



Elizabethtown College

**PROCUREMENT POLICY
AND PROCEDURES**

Effective: March 12, 2014

PROCUREMENT POLICY & PROCEDURES

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PROCUREMENT POLICY & PROCEDURES

SECTION I: PURPOSE AND INTRODUCTION

Elizabethtown College obtains a wide range of goods and services commercially in order to achieve its mission, goals and objectives. Good stewardship requires that it do so in a way that results in the best quality product or service at the lowest life cycle cost. Further, we must address our requirements in ways that are fair to all vendors, that are ethical and that enhance the business reputation of the College. The Campus Services Department functions as the College Procurement Office. As such, procurement's mission is to:

- a) Provide leadership through contract negotiation, supplier management and conversion to modern eCommerce purchasing technologies.
- b) Support the college's commitment to environmental responsibility.
- c) Support the college's commitment to outreach with the local business community.
- d) Ensure that all aspects of our business relationships are held to the highest ethical and professional standards.
- e) Assist departments in maintaining compliance with all college policies regarding contracting and purchasing.

The policies and procedures that follow have been prepared to provide guidance for the administration of the purchasing function at Elizabethtown College. Procurement policies and procedures will be revised and supplemented, as required, to meet changing needs and requirements. It is the responsibility of all who have been given the authority to commit College funds through the purchasing function to adhere to the College's policies contained herein.

SECTION II: DEFINITIONS

This section contains definitions that are used throughout this document, including appropriate abbreviations:

"Authorized Buyer" is an authorized person appointed to procure goods and services in the name of the college for departments, faculty and staff. The buyer(s) has been trained to initiate and administer orders, or execute and reconcile purchases with a PCard or Check Requisition.

"Bidder" is a firm or individual who has responded to an Invitation for Bid (IFB) and who proposes to provide a product or service for a firm fixed price.

"Budget Manager" is the designated employee given the authority to spend, reconcile, and manage Department budgeted funds.

"Contract" means an agreement (usually for more than \$25,000) for the procurement of items of tangible personal property, capital assets or services. A contract normally follows as the product of a formal design or technical requirements document and a formal competitive selection process.

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“Controller” is the chief accounting officer with responsibility for internal auditing, as in a business, government, or institution.

“Externally Sponsored” refers to funding provided by an organization not affiliated with the College, such as a grant from a foundation or government agency.

“Guidelines” refer to binding practices and policies adopted by the College and approved by the President or Board of Trustees.

“Invitation for Bid” or “IFB” means all documents, including those attached or incorporated by reference, used for obtaining responses to a solicitation where an award will be made primarily on the basis of price.

“Offeror” is any person, corporation, or partnership who chooses to submit a response to a Request for Proposals.

“Procurement Manager” or “Procurement Officer” is the individual designated by the President to manage the Campus procurement program (including Purchase Cards). This position serves under the supervision of the Vice President for Administration. Currently the Procurement Manager/Officer is the Director of Campus Services.

“Procurement Office” or “Purchasing” or “Purchasing Department” refers to the College’s Procurement office. Currently this is the Campus Services office.

“Purchaser” or “Ordering Department” is the authorized buyer (individual) or organization initiating the acquisition of services or goods.

“Purchasing Card” or “PCard” means the College credit card program that facilitates the purchase and payment of travel-related services and of small-value goods and services as required for conducting College business.

“Purchase Requisition” is the form used as the input document to prepare a Purchase Order (PO), which is the official authorization document to order goods or services from a vendor. Elizabethtown Purchase Requisitions may also be used to initiate a check request or request procurement services.

“Purchase Order” is the official document that provides authorization to vendors to deliver goods or services to an ordering department. Use of the Purchase Order provides the necessary accounting trail, receipt documentation and authorization to pay invoices.

“Requestor” is the authorized individual requesting vendor or procurement information or services.

“Request for Proposals” or “RFP” means all documents, including those attached or incorporated by reference, used for obtaining responses for a solicitation where an award will be made primarily on the basis of technical merit, product quality/suitability or approach as opposed to price..

“Vendor” refers to a person or organization that provides goods or services to the College. The term vendor is used interchangeably with the term supplier or contractor.

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SECTION III: AUTHORITY AND RESPONSIBILITY

Authority to Purchase

A person must have specific authority to obligate the College to procure goods and services. Any purchase by College faculty or staff members without prior consent by the appropriate approver will be the sole responsibility of the person making the unauthorized purchase. Depending on the circumstances, employees making unauthorized purchases may be subject to disciplinary action.

Limited delegation of purchasing authority may be granted to certain departments of the College because of their unique purchasing requirements.

Authorization Levels

There are levels of authority and “signature authorization” that must be adhered to at Elizabethtown College.

The following signatory requirements apply to all procurement and payment methods.

Transaction	Approver
Up to \$999	Purchaser /Budget Manager
\$1,000 - \$4,999	Purchaser, Department Head, and Senior Staff Member
\$5,000 - \$24,999	Purchaser, Department Head, Senior Staff Member, & VP for Finance
\$25,000 and over	Purchaser, Department Head, Senior Staff Member, VP for Finance, President

No individual except as indicated above has the authority to obligate the College in any way for the procurement of goods and services. For externally funded purchases the Office of Sponsored Research and Programs (OSRP) must be added to the approver column for any level of purchase. Individual department heads and senior staff members may establish authorization levels which are more strict than those specified at their discretion. These changes should be documented and submitted to the Procurement Office. Delegation of approval authority by a senior staff member must be approved by the President, documented, and provided to the Procurement Office.

Responsibility

Employees involved in the purchasing process take full responsibility for understanding the policies and procedures regarding purchasing and vendor relations.

- Each department should determine the source and availability of funds prior to initiating or submitting a purchase request.
- The College’s forms must be completed, approved and signed in advance of all commitments of expenditures.
- All purchases of goods and services, including contracted services, must be authorized by and signed by the appropriate approver, prior to delivery of goods and services.

