; approved justification forms must be electronically attached to the Purchase Requisition. Both forms can be found on the Purchasing Department home page and the University forms page.

Once all necessary steps above have been completed, a Purchase Requisition must be entered via the ESS Portal or SAP. Requisitions should be entered at least 3 weeks before the commodity is needed. The Purchasing Department will review and approve the requisition and create a PO. If the commodity is over $1,000, further approval is required from the Vice President for Finance & Administration.
$19,401 and Higher

Bidding Requirements
As a public university and a member of the Pennsylvania State System of Higher Education (PASSHE) certain bidding requirements are either mandated or have been adopted as good business practice. Under ACT 57, Pennsylvania law dictates that bids will be solicited for all purchases exceeding Nineteen Thousand Four Hundred Dollars ($19,400).

Department Responsibility

1. Requesting department must process Purchase Requisition via ESS or SAP **at least 6 weeks before the goods are needed.**
2. Department must provide detailed specifications, such as quotes, comparisons of data, specific requirements, etc. Specifying brand names, model numbers, catalog numbers with descriptions and/or reorder numbers is **EXTREMELY** important. Any pertinent documentation should be electronically attached to the Purchase Requisition.
3. Requesting departments should submit the name and addresses of at least three vendors that can provide the goods being procured.

Items available on DGS state contract, COSTARS, PEPPM, and other purchasing co-op agreements are not exempt from the above requirements. Formal quotes from multiple vendors may garner significant savings over standard contract pricing.

Exceptions to Competitive Bidding

1. Competitive bidding will not be solicited for commodities or services purchased from commonwealth contracts, commonwealth warehouse, State System of Higher Education contracts, through public agencies such as Pennsylvania Industries for the Blind and Handicapped (PIBH) d/b/a Unique Source, or other commonwealth agencies.

2. Sole source procurement will be considered if one of the following conditions exists:
   - Only a single vendor is capable of providing the goods, service, or construction item.
   - It is clearly not feasible to award the contract for goods or services on a competitive basis (e.g., services for guest lecturers, artists, and musicians).
   - A federal or state statute or regulation exempts the award of the contract from the competitive process.
   - The services involve the repair, modification, or calibration of equipment, and they are to be performed only by the manufacturer of the equipment (or an authorized dealer), provided the contracting officer determines bidding is not appropriate under the circumstances.
   - The contract for supplies or services is in the best interest of the commonwealth.

*A Sole Source Contract Certification form will be processed through the Purchasing Department. If the sole source procurement is approved locally, the contracting officer will submit the form to university legal counsel. Legal counsel will either approve or disapprove the certification and return it to the contracting officer for further processing.*

*Purchase Orders regardless of amount do not require legal approval.*

EMERGENCY PROCUREMENT

Emergency procurement will only be considered when a threat to public health, welfare, or safety exists. Under no circumstances will poor planning be considered an “emergency.” When possible, three (3) bids will be obtained through telephone, fax, or electronically. An Emergency Contract Certification form will be completed by the contracting officer, approved by the Director of Purchasing, and attached to the contract for legal review and approval. Legal will be notified as early as possible in the process.
**Guidelines for Purchasing Services**

The purchase of services follows the same rules and dollar limits for bidding/quotes and sole source procurement as commodity purchases (see above).

In lieu of entering a requisition, you must complete a *Service Purchase Contract Request Form*; the form can be found on the Purchasing Department home page or the University forms page.

The *Service Purchase Contract Request Form* must provide a greater level of detailed information than a requisition for the purchase of a commodity. The user will need to make sure the requisition clearly indicates information regarding the "Who/When/Where/What" of the service to be purchased.

**WHO:** Complete vendor contact information is needed.
- Vendor name, address, phone & fax numbers, e-mail address, point of contact
- Federal ID number or Social Security Number of the individual or firm providing the service

**WHEN:** When is the service needed?
- Date the service is to be provided
- Time of service: beginning and ending times
- Will this contract be renewed in the future

**WHERE:** Location of where the service is to take place.

**WHAT:** A detailed description of the service required.
- Itemized cost breakdown (Time & Material or Lump Sum/Fixed price)
- Any attachments/documents from the vendor must be forwarded to Purchasing for review and possible revision
- The "What" must be explicit enough to be enforceable in the event of a dispute
- Any department(s) needing the service must be clearly stated. If the service is for equipment maintenance/repair, give a complete description (manufacturer, model, serial number, etc.) and the location of the equipment.
- Attachments and Terms & Conditions: Requesting departments should forward to Purchasing any vendor issued quotations, descriptive attachments, or a listing of vendor issued terms and conditions. These items will be incorporated into any Service Purchase Contract (SPC) and made part of the contract where deemed appropriate by the Contracting Officer.

**Examples of Service Purchases:** consultants, external reviewers, equipment maintenance/repairs, rentals of tents and other equipment, speakers or entertainers, annual inspections & preventive maintenance, photographers, outside coaches & officials for athletic camps, bus trip arrangements, interpreters, models, workshops or training to be held on campus, leases, etc.
Timelines

$5,000 and under

Complete a Service Purchase Contract Request Form at least two weeks before the service is needed. SPC’s over $1,000 require approval from the Vice President for Finance & Administration. A fully approved SPC must be in effect BEFORE the services commence. SPCs $5,000 and under do NOT require approval by University legal counsel. However, the university cannot pay for services that do not have an SPC in place before the start of the service. Bids will be solicited if we believe we can save money by doing so.

$5,000 to $19,400

Process a Service Purchase Contract Request Form at least four weeks before the service is needed. A fully approved SPC must be in effect BEFORE the services commence. SPCs greater than $5,000 require approval by University legal counsel. Drafting the SPC and getting legal counsel approval adds two weeks or more to the purchasing process. The University cannot pay for services that do not have an SPC in place before the start of the service. Bids will be solicited if we believe we can save money by doing so.

>$19,400

Process a Service Purchase Contract Request Form and bid specifications at least six weeks before service is needed. Sealed bids are required for purchases with a value of greater than $19,400 and require Office of Attorney General review and approval prior to the start of the service. If the contract total is equal to or greater than $20,000, it must also go to the Office of Attorney General for approval.

Note: The timelines outlined above do not take effect until after Purchasing has received a complete Service Purchase Contract Request Form. ALL required information, documents, approvals, etc. must be included with the SPC Request Form; failure to provide all necessary information could cause a delay and extend the time required to process the SPC.

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