

Mansfield University of Pennsylvania

Purchasing

Commodity and Service Purchases User's Guide

Any tangible item 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.

I. Guidelines for Purchasing Commodities

STEPS to process a Purchase Requisition

1. Ensure funds are available in the fund center and GL to be charged (use BI/SAP budget reports).
2. Obtain the price/quote and vendor information. **For a new vendor**, add the vendor name, address, phone & fax numbers, e-mail address, and point of contact in the **Header** area so that Purchasing can contact the vendor for appropriate paperwork.
3. Process a Purchase Requisition via the ESS Portal. Requisitions should be entered **at least 3 weeks** before the commodity is needed.

Note: To avoid delay of processing, ensure you have provided a short detailed information on the requisition under the Header/Texts tab and in the Short Text column (i.e. subscription end mm/dd/yy; repair oven model #, etc.). Also, **attach any quotes, correspondence or other pertinent information** that might be used to identify the items/services to be purchased.

4. Once the Purchase Requisition is reviewed and approved a Purchase Order is issued and provided to the vendor. A copy of the PO is provided to the requisitioner also through an automatic process at the end of the business day.

NOTE:

- If the commodity is a food purchase, a Food Purchase Approval & Justification form must be completed **prior to entering a requisition**; the approved form must be electronically attached to the Purchase Requisition. Please note all food purchases over \$500 must be purchased through SODEXO due to contractual terms or first right of refusal obtained.
- If the commodity is a gift, award or promotional item, please complete the Gift, Award and/or Promotional Purchases Approval & Justification form **prior to entering a requisition**; the approved form must be electronically attached to the Purchase Requisition.

Purchases Up to \$10,000

Purchases less than \$10,000 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 \$10,001 - \$20,999

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.

\$21,000 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 Twenty One Thousand Dollars (\$21,000).

Department Responsibility

1. Requesting department must process Purchase Requisition via the ESS Portal **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 department 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

- 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.
- 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 for commodities, 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.

II. 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).

A requisition must be completed in the ESS Portal. 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 necessary. If it is a new vendor, please provide to Purchasing:

- Vendor name, address, phone & fax numbers, e-mail address, point of contact

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 Purchase Requisition via the ESS Portal 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 \$20,999

Process a Purchase Requisition via the ESS Portal 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.

>\$21,000

Process a Purchase Requisition via the ESS Portal and provide bid specifications at least **six weeks** before service is needed. Sealed bids are required if the contract total is equal or greater than \$21,000 and require Office of Attorney General review and approval prior to the start of the service.

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

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