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SECTION IV: CONFLICTS OF INTEREST & BUYING ETHICS

It is a conflict of interest to purchase a commodity or service from a college employee or his/her immediate family, or from a company of which the employee or an immediate member of his family owns more than a 1% of the stock, without written approval from the Vice President of Finance. Immediate family is defined as spouse, and the employee or spouse's children, parents, grandparents, and grandchildren.

It is acceptable to purchase goods or services from a trustee, donor, supporter, alumnus or other party with a close relationship with the College as long as an arm's length relationship can be maintained with that party. In other words, their business is subject to the same rules for competition and contracting as are other non-affiliated vendors.

Faculty and staff who act on behalf of the college have an obligation to avoid activities or situations which may result in a conflict of interest or the appearance of conflict of interest. Employees must not use their positions to influence outside organizations or individuals for the direct financial, personal or professional benefit of themselves, members of their families or others with whom there is a personal relationship.

Procurement Ethics

In order to avoid a conflict of interest or the appearance of a conflict of interest, at no time should an employee solicit or accept gifts from a supplier or contractor or from a potential supplier or contractor. Ordinary business courtesies, such as payment for a modest lunch, are acceptable. Gifts which are promotional items without significant value (less than \$50.00) and which are distributed routinely by the supplier to clients, are also acceptable. Gratuities or gifts of money to an employee cannot be accepted at any time. Never accept any money, commission, object of value, offer of employment or compensation of any kind which is provided or offered directly or indirectly by a supplier, contractor or subcontractor for the purpose of obtaining favorable treatment in connection with a purchase.

The Purchasing Department is expected to investigate any instances of possible conflicts of interest. The Purchasing Department subscribes to the National Association of Educational Procurement, (NAEP) code of ethics which provides for the following:

- a) To give first consideration to the objectives and policies of my institution.
- b) To strive to obtain the maximum ultimate value of each dollar of expenditure.
- c) To cooperate with trade and industrial associations, governmental and private agencies engaged in the promotion and development of sound business methods.
- d) To demand honesty in sales representation whether offered through the medium of an oral or written statement, an advertisement, or a sample of the product.
- e) To decline personal gifts or gratuities which might in any way influence purchases of materials.
- f) To grant all competitive bidders equal consideration, to regard each transaction on its own merits, to foster and promote fair, ethical and legal trade practices.
- g) To be willing to submit to arbitration over any major controversies.
- h) To accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
- i) To counsel and cooperate with NAEP members and to promote a spirit of unity among them.

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SECTION V: FUNDING SOURCES

An important factor in Elizabethtown's Procurement policy is that offices and departments are only permitted to purchase what is affordable, that which is approved in the annual budget and (for capital expenditures), that which is approved by committees such as the Facilities Planning and Construction Committee (FPCC) and the Buildings and Grounds Committee and Finance Committee of the Board of Trustees.

All funds deposited with the College, regardless of source, are College funds and must be handled in accordance with College policy. College policy applies to all grant, agency, professional development and budget accounts.

Operating Budget

Budget managers are responsible for ensuring the availability of funds prior to the purchase of or the awarding of a contract for supplies, materials, equipment, or contractual services for the college. Purchasers may not commit funds under the management of other offices (*i.e. you cannot spend other people's money*). Purchase action may not be initiated in the anticipation of funding that may be provided at some future date.

It is the Department Head's responsibility to periodically review their departmental budget reports online via Jayweb. Additional questions about sufficiency of funds should be directed to the Controller.

Unbudgeted or "over budget" expenditures are considered an extraordinary situation and must be specifically approved by the Vice President for Finance after consultation with the appropriate Senior Staff member.

Capital Expenditures

Capital Expenditures are generally defined as expenditures of **\$5,000** or greater for equipment, furnishings, buildings, and building repairs. Purchases of items that do not exceed \$5,000 should be budgeted for in the department's operating budget.

The annual budget request cycle includes a process for budget managers to request funding for capital improvements. There are committees (FPCC and the Buildings and Grounds and Finance Committees of the Board of Trustees) that review and approve capital requests in the spring.

Capital requests should be submitted to the respective Senior Staff member during the annual budget process.

Examples of capital expenditures:

- a) Furniture (office, classrooms, conference rooms, public spaces)
- b) Equipment
- c) Building systems (fire, mechanical)
- d) Vehicles

Budget managers are notified in June regarding approval of their requests for the upcoming fiscal year. Budget managers and program offices are only authorized to initiate procurement actions that are specifically addressed in the capital budget. Changes in plan, both budgetary and in terms of what is

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being constructed or acquired, must be referred back to the original capital budget process or approval committee.

Grant Payments

All grant related purchases must be reviewed by the Office of Sponsored Research and Programs (OSRP) and forwarded through the Controller to be reviewed for compliance with the terms of the grant.

Professional Development Funds (PDF)

The Professional Development Funds Request form must be used for PDF requests. Faculty should present the PDF form with receipts to the department chair for approval and signatures before sending it to Assistant to the Dean of Faculty. Forms can be found at www.etaown.edu/offices/business-office. Professional Development Funds may be used for individual memberships in professional organizations to further teaching and scholarship.

SECTION VI: SPECIAL REQUIREMENTS

Charitable Contributions

The authority to use college funds for charitable contributions shall rest in the President's Office. Individuals or departments may not make donations utilizing College funding.

Consulting

All paid consulting arrangements will be executed by formal contract. The contracts must be signed by the Vice President for Finance.

Departmental/Individual Memberships

Requests for memberships should be submitted with your annual budget package under the "Memberships" budget line. The college will pay for reasonable departmental memberships; also, reasonable individual memberships can be purchased by the College if they relate to legitimate business needs or position requirements. Some examples include memberships in professional organizations or purchasing organizations which provide benefit to the College. However, individual memberships which primarily provide personal benefit to the individual, not the College, will not be purchased with College funds. Professional Development Funds may be used for individual memberships in professional organizations which provide benefit to the College.

