

## University Purchasing Overview

The goal of the Procurement Department is to satisfy the university's requirement for goods and services promptly at the best value and lowest practicable cost for that value. Our Procurement processes and practices conform to the Restructuring Management Agreement and the Commonwealth of Virginia Procurement Manual for Institutions of Higher Education and their Vendors. These regulations apply to all university departments, vendors, activities and funds, regardless of the original source of the funds being used.

The practice of public Procurement has several fundamental obligations:

- To obtain high quality goods and services at reasonable cost,
- To conduct Procurement activities in a fair and impartial manner,
- To provide all qualified vendors access to public business, and
- To ensure that no bidder is arbitrarily or capriciously excluded.

### **Service Level Expectations**

Because of decentralization and automation of the procurement process (HokieMart), Procurement procedures have been greatly simplified and streamlined over the years. Central Procurement's goal is to complete the processing of requisitions valued under fifteen-thousand dollars (\$15,000) within ten working days after receipt. More complex and higher value procurements will take longer for Requests for Proposals. Regardless of time expectations for completion of the purchase, a procurement buyer should be in communication with the contact person who prepared the HokieMart requisition within five (5) business days of it arriving in Procurement (following all approvals) and being assigned a requisition for processing.

### **Checks and Balances**

The University's procurement system and procedures continue to be established and refined to create checks and balances to ensure the university is properly procuring goods and services. However, it is the expectation of every individual who plays a part in the purchasing process to follow the rules, procedures, policies of the university and be good stewards of university funds, regardless of the source of funds.

**University purchases are classified according to price and/or type of purchase:**
Price of Purchases

Values	General Procurement Procedure
\$2,000 or Less (Departmental Delegations)	Competition not required but encouraged. Department confirms price and prepares a HokieMart Requisition. HokieMart system will convert this Requisition to a Purchase Order and deliver it to the supplier.
Over \$2,000 to \$10,000 (FASTRACK)	FASTRACK Team prepares a HokieMart Requisition. HokieMart workflow will carry the Requisition to Procurement. Orders are with an existing vendor of the university. Requisition must have a valid written quote attached. No trade-in are included in FASTRACK.
Over \$10,000 to \$50,000 (Informal/Small Purchases) *	Department prepares a HokieMart Requisition. HokieMart workflow will carry the Requisition to Procurement. Competition will be obtained by Procurement. Minimum three (3) quotes solicited by phone, fax, or unsealed bid.
Over \$50,000 (Formal/Large Purchases)	Department prepares a HokieMart Requisition. System workflow will carry this through any required intermediate approval steps to Procurement. Procurement Department solicits at least six (6) sources in writing, using either competitive sealed bidding or competitive negotiation. Advertising is required.
NOTE: *Central procurement office buyers may, in their sole discretion and in the best interest of the University, place an order with a suggested source without seeking further competition for goods and services not exceeding ten thousand dollars (\$10,000) in value.	

Type of Purchases

Situation	Procedure for All Goods and Services
Emergency	An emergency is an occurrence of a serious and urgent nature (not lack of planning) that demands immediate action. Full justification for the purchase is required. Justification should relate to health, safety or protection of property. If time permits, contact Procurement before making purchase. Competition is not required but should be obtained, time permitting. As soon as feasible, submit a HokieMart Requisition and emergency justification to Procurement, who will issue a confirming purchase order.

Sole Source	A situation when a product or service is practicably available only from one source. Competitive procurement cannot be conducted. Written justification required, using the standard form provided by Procurement who must approve before order placement. Attach the form to HokieMart Requisition. Procurement will negotiate terms and price and issue a purchase order.
Previously Owned "Used" Equipment Valued up to \$50,000	Competition not required. Department prepares a HokieMart Requisition up to two-thousand dollars (\$2,000). If above \$2,000, Procurement issues purchase order. See special guidance on Procurement Used Equipment. <i>*This classification does not include factory rebuilt, demonstration, or remanufactured equipment.</i>
Request for Proposal	A formal procurement process soliciting qualified vendors to submit a proposal to the University. All proposals are subjectively evaluated and scored. Negotiations are conducted with top offerors. Awards can be made to multiple proposers if stated up front that it is an option. Allows awards to be made based on best value (all things considered) and not strictly on low price.
Invitation for Bid	A formal procurement process soliciting qualified vendors to submit their lowest price for goods or services well defined by the university. Award is based strictly on lowest price with a responsible and responsive bidder. Negotiations are not allowed.