

Departmental Purchases

The University's procurement procedures provide flexibility to departments to take care of their basic and continuing support requirements in an efficient and timely manner. When making a purchase, first consideration should be given to companies already under established university, state or cooperative contracts. When there is open competition, consideration should also be given to a certified small, woman-owned or minority-owned business (SWaM business). Finally, it is everyone's obligation to ensure that we are obtaining goods and services at what we believe to be a fair and reasonable price at the best value of product or service.

At dollar amounts up to ten-thousand dollars (\$10,000), price competition among vendors is not required but is encouraged. Using a small, woman-owned or minority-owned company is encouraged. Once the vendor is selected, firm fixed price-inclusive of all charges for handling, shipping, tax (if any), etc. – should be determined and a HokieMart requisition prepared.

Requisitions valued at ten-thousand dollars (\$10,000) or less will be converted by HokieMart into purchase orders and will flow directly to the supplier, without stopping for any necessary approvals. Requisitions valued above ten-thousand dollars (\$10,000) will flow to the Procurement department for their action and may flow through intermediate Hokiemark approval steps depending upon the request and funding cited. The Procurement department will convert high-value requisitions into purchase orders following completion of competition.

These transaction can be processed at the department level:

- Purchase Orders valued up to ten-thousand dollars (\$10,000)
- Maintenance agreements valued up to ten-thousand dollars (\$10,000)
- Items purchased under Direct Payment Procedures. These transactions are not processed by the Procurement Department and are considered “financial” in nature. [University Policy 3220](#), Direct Payment Procedure, designates specific transactions that do not require competition and may be enacted at the department at dollar levels that may be above the \$10,000. HokieMart contains a special form for enacting Direct Pay transactions and will still result in a Purchase Order being issued through HokieMart that will encumber budgetary funds and ultimately will be matched and closed

through the payment process by Accounts Payable.

- University P-card transactions valued up to two-thousand (2,000). A university issued P-Card should only be used as a final resort for paying for goods and services. The preferred method of purchasing at the university will always be via a HokieMart issued Purchase Order with payment after goods/services are received and invoiced.
- Purchases against an established contract.

Exceptions to Departmental Procurement Delegation

There are several exceptions to the ten-thousand dollar (\$10,000) departmental purchase delegation:

- HokieMart catalog suppliers: orders in an unlimited amount may be placed with designated contract suppliers who have placed catalogs in HokieMart, except for computers capped at two hundred thousand dollars, (\$200,000). Following departmental approval, HokieMart workflow will send electronic orders directly to the contract supplier, and they will not flow to the Procurement Department.
- Direct Pay Transactions: Per the Direct Pay Policy, there are many categories that are greater than ten-thousand dollars (\$10,000). See [University Policy 3220](#).
- Contract Purchases: Procurement has established, via formal procurement processes, term contracts that provide for ongoing needs for goods and services.
- Restricted Items: There is group of goods and services restricted from state funds, which require supplemental internal review before they can be purchased in any value. See also the Controller's Office Procedure that outlines restricted items: [Procedure 20310: Invoice Payment](#).