Department Parties, Gifts of Appreciation & Related Purchases

The cost of staff parties, either on or off campus, and related gifts which primarily benefit an individual or celebrate a private occasion are not an authorized expenditure from departmental budgets. Examples of individual/private occasions include but are not limited to birthday parties, retirement parties (except as authorized as an official college function), administrative assistant's day celebrations, baby showers, weddings, welcoming baskets for new employees, etc. Official social functions of the College are authorized expenditures of departmental budgets. Official functions are those sanctioned by the College and have legitimate business purposes or further the College mission. Examples of official functions include faculty receptions, awards luncheons/dinners, business meetings, tributes to graduating seniors, student recognition events, annual phonathon, etc.

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Employee Gifts & Celebrations

Gifts, including gift cards, given to anyone for occasions such as birthdays, weddings, Christmas, baby showers, or any similar event will not be reimbursed. The use of departmental funds for this purpose is prohibited.

Flowers for Approved Occasions

The purchase of flowers for certain approved occasions (birth, get-well, and death, etc.) must be submitted to the Human Resources Department for approval and processing on behalf of the entire College community. The use of departmental funds for this purpose is prohibited. The VP for Advancement may authorize the purchase of flowers for stewardship purposes/donor relations.

Insurance & Safety Requirements

Prior to the start of any work or service on our site, the vendor must provide evidence of suitable insurance coverage. All companies and/or individuals performing work or services on College property must carry insurance coverage satisfactory to College. This normally includes liability coverage in the amount of \$3 million (aggregate) and \$1 million (per occurrence).

The provider must also have current workers comp coverage set at statutory limits specified by the Commonwealth of Pennsylvania. Current certificates of insurance must be presented to the Procurement Office. Certificates of Insurance must include wording that makes Elizabethtown College an additional insured. Contracts must also contain language indemnifying the College for damages or liabilities caused or incurred by the vendor or contractor. Lack of required coverage may disqualify the vendor from performing work for the College.

Payments made to non-employee individuals

Occasionally, payments for services are made to individuals who are not affiliated with a registered corporation, partnership or may receive payments through the accounts payable system; speakers receiving honoraria; sole proprietor consultants; performers and other individuals performing one-time services. For tax purposes, such payments are reported to the individual and the Federal Government via IRS form 1099.

In order to pay an out-side vendor/honoraria for services, the following is needed:

- a) Name
- b) Home address (check can be mailed to an alternate address)
- c) TIN or Social Security Number
- d) Phone Number

A W-9 form will normally be completed to collect the above information. Payments to individual service providers will not be paid through petty cash. Checks will not be issued without the above information.

Purchasing Items for Personal Use

Using the college's purchasing system to purchase materials, supplies, or equipment for personal use is strictly prohibited. Should a personal purchase happen in error, individuals are required to reimburse the college within 15 days of the charge. If reimbursement is not made within 30 days, the individual will be subject to disciplinary action.

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The College will not purchase any supplies or equipment for the personal use of college staff nor will arrangements be made to create any buyer-seller arrangements between staff members and College suppliers. The exception to this policy would be where the college staff has been specifically included as an authorized buyer in a contract, such as computer purchases.

Quality Assurance

Quality assurance means managing business processes in such a way that both the supplier and the customer are satisfied with the quality and consistency of the goods or services being produced or provided. All practical measures must be utilized to ensure that quality assurance is achieved through the procurement process.

Tax Exemption

Elizabethtown College, as a non-profit educational institution, is exempt from the payment of PA sales tax on the purchase of goods and services in the state of PA. Elizabethtown also has limited tax exemption in the following states: NY, FL, MN, and CT. Tax Exempt forms can be obtained in the Business Office.

All purchases made on behalf of the College must be made using our tax exempt certificate regardless of the method of payment or institutional funds used. Failure to comply with College policy can result in personal reimbursement of taxes paid by the individual making the purchase or the possible loss of our non-profit status.

It is the responsibility of the individual initiating the purchase to alert the vendor to our tax exempt status. Use of the certificate to avoid sales tax on personal transactions is strictly forbidden.

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SECTION VII: PURCHASING METHODS

The purchasing method used will be determined by the monetary value of the item being purchased, the nature of the good or service, the ability to acquire the good or service via electronic means, the level approver (e.g. Senior Staff member, Director) the complexity of the procurement and, the value, risk and transaction volumes associated with the proposed purchase. Where there is a question about the appropriate method to be used, the determination shall be made by the Procurement Office.

A. PURCHASING THROUGH INTERNAL SERVICE PROVIDERS

The College has elected to provide for the purchase of certain commodities and services through internal departments. Some of these include travel services, printing, duplicating, internal moves and mail services. Others include Facilities Management providing physical plant and architectural services, as well as ITS providing data and telecommunications services. College buyers are encouraged, and in some cases required, to purchase their supplies and services from service departments located on the campus. Use the following service departments whenever possible.

Architect/Engineer/Design Services

Acquisition of all professional services involving planning, construction, alteration or repair of buildings and facilities (including grounds and athletic fields) will be coordinated through the Facilities Management and Construction Department and the office of the Vice President for Administration.

Catering/Food Services

Dining Services has a full range of options for catering. Faculty and staff are required to utilize Dining Services for their catering needs. <http://www.etown.edu/offices/dining/>

Car Rental

The College has discount agreements and negotiated rates with Enterprise.

While on College business in the United States, employees should decline Collision Damage Waiver (CDW) or personal liability insurance offered through the rental company to cover deductible amounts as the college provides this insurance (insurance cards can be obtained in the Facilities Management).

When renting vehicles in a foreign country, collision auto liability insurance options must be accepted, as College insurance does not provide this coverage. Policies can be found at <http://www.etown.edu/offices/facilities-management/policies.aspx>.

Cell Phones

The college provides eligible employee with a college cell phone or device. Cell phone requests must be submitted to the Purchasing Department with the following information:

- a) Intended purpose/reason.
- b) Type of device; smart phone or standard voice phone.
- c) Accounting data (department and object code).
- d) The Purchasing officer will select the least costly phone and plan for the employee's needs.

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Computer Software/Hardware/Equipment

All purchases of computer technology for campus use must be coordinated through the ITS Department. This policy applies to all computing- and network-related resources, telecommunications devices, audio/visual equipment and media services, and technology consulting, whether located on the campus or in remote locations or facilities, including grant-based items. A department or individual in need of technology equipment or services will contact a representative in the ITS Department to discuss their technology needs before initiating an order of any kind.

Copy Machines

The College has an agreement with an approved vendor to supply this equipment. This process is reviewed periodically to determine the need to explore new vendors. The College has developed a process which provides an automatic monthly chargeback to departments for the cost of all printing done via networked copiers.

Custom Printing

All custom printing must be approved by Marketing & Communications. This includes jobs such as letterhead, envelopes, business cards, etc.

Furniture

All furniture for individual offices, general and public meeting areas, small renovations, and large construction projects must be processed through the Procurement Office.

Unless there are unique circumstances or you are able to find better value elsewhere, every effort should be made to purchase goods or services from our preferred vendors or those with whom we share Group Purchasing contracts. If you are able to secure lower pricing than is available through the College or Group Purchasing Organization contracts, please share that information with Procurement.

Furniture Moves

Any moves of furniture must be coordinated with Facilities Management.

Interior Design/ Furnishings & Fixtures

Interior Design Services must be facilitated by the Facilities and Procurement Office. Design includes window treatments, carpet, and paint.

Local (i.e. desktop) Printers

The purchase of local desktop printers is not permitted since College policy provides for the purchase of centralized, networked printers and computers under the ITS budget only. Network access for unauthorized printers will be denied. Individuals who need a local printer for confidentiality purposes will obtain clearance from ITS.

Media Services/Projectors & Other Electronic Equipment

Every effort should be made to contact Media Services (mediaservices@etown.edu) when a need arises. By contacting Media Services, an assessment can be made of your department's need, suggest other locations on campus where the requested equipment is available for your use or delivery to your area. If a purchase is deemed necessary and subsequently approved, Media Services' budget will fund the purchase.

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Office Supplies

By consolidating our office supply purchases with one primary company, the Purchasing Department can significantly save you time in searching for office supply products, provide savings through discounted prices, while providing next business day desktop delivery. Elizabethtown College and Guernsey have developed a partnership for the acquisition of office supplies. Purchases are made over The Guernsey website called "EZ Order". To obtain a user name and password, contact the Procurement Office.

Printer/Copier Paper and Printer and Toner Supplies

A complete listing of Printing Services products including copy paper can be found on the Print Services website, <http://www.etown.edu/offices/print-services/>.

To obtain any of these items, an email should be completed and submitted to copy@etown.edu. Deadline for requests is Friday afternoon, with orders processed, and then delivered by Campus Services on the following Wednesday. The department obtaining the paper supplies will be charged back for the cost of the supply. The cost for bulk paper purchases will be continually monitored to insure we are getting the best pricing.

Printer toner must be ordered through the College's designated office toner and supply vendor, Guernsey Office Supplies, www.buyguernsey.com.

Stationary and Envelopes

Envelopes and stationery can be secured from Print Services.

B. PREFERRED VENDORS

A "preferred vendor" is one with whom the College has negotiated an agreement which could include price discounts, delivery arrangements, or customer service requirements. The "preferred vendor" program formalizes the relationship with vendors who are selected based on procurement volume and their strategic and economic benefit to the College. These will be college-wide agreements and the same discounted price and service levels will be available to all college departments. A "preferred vendor" may also be a vendor who is part of a purchasing consortium which provides national and/or regional contracts. These consortium vendors offer deeper discounts because of the combined purchasing volumes of the colleges and universities affiliated with the consortium. The College has negotiated, either directly or through group purchasing organizations, contracts for the purchase of various products and services. Purchasing strongly recommends the use of our preferred vendors and will publicize the availability and details of these agreements on the Purchasing Website.

Absent a significant price disadvantage or inability on the part of a preferred vendor to meet College requirements, Preferred Vendors will be used without further competition, for any purchase less than **\$5,000**.

Local Preferred Vendors

This list will change as new relationships are reviewed and established.

AppliancesJB Hostetter (Facilities)
Bottled waterContact Dining Services
FoodJohn Gross (Dining Services)

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Cellular Phones	Verizon Wireless (Purchasing)
Computers.....	Contact ITS
Software	Contact ITS
Copiers	Phillips Office Products (Purchasing)
Electrical Supply	Direct Energy (Facilities)
Furniture of all types.....	Contact Purchasing
Maintenance	Contact Facilities
Media Equipment	Contact Media Services
Office Supplies	Guernsey Office Products (Purchasing)
Packaging/Shipping/Mailing	Contact Mail Services
Paint	Benjamin Moore (Facilities)
Printers.....	Contact ITS
Rental Cars	Enterprise (Facilities)
Bus Services.....	First Student
Travel Agency.....	Travel Time Travel Agency (Purchasing)

C. GROUP PURCHASING ORGANIZATIONS

Elizabethtown College belongs to several group purchasing organizations (GPOs). These organizations have negotiated contracts providing discounted pricing on a wide variety of goods and services. If the item being procured is not provided by an internal service unit or a local vendor, check the list of GPO's. In many cases the discounts are significant and/or the vendor provides free shipping. Before purchasing any products or services, you should check to see if the vendor provides discounts through any of the GPO contracts or if the goods/services could be obtained cheaper through a contracted vendor. For a complete list of participating manufacturers and supplies, go to the (Purchasing website).

E&I (Educational & Institutional Cooperative Purchasing) (<https://www.eandi.org>)

E&I Cooperative Purchasing is the not-for-profit buying cooperative established by members of NAEP in 1934 to provide lower costs for higher education. E&I lowers the purchase price of goods and services by aggregating the purchasing power of member institutions and streamlines the supply chain process for our members and business partners – reducing time, complexity and total acquisition costs.

