

## PROCUREMENT PROCEDURES

The Procurement Services department is to establish and administer purchasing practices and procedures, institute necessary reports, arrange and approve term contracts, consolidate purchases of like or common items, and generally obtain savings for goods and services for the campus community. The University of San Diego is subject to and complies with all applicable laws and regulations governing purchasing practices.

Procurement Services has the final responsibility for obtaining prices and conditions of the sale for all purchases and contemplated purchases by the University of San Diego.

### **SECTION I – GENERAL PROCUREMENT GUIDELINES:**

Procurement Services has compiled a listing of commonly procured goods and services by the campus community that can be found [on our website](#).

Goods and services and all tangible/non-tangible items follow the below guidelines for procurement. Keep in mind that all purchases over \$5,000 will need a Purchase Requisition (PR) and a Purchase Order (PO):

<b>Dollar Threshold</b>	<b>Method to Pay</b>
\$4,999 and Below	Use Purchasing Card or One Card to make purchase. If the vendor does not accept credit cards save all receipts and submit <a href="#">Purchasing Log</a> or <a href="#">Employee Expense Report</a> directly to Accounts Payable. Submit an invoice(s), once goods are received, to Procurement to initiate payment process. All new suppliers require <a href="#">supplier application and W-9</a> .
5,000 - \$9,999	Requires a Purchase Requisition (PR) or use the Small Purchase Form to establish a PO. Initiate PR following instructions found on Procurement website. Submit an invoice(s), once goods are received, to Procurement to initiate payment process.
\$10,000 - \$49,999.99	Requires at least 2 quotes and a Purchase Requisition (PR) in Oracle. Initiate PR following instructions found on Procurement website. Submit invoices, once goods are received, to Procurement to initiate payment process. Supplier must be vetted and approved by procurement in advance. May use purchasing consortiums without the need for further competition.
Over \$50,000	Requires 3 competitive bids. Requires a Purchase Requisition (PR) in Oracle. Initiate PR following instructions found on Procurement website. Submit invoices, once goods are received, to Procurement to initiate payment process. Supplier must be vetted and approved by procurement in advance. May use purchasing consortiums without the need for further competition.

### **Technology Purchases**

- **Computers, Laptops, iPads and other technology hardware.** All computer hardware must be ordered through ITS or be given ITS approval, per Purchasing Policy 2.10.2. Please email [crp@sandiego.edu](mailto:crp@sandiego.edu) for more information or visit the [ITS webpage](#) for detailed information.

### **Copiers and Printers**

- **Copiers, Printers, Fax Machines, Multi-Function Printers (MFP's).** All printers/copiers must be ordered through ITS or been given ITS approval, per Purchasing Policy 2.10.2. Please email [prp@sandiego.edu](mailto:prp@sandiego.edu) for more information or visit the [ITS webpage](#) for detailed information on the printer replacement program.

### **Furniture Purchases**

- **Furniture.** The Office of University Design attempts to maintain consistency of its Spanish Renaissance architectural statement in the exterior and interior public areas of its buildings. As such, furniture guidelines have been developed by the Office of Design to conform to university standards. All furniture purchases must be managed through Procurement Services to maintain these guidelines and standards.

## **SECTION II – COMPETITIVE BIDDING PROCEDURES**

Goods and services are to be procured on a competitive basis whenever possible. In complying with these requirements, procurement staff shall ensure compliance with all applicable federal, state or local laws, and shall encourage the participation of small, veterans, women, minority, and locally owned small businesses, in the procurement process and, to the extent legally possible, give preference to small and local businesses. The competitive procurement requirements can be satisfied through *formal* or *informal bidding* as defined below.

**Formal Bidding.** Formal bidding is a competitive procurement process in which prospective offers respond to a solicitation. The process is used when: (i) the proposed contract amount is estimated to be above \$50,000 and (ii) the specifications can be sufficiently defined and detailed to assure the procurement of appropriate and acceptable item(s) or service(s). A Request for Proposal (RFP) is usually the solicitation vehicle for this method of procurement. The bids must comply with the specifications, terms, and conditions for the needed item(s) or service(s) stated in the solicitation. Contract award is usually made on the basis of price to the lowest bidder who is both responsive (complies with the stated specifications) and responsible (competent and otherwise qualified to perform under any resulting contract), but can also be made based on a best value determination. A minimum of two (2) quotes are required.

**Informal Bidding.** For goods and/or services estimated to be below \$50,000, a competitive procurement process may be conducted by email, internet quotes, or other means and under conditions different from those required for formal bidding. Contract award is usually made on the basis of price to the lowest bidder who is both responsive (complies with the stated specifications) and responsible (competent and otherwise qualified to perform under any resulting contract), but can also be made based on best value. **A minimum of three (3) quotes are required.**

## **Exemption from Competitive Requirements**

The competitive procurement requirements may not apply, under the particular circumstances of the procurement, if an exception is warranted. The following examples are illustrative of circumstances that may be considered in authorizing case-by-case exceptions.

- 1) **Public Exigency**: An emergency situation when the health and safety of the public or persons in the custody or care of the University are at risk if immediate measures are not taken to resolve the problem/situation and it is not possible or practical to go through a competitive process.
- 2) **Single or Sole Source**
  - a) **Single Source**: A procurement process in which item(s) or service(s) are procured from, or are a product of either:
    - A single source of supply not selected through a competitive procurement process; or
    - A single manufacturer, even though the items or services may be procured through a competitive procurement process (i.e. limited competition among dealers and distributors)
  - b) **Sole Source**: Only one person, firm or manufacturer exists that can provide the needed item or services, and no equivalent person, firm or manufacturer is available that would meet the best interest of the University such as quality, schedule, standardization/interoperability or continuity of service. Competition is precluded because of the existence of patent rights, copyrights, secret processes, control of the basic raw material(s) or similar circumstances, and there is no equivalent item or service.
- 3) **Absolute Compatibility**:
  - a) The procurement is for replacement parts or components for equipment, and no information or data is available to ensure that the parts or components obtained from another supplier will perform the same function in the equipment as the part or component to be replaced.
  - b) The procurement is for replacement parts or components for equipment, and the replacement parts or components would compromise the safety or reliability of the product, or would void or invalidate a manufacturer's warranty or guarantee; or
  - c) The procurement is for upgrades, enhancements or additions to hardware or for enhancements or additions to software, and no information and data is available to ensure that equipment or software from different manufacturers or developