 <b>SOUTHEAST MISSOURI</b> <b>STATE UNIVERSITY · 1873</b>	<b>BUSINESS POLICY AND PROCEDURE MANUAL</b>	Date Issued: 10/18	Revision Date: 07/19 09/19	Page: 1 of 5
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## PURCHASING METHODS

### 1. Purchasing Card (P-Card)

Purchasing cards can be used for approved category purchases up to \$10,000. More information on approved categories is available on the Employee SS tab of the portal under the Purchasing Card Program. Payment can be made at the same time or after the purchase is made when using the purchasing card. It is considered a violation of these policies to split a purchase into smaller segments to circumvent the annual expenditure thresholds.

### 2. Requisitions

The requisition process is required for purchases over \$10,000 or for purchases less than \$10,000 when the purchasing card cannot be used. Requisitions are created and submitted for approval by the department through Internet Native Banner or the portal. If the requisition is inaccurate, incomplete, or not approved by the Financial Manager or their designated alternate approver, there may be delays and/or errors in processing the order.


### 3. Purchase Orders

Upon receipt of an approved requisition, the Purchasing Department will evaluate the available information related to the purchase. If appropriate, a purchase order will be issued either returned to the department so the order can be placed (REU) or remitted to Accounts Payable so the invoice can be paid (PE).

- **Blanket Purchase Orders** - Blanket purchase orders may be established to allow a department to purchase supply items or services for a specified time-period during the same fiscal year. Blanket orders are never established for fixed assets. In addition, the total of the blanket order should not exceed \$10,000 for the fiscal year, unless it is issued against a current contract. Contact the Purchasing Department at x2022 for more information concerning blanket purchase orders.
- **Purchase Order Changes** - Changes can be made on outstanding purchase orders, although such should be avoided if possible. All changes must be submitted to the Purchasing Department via written documentation that includes the reason for the change and approval from the Financial Manager.
- **Purchase Order Cancellations** - The cancellation of a purchase order breaks a binding agreement and should only occur with just cause. The department shall be responsible for contacting the vendor to cancel an order. The department must then submit a written notice to the Purchasing Department that contains the purchase order number, vendor name and representative contact information, and the specific reason for the cancellation. The department shall also submit the Purchase Order Close/Cancellation form to Accounts Payable. This form can be found under Forms on the Southeast Accounts Payable website.

### 4. Procedures as Determined by Dollar Amount

The Purchasing Department will assist the department to determine the best approach to use for any particular purchase, which can be predicated on several factors, including specification complexity, dollar


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amount involved, market situation, economic forecast, etc. However, most purchasing processes depend upon the dollar amount and will fall into one of the following three (3) categories. Note the Purchasing Department does have sole authority in determining the final purchasing method for any item, regardless of its quoted price.

- **Informal Quote Procedures (\$0.01 - \$10,000)** – When making purchases for items \$10,000 and below, departments are not required to provide quotes/bids to the Purchasing Department. However, proper expenditure of public funds and good business practices dictate that individual departments do obtain informal quotes/bids for all required equipment, supplies, and services, regardless of dollar amount. This practice helps to ensure University funds are spent reasonably and responsibly. Each University department should maintain documentation of quotes obtained informally, or justification of why informal solicitations were not obtained, for a period of one (1) year.
- **Informal Competitive Quote Procedures (\$10,000.01 - \$100,000)** - Departments shall solicit competitive bids from vendors and submit quotes obtained to the Purchasing Department, along with a requisition, for purchases between \$10,000.01 and \$100,000. The phrase "solicit competitive bids" means the department must provide a legitimate opportunity for prospective vendors to compete. A minimum of two (2) competitive bids for each commodity or service shall be solicited. The lowest quote will be used unless written documentation is provided to justify why a higher quote is the best method to meet the needs of the University. Informal solicitations can be obtained through state contracts (preferred), verbal, phone, or email quotes from vendors, as well as price lists, catalogs, advertisements, web searches, and other reasonable means.
- **Formal Competitive Bid Procedures (\$100,000.01 and higher)** - The Purchasing Department is required to obtain formal competitive solicitations in the form of a Request for Proposal (RFP) or Invitation for Bid (IFB) for purchases costing \$100,000.01 or more. The following information must be provided to the Purchasing Department in order to begin the formal competitive bid process:
  - Description of product or service with rationale
  - Scope of work/specifications
  - Expected approximate dollar amount of purchase and/or expected annual spend
  - Evaluation criteria – The percentages that should be assigned to cost, proposed method of performance, experience/reliability, etc.
  - Vendors to solicit– Minimum of three (3) with full contact information, including email and physical addresses

Departments are advised to pre-plan and anticipate no less than 60 days to complete the formal bid process and to officially award the purchase order or contract. Complex purchases, or those involving multiple University departments, may take additional time.

All purchases in the amount of \$100,000.01 and over are required to be posted on the Purchasing website and advertised in two (2) daily newspapers for at least one (1) day, five (5) calendar days before the bids for such purchases are to be opened. The cost of such advertising will be passed on to the requesting department.

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## 5. Other Considerations

It is the responsibility of the financial manager/administrative authority of the ordering department to verify purchases initiated by department staff are made in accordance with University Purchasing Policy and Procedures and are in the University's best interest. Furthermore, as departments solicit and obtain quotes for their desired products and services, it is important to be aware of the following considerations.

- **Valid Quote Specifications** – Valid quotes and corresponding specifications shall be presented to the Purchasing Department in a manner that depicts a clear and accurate comparison (i.e. apples-to-apples.) Specifications shall, to the extent practicable, emphasize functional or performance criteria while limiting design or other detailed physical descriptions to those necessary to meet the needs of the University. Specifications, delivery dates, vendor location, etc., shall not be manipulated to restrict competition.