- Airgas
- B&H
- Enterprise Rent a Car
- Global Industries
- Govconnection
- Grainger
- HP Purchase
- Interface
- Steelcase
- University Sleep

COSTARS

COSTARS is the Commonwealth of Pennsylvania's cooperative purchasing program administered by the Department of General Services (DGS) Bureau of Procurement. The COSTARS Program provides registered local public procurement units as well as state affiliated entities (together "members") and

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suppliers a tool to find and do business with each other effectively through the use of a contract established by DGS.

- Advantage Sport and Fitness
- Agilent
- Builders Specialty Service
- Carolina
- Dauphin Electric
- Feesers
- Fischer Scientific
- Guernsey Office Products
- Hillyard
- ITP
- Medical Supply Inc.
- Pasco
- Sysco
- UPS
- Xpedex

NJPA (National Joint Powers Alliance) (<http://www.njpacoop.org/>)

NJPA is a public agency that serves as a member-focused cooperative for over 50,000 member agencies nationally. NJPA offers a multitude of cooperatively contracted products, equipment and service opportunities to education and government entities throughout the country.

- Best Buy
- Caterpillar
- CDW-G
- KI
- NAPA
- Shaw
- Thysson Krupp

TCPN (Cooperative Purchasing Network)

TCPN contracts are competitively bid, evaluated and awarded by a government entity serving in the lead agency role.

- Allsteel
- Fastenal
- Hon
- HP
- Konica
- Lowes
- Sit on It
- Xerox

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KPN (Keystone Purchasing Network) (<http://www.thekpn.org/>)

KPN is a cooperative purchasing program that offers premier products and excellent service at competitive prices under each contract. KPN will work on your behalf to secure volume-pricing contracts that meet or exceed your expectations!

- Hertz Furniture
- Shaw

US COMMUNITIES (<http://www.uscommunities.org/>)

U.S. Communities' rigorous supplier commitments ensure our supplier partners offer their best supplier government pricing. Third party audits are performed on all contracts and benchmarking analyses ensure ongoing value. Most importantly, U.S. Communities adheres to a stringent competitive selection process for all contracts offered through the program.

- Cintas
- Graybar
- Haworth
- Herman Miller
- Home Depot
- Knoll
- Richo

D. COMPETITIVE BIDDING & PROPOSALS

All competitive methods should be directed through the Procurement Office. Competitive methods are used when items aren't available from a preferred vendor or a group purchasing organization. There are four basic competitive procurement methods:

1. Formal quotations
2. Competitive or sealed bidding
3. Competitive proposals
4. Negotiated procurement

For goods and services exceeding \$5000.00, at least three competitive bids or proposals must be obtained.

1. Formal Quotations

Purchasers or the Procurement Office may solicit written quotations. This method is intended for off the shelf items (e.g. quotes for 100, 8 foot 2X4's, items from a catalog). Quotations must be returned in writing.

Quotations may be solicited verbally as long as the good or service being obtained can be accurately described in a follow up phone call, e-mail or letter. Vendors must be capable of providing identical or nearly identical items in response to the solicitation. The following apply:

- a) Quotations received from vendors must be in writing and include price, description and quantity.

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- b) The quote must be signed by the vendor.
- c) The actual order will be placed either by the purchaser or the Procurement manager.

2. Competitive or Sealed Bidding

Bidding is used when the good or service is well understood, when an accurate purchase description can be specified and when a variety of vendors or providers can provide a functionally equivalent product or service. Normally the order or contract is awarded to the vendor or provider offering the lowest price.

The purchaser should provide each potential bidder with a written, detailed Invitation for Bid (IFB). The IFB should clearly list the salient characteristics for the product or service (i.e. size, shape color, functionality, technical requirements, and drawings). The purchaser should recommend a specific deadline for bids to be submitted to the College. This will normally be 20 to 30 days after the bid documents are issued to potential bidders. If the purchaser does not recommend a date, the Purchasing Department will establish one. The Procurement Office will assist with the preparation of the IFB, if needed, but the Purchaser must provide the detailed description for the purchase.

The following guidelines should be followed during the bid process:

- a) All vendors must be provided with the same information and deadlines to avoid any advantages for any vendor.
- b) No information on the bids submitted (especially price) may be disclosed to the other competing vendors.
- c) Vendors should not be told the dollar amount that should be submitted.
- d) Vendors should not be allowed to unilaterally resubmit a bid. Resubmission (if permitted) must include all vendors.
- e) The list of vendors receiving the IFB should be reviewed by the Department Head.

A contract or order will be placed with the bidder who submits the best value, generally the lowest price, in accordance with the requirements set forth in the bid specifications.

3. Competitive Proposals

The College may issue request for proposals (RFP) for goods and services where the requirement is not as easy to articulate or when different approaches may satisfy the colleges need. RFP's may be issued for professional services (e.g. Architect/Engineer services), for technology purchases, or other goods or services where the College does not have the internal expertise to develop a satisfactory specification. While competition is expected, there are typically fewer vendors/providers from which to obtain proposals. Price is a factor in competitive proposals but is often secondary to a proposal that offers the best long term value to the institution.

The purchaser should provide each potential offeror with a document that describes the use or functionality of the item to be acquired. Constraints such as size, weight, transaction volume, or operating parameters may be specified but the purchaser should be prepared for a variety of products or approaches that will satisfy the College's needs. As in the case with IFB's, the purchaser should recommend a specific deadline for proposals to be submitted to the College. This will normally be a minimum of 30 days but may be longer depending on the complexity of the procurement. The following guidelines should be followed during the bid process:

- a) All offerors must be provided with the same information and deadlines.

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- b) No information on the proposals submitted (especially price) may be disclosed to the other competing offerors.
- c) Since affordability is an important factor in the approach the vendor may choose, the cost range acceptable to the College may be discussed with the vendor.
- d) If the College agrees to accept revised proposals, all offerors must be given the same opportunity.
- e) The list of vendors receiving the RFP should be reviewed by the Department Head.

A contract or order will be placed with the bidder whose product or service constitutes the best value for the College, price and other factors considered.

4. Negotiated Procurement

Negotiated procurement is a version of the RFP process where there may be significant technical or management risk to the College, where an iterative dialog with potential vendors can offer a more appropriate final proposal, where there is likely to be limited opportunity for competition or where price can be reduced through financial analysis and discussion with vendors/providers. Typically negotiation is appropriate on such services as complex telecommunications systems, a campus wide key card-access system or a large scale outsourcing effort where only one or two providers are going to be considered.

Negotiated procurement is most useful in cases where a technology or method is very new and untested, where the purchaser may wish to solicit preliminary proposals to enable them to better understand their options or, where a series of iterative proposals may yield a substantially better price and technical solution. Leading edge technology, unique partnerships with business or educational organizations or complex construction efforts are typical of those areas where a negotiated procurement may prove helpful. The suggested process for a negotiated procurement is:

- a) Invite possible providers to campus for informal discussions about the services or products they offer and a discussion about how they might address the College's needs.
- b) Once the purchaser is comfortable with the options available, prepare an RFP as described under "*Competitive Proposals*" above.
- c) Bring the offeror back for continued discussions and questions about their proposal. Different solutions and costs may be discussed. College requirements may be re-defined or made more specific. The objective is to receive more than one proposal that is acceptable from the respect of technical and functional suitability.
- d) When discussions are finished, ask the remaining competitors to submit a best and final offer. Normally the college will award a contract to the vendor who has offered an acceptable solution at the lowest cost.

E. EXCEPTIONS TO THE REQUIREMENT FOR COMPETITION

There are some circumstances where competition is not needed or not appropriate. These include on-going, multi-year professional services agreements and situations where there is only a single or sole source for the product or service.

1. Multi-Year Agreements

Certain agreements for professional services that typically span multiple years such as legal, audit, investment management, food services, health service, etc. do not need to be re-competed on a recurring basis. These arrangements are, however, still subject to periodic

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review and competition where and when appropriate.

2. Sole source Provider

A sole source provider is one who is the only practical option for a good or service to be used by the College. Examples of legitimate sole source vendors include:

- a. Only a particular brand or "make" is compatible with existing equipment or inventory.
- b. Only one supplier is capable of providing the required goods or service.
- c. An emergency condition exists which makes soliciting three bids impractical.
- d. Warranty provisions demand parts or interfacing items offered by a particular manufacturer.
- e. A specific source is mandated by law, regulation, donor specification or terms of a grant.

Use of a sole source provider must be specified with the purchase request along with a written justification.

SECTION VIII: PLACING THE ORDER

Once a procurement method has been selected and coordinated with the Procurement Office, as needed, the order for the goods or services can be placed. The procedure to be used to place an order depends on the method of procurement selected and will either be a purchase requisition, a purchase order, or a signed agreement/contract. Where there is a question about the appropriate method to be used, the determination shall be made by the Procurement Office.

A. Purchase Requisition

A Purchase Requisition is a multi-purpose form that may be utilized to prepare a Purchase Order, request a check, request petty cash, or request a personal reimbursement.

Use a Purchase Requisition when the transaction requires the involvement of the Procurement Office to handle vendor selection and negotiation. The Purchase Requisition provides the Procurement manager with the information necessary to select an appropriate vendor, to negotiate pricing for the department and to create a Purchase Order.

Purchase Requisition Forms can be found at www.etown.edu/offices/business-office.

Preparing and submitting Purchase Requisitions to the Procurement Office for goods and services:

1. Requestor enters the requisition information into the Purchase Requisition form.
2. Requestor prints the form and submits to an approver.
3. Approver signs the form.
4. Requestor submits approved requisition form and supporting documents to the Procurement Office (Purchase Request/Purchase Order).
5. Procurement reviews, processes the request, and creates a Purchase Order if needed.
6. Procurement distributes the PO to the vendor and requisitioning department.

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B. Purchase Orders

Purchase Orders provide authorization to outside vendors to deliver the goods or services to the ordering department. Use of the Purchase Order provides the necessary accounting trail, receipt documentation and authorization to pay invoices.

The purchase order should include:

1. Appropriate approval signatures
2. The appropriate accounting data (department and object code)
3. Project name and number, if applicable
4. Project coordinator name and phone number
5. Address and person the invoices should be directed to
6. A message to the contractor stating that invoices must include Purchase Order #/Contract #, and Project #.

Purchase Orders should not be used for items such as:

1. Purchase of goods and services under \$5,000
2. Non-routine repairs to office equipment
3. Travel advances
4. Employee advances
5. Office supplies
6. Memberships
7. Subscriptions
8. Items purchased with a Purchasing Card (PCard)

Preparing and submitting Purchase Orders:

1. Requestor enters the purchase information into the Purchase Order form.
2. Requestor submits the form to an approver.
3. Approver signs the form.
4. Requestor prints the PO and distributes to vendor.

C. Formal Contracts

Formal contracts are the method used for purchases greater than **\$25,000** and/or in other situations when bidding, requests for proposals or negotiation are the appropriate way to select a provider. Often, a formal contract requires the President's approval and/or the VP for Finance.

To execute a contract, the purchaser must present a purchase requisition together with a complete purchase description. A complete purchase description includes such items as: quantity, performance specifications, scope, quality expectations, delivery requirements, supplier's terms, insurance requirement and, the need for permits or certifications. The purchase description may also include technical detail, contractor proposals, or drawings.

Complete budget information is required including estimated prices and costs. The requestor will also provide a project budget showing the deliverables to be received and the amounts that each is expected to cost. Purchase descriptions must be sufficient to fully describe the good or service needed by the College and to bind the provider for delivering what we've asked for.

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Items purchased under contract often have associated installation, training or maintenance costs. Purchasers should exercise care to ensure that sufficient funding is available to offset those costs both at the point of acquisition and on an ongoing basis.