The Purchasing Department reserves the right to make the final determination as to whether the specifications restrict competition. Specifications may be based upon brand name descriptions if generic or functional specifications are not possible, provided that the phrase “or equal” is added as an inherent part of the description.

- **Dollar Thresholds/Split Transactions** – The threshold amounts are based on purchases of similar items in a rolling 12-month period. It is considered a violation to split purchases into smaller segments to circumvent the annual expenditure thresholds.
- **Minority/Women Business Enterprise/ Missouri Service-Disabled Veteran/Blind and Sheltered Workshop Participation** – Southeast Missouri State University intends to seek and solicit vendor participation from certified minority, women, Missouri service-disabled veteran-owned businesses, as well as from blind/sheltered workshops. More information about these organizations is available at the State of Missouri's Office of Administration, Division of Purchasing website.
- **Americans with Disabilities Act** - All University purchases require compliance with all applicable requirements and provisions of the Americans with Disabilities Act (ADA).
- **E-Verify/Affidavit of Work Authorization** – As required by RSMo 285.530, E-Verify/Affidavit of Work Authorization documentation must be received from contractors for all service contracts in excess of \$5,000, including Independent Contractor Agreements, before payment can be made.

## 6. Exceptions to the Formal Bid Process (\$100,000.01 and higher)

The formal bidding requirements for purchases \$100,000.01 and higher are waived for the following purchases:

- **From Governmental Entities** – Governmental entities are those who derive the majority of their funding from a public tax base (i.e., federal agencies, cities, counties, public school districts, colleges, etc.) and purchases from such are not subject to the formal bidding process.
- **Use of University Contracts** - The University has established contracts with various vendors to provide products and services, including computers, printing and copying services, and promotional items. Such contracts are to be used as specified by the terms and conditions of each individual agreement. These contracts are maintained in the Purchasing Department. More

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information concerning contracted items and services can be found on the portal under the Frequently Purchased Commodities and Services List.

- **Use of State Contracts** - The Division of Purchasing has established contracts with various vendors to provide products and services, including vehicles, copy machines, and office supplies. The state contracts are available for review at the following link: <http://archive.oa.mo.gov/purch/contracts/>.
- **Use of Cooperative Contracts** – Cooperative contracts are pre-existing contracts of other public entities and buying cooperatives that may be used by the University without further solicitation. More information about cooperative contracts is available at the following link: <https://oa.mo.gov/purchasing/cooperative-procurement-program>.
- **For Emergency Purchases** - Competitive bids may be waived when the Director of Facilities Management has determined that there exists a threat to life, property, public health, or public safety; or when immediate expenditure is necessary for repairs to University property in order to protect against further loss of, or damage to, University property, to prevent or minimize serious disruption in University services. A situation shall not warrant an emergency purchase unless the resolution of the condition receives priority over routine operations. Lack of adequate planning does not constitute an emergency condition.

When an emergency condition arises, and the need cannot be met through normal purchasing methods, the purchases shall be made with as much competition as is feasible under the circumstances. The Purchasing Department must be notified of any emergency condition as soon as possible and reserves the right to determine the amount of competition necessary.


The person responsible for the emergency purchase shall also provide written justification to the Director of Facilities Management for approval. In the Director’s absence, the Vice President for Finance and Administration will approve.

- **For Resale Items**– The purchase of supplies for the purpose or resale to the general public are not required to be competitively bid.
- **For Legal Services** – The bid requirement is waived for the purchase of legal services.
- **With Presidential Waiver** - The formal competitive bid requirement may be waived with approval from the President, if in the best interest of the University. Such purchases must still be routed through the Purchasing Department to obtain approval.
- **For Sole Source Purchases** – See #7 for additional information.

## 7. Sole Source Purchases

Sole Source (also known as Single Feasible Source) purchases must be justified in writing for purchases of \$10,000.01 or more and must meet one or more of the following criteria:

- Supplies are proprietary and only available from the manufacturer or a single distributor
- Based on past purchasing experience, it is determined that only one distributor services the region in which the supplies are needed
- Supplies are available at a discount from a single distributor for a limited period of time

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To initiate a sole source purchase request, a completed Sole Source Justification Form shall be submitted to the Purchasing Department by the requesting department. This form can be found under the Southeast Purchasing website.

Sole Source purchases of \$10,000.01 and higher will be posted on the Purchasing website five (5) days before the purchase order can be issued. Sole Source purchases of \$100,000.01 or higher are required to be additionally advertised in at least two (2) daily newspapers for at least one (1) day, five (5) calendar days before the purchase order can be issued. The cost of such advertising will be funded by the requesting department.

The following are examples that are impractical or impossible to compete, and thus shall not require a written sole source justification:

- Services of visiting speakers, professors, and performing artists
- Works of art and historical items for museum and public display
- Published books, maps, periodicals, newspapers, and technical pamphlets, on-line library cataloging and other services, and bibliographic library services through consortiums
- Regulated utility services
- Trial use or testing specific items for suitability
- Print, electronic, broadcast, and/or other media advertising
- Support services only available from the actual manufacturer or service provider for existing systems such as software maintenance and renewal agreements
- Fees for Intercollegiate Athletics, such as conference membership dues and game guarantees
- Student and employee travel, such as trips, tours, meetings, and all related expenses
- Sponsored research
- Conferences to include conference fees and related expenses

## 8. Independent Contractors

When the services of an independent contractor are required, an Independent Contractor Agreement (ICA) must be completed by the requesting department and signed by both the department's representative and the contractor. The ICA shall then be sent to the Purchasing Department for review and approval by the Assistant Controller, the authorized University official. Contract templates can be obtained by contacting the Purchasing Department.