The Purchasing manager and/or the Vice President for Administration will determine whether the documentation is satisfactory for bidding, proposals or negotiation and whether the documents are sufficient to create an adequate contract document. Legal review is often necessary. If the contract is part of an externally sponsored grant or contract, OSRP must also review and approve contract. Contracts will be signed by the President and/or the Vice President for Finance.

SECTION IX: PAYMENT METHODS

The following payment methods are used to pay for goods and services after procurement or when the involvement of the Procurement Office is not necessary. The Purchasing Card (PCard) is the preferred method of payment when the transaction amount falls within individual or departmental card limits.

- A. Check Requests
- B. Purchasing Cards (PCards)
- C. Petty Cash
- D. Personal Reimbursement

The following signatory requirements apply to all payment methods.

Transaction	Approver
Up to \$999	Purchaser /Budget Manager
\$1,000 - \$4,999	Purchaser & Department Head, and Senior Staff Member
\$5,000 - \$24,999	Purchaser, Department Head, Senior Staff Member, & VP for Finance
\$25,000 and over	Purchaser, Department Head, Senior Staff Member, VP for Finance, President

No individual except as indicated above has the authority to obligate the College in any way for any payments for goods and services. Any non-approved commitments are considered as unauthorized and the individual may encounter a personal obligation to the supplier. For externally funded purchases the Office of Sponsored Research and Programs (OSRP) must be added to the approver column for any level of purchase.

A. Check Requests

Check requests are intended for relatively small purchases (normally \$5,000 or less) or where the services of the Procurement Office are not needed. An example of where a check request is appropriate is a sale made on the basis of a standing account with a retail establishment charge account, honorarium, personal service or bill from the College's attorney or insurance company.

Check request requirements:

- 1) Appropriate approval signatures must accompany all requests
- 2) Requests for reimbursement to a Department Head must be signed by Senior Staff
- 3) Proper documentation (detailed original receipts, invoices)
- 4) Accurate accounting data (department and object code)

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Steps in preparing and submitting check requests:

- 1) Requestor signs and submits the original invoice and the Purchase Requisition form, along with any other appropriate supporting documentation to an approver
- 2) Approver signs the invoice and Purchase Requisition form
- 3) Requestor submits approved invoices, request forms and supporting documents to the Accounts Payable Office
- 4) Accounts Payable reviews the documentation and processes payment.

Checks are routinely processed each Thursday morning. Information, including all appropriate documentation and approvals must be received by **Wednesday at 12:00** noon to allow time for processing.

B. Purchasing Cards (PCards)

The College participates in PNC's Purchasing Card (PCard) Program. The PCard looks and acts just like a regular credit card; however, it is preferred over a credit card because restrictions as to the types/amounts of transactions may be implemented.

This program includes an online reporting tool that allows cardholders and supervisors to access transactions securely over the internet.

Most departments have use of a PCard through their respective Administrative Assistant; if a PCard is not available, and you wish to obtain a PCard, contact the Procurement Office.

Purchasing Cards are issued primarily to employees who travel frequently on College business and to other employees as needed. If a Department Head feels there is an ongoing need for a PCard, he/she should contact the Purchasing Department. Upon approval, the PCard Program Administrator will request the card.

All cardholders must attend training to receive the PCard and are subject to the policies outlined in the Elizabethtown College Purchasing Card Guide (distributed upon completion of training). For PCard forms and documentation, visit the PCard website, <http://www.etown.edu/offices/campus-services/purchasing/pcards.aspx> .

C. Petty Cash

The Business Office maintains a Petty Cash fund for advances or reimbursement of incidental and small dollar (less than \$75) purchases related to the operation of your department.

For both advances and reimbursements, receipts and approved Purchase Requisitions must be submitted to the Business Office.

Steps in preparing and submitting petty cash requests

1. Requestor submits a signed Purchase Requisition form along with the appropriate supporting documentation to an approver
2. Approver signs the Purchase Requisition form
3. Requestor submits approved Purchase Requisition form and supporting documents to the Business Office front desk to obtain petty cash

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D. Personal Reimbursement

Under limited circumstances it may be advantageous for faculty and staff employed by the College to acquire certain goods subject to reimbursement. Personal reimbursements will be made only for expenses incurred in support of College programs. Supporting receipt documentation (vendor, item and amounts) must match the request being submitted. Original receipts (not Xerox copies) are required. In the event the original receipt is lost, a Missing Receipt Form must be completed and submitted with the request. Missing Receipt forms can be found on the Business Office website www.etown.edu/offices/business-office. If the reimbursement relates to externally sponsored funds (grants) which also require original receipts to receive the grant money, copies of receipts can be used for personal reimbursement.

Reimbursement request requirements:

1. Description of the event
2. Item purchased including the dollar amount
3. Intended use for purchase
4. Signature approval by the employee's supervisor, Dean, Director or Vice President.

Steps in preparing and submitting personal reimbursements:

1. Requestor submits a signed Purchase Requisition form along with the appropriate supporting documentation to an approver
2. Approver signs the Purchase Requisition form; OSRP review is required for externally sponsored funding.
3. Requestor submits the approved Purchase Requisition form and supporting documents to the Accounts Payable Office.

Regarding payment:

1. Reimbursement requests for over \$75.00 will be paid with a check
2. Reimbursement requests for \$75.00 and under will be paid with cash
3. Cash for reimbursement requests is issued at the front desk in the Business Office
4. The College does not reimburse for sales tax due to our tax exempt status.

E. Fiscal Year End Procurement and Payment

1. Year-end

The fiscal year cutoff for charges to the current fiscal year is June 30. Purchasers should never wait until the final week of a fiscal year before ordering goods or services and, in fact should have all purchase activity complete by the first of June.

2. Check Payments

To assure charges to the proper fiscal year, payment requests, invoices, and personal payment requests must be physically in the Business Office by the 2nd Wednesday in July. Because of processing time, requests received after this date will generally be charged to the next year's budget.

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3. Purchasing Card (PCard)

Transactions that post in ActivePay prior to June 27 will be charged to the current fiscal year. Transactions that post after June 27 will be posted to the next fiscal year. The Business Office will not reallocate PCard transactions between the two fiscal years.

SECTION X: PROCUREMENT PROCESS

This last section captures the essence of the procurement or purchasing process. Purchasing is a process which begins with the identification of a need for goods or services and ends with the delivery and payment for the goods or services. It can be thought of in a series of steps, not all of which are needed for every purchase. The basic steps in the process include identifying the need, validation of funding availability, authorizing the purchase and obtaining approval, determining the method of procurement or selecting a vendor, placing the order, receiving the goods or services, paying for the goods or services, and closing out the purchase. Understanding and complying with these procedures will enable you to be a good steward of the College's resources.

Identifying the Need

The department identifies a need for an item and/or service. Departments and authorized buyers are responsible for prudently planning for and requesting those goods and services necessary for effective operation.

- Forecast departmental needs for goods and services as far in advance as possible. Some vendors need four weeks or more to process an order.
- Determine the objectives for the procurement.
- Detail a clear scope of requirements.
- Consult with Procurement Office for advice when needed.
- Seek specialist advice, where appropriate.
- Research the market to understand capabilities and restraints.
- If externally sponsored, determine that the purchase is "allowable" under the terms of the sponsor.

Identify the Cost of Goods or Services and Validate Funding Availability

Each department should determine the availability of funds prior to initiating or submitting a purchase request. Before procuring, make certain that you have sufficient funds in the line item against which you are charging the expenditure. Special considerations should be given to the funding source and accounting standards as related to the use of funds. Determination of funds availability must precede any initiation of a purchase request.

Obtain Approval for the Purchase

As the dollar value and complexity of a purchase increases, so does the level of authority and responsibility required to obligate the College for a purchase. Authorized buyers are responsible for routing completed Purchase Requisitions, Purchase Orders and supporting documentation to the appropriate approver before procuring goods or services. If externally sponsored, request must be routed through OSRP for review before initiating purchase.

Use the chart below to determine the proper authority, forms and signature requirements.

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Purchases under \$999

Purchases may be processed directly by the department. Authorized buyers must seek verbal approval, but are not required to obtain signature approvals. Purchase requisitions, purchase orders or competitive bidding is not required.

Purchases \$1,000 - \$4,999

Authorized buyers must seek verbal and signatory approvals by the Department Head in the form of a [Purchase Requisition](#) before procuring goods or services.

Purchases \$5,000 - \$24,999

Procuring goods or services \$5,000 and above require (3) competitive bids. All competitive methods should be directed through the Procurement Office. Competitive methods are used when items aren't available from a preferred vendor or a group purchasing organization. See [Competitive Bidding](#).

Authorized buyers must obtain signatory approvals by the Department Head, Senior Staff member and VP for Finance in the form of a Purchase Requisition before submitting the request to the Procurement Office. OSRP must be included for externally sponsored purchases.

Determine the Method of Procurement

Determine the purchasing method that will best suit the required acquisition in respect of process and value for money. Acceptable purchasing methods are listed under [Procurement Methods](#).

If an internal or preferred vendor or Group Purchasing Organization exists for a required product or service, they should be considered as the first option. See [Internal Service Providers & Preferred Vendors](#). Be sure to consult with the Procurement Officer if you have questions or seek guidance on the appropriate method for your purchase.

Regardless of the method chosen in selecting a vendor, consider quality, cost, delivery, terms, past vendor performance and the following criteria:

1. Vendors must demonstrate their ability to supply goods and services on a regular and timely basis.
2. Vendors should be cost competitive.
3. Vendors should demonstrate the ability to meet both the specification requirements and applicable industry standards.
4. Vendor's financial strength and stability.
5. Vendor's reputation for adhering to specifications and delivery schedules.
6. Vendor's commitment to the environment and sustainability.

Departments may make decisions concerning product and vendor selection subject to campus policies with consideration for:

1. Availability and whole life costs in respect of consumables, spare parts and service. Could there be another department within the college with a requirement for the same goods/service and if so could the combined purchase volumes realize savings?

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2. Environmental impact of long distance haulage from supply source - is there an alternative source?
3. Replacement of existing goods - disposal (will supplier of new goods dispose of old equipment?).
4. New service provider - check existing service, maintenance/contract provider has been given timely notice to cease service and avoid excess charges.
5. Responsible disposal of dangerous materials and possible contamination - seek advice from Facilities Management and the Chemical Hygiene Officer.

Negotiation is a bargaining process involving a purchaser and a supplier. Effective negotiation and re-negotiation skills are critical for everyone. The ability to negotiate is a skill that purchaser's must develop to obtain:

- A fair and reasonable price.
- Needed quantities and quality.
- Sound and continuing relationships with suppliers.

Place the Order

Only after the proper approvals and forms have been completed, may the authorized buyer submit an order with a vendor. Proper methods for placing an order are described in the section [Placing the Order](#). Agreements and approved purchase order forms may be submitted to the vendor if necessary.

Shipments for goods can be received in Facilities, Mail Services or directly to the department. Please provide the desired Ship to Address to the vendor at the time of order.

Receiving the Goods or Service

The authorized buyer has the responsibility to confirm that goods/services received conform to specified order requirements and are detailed on the receiving documentation. Goods should be inspected and signed for upon delivery. Verify the quantity and quality of your order when you receive it. If your order is incorrect, or if you are returning any items, immediately inform the vendor. Doing so prevents over-paying and over-charging your department's budget.

Authorize Payment/Determine the Payment Method

Invoices are authorized for payment by the authorized buyer upon completion of the receipting process.

Acceptable payment methods are listed under [Payment Methods](#).

Note: When orders are only partially received only the component value of the received goods should be paid.

Closeout

Review your purchase to make sure all costs have been properly accounted for in the financial system. Follow up with the vendor to confirm receipt of payment and verify that all requested goods and services have been provided in accordance with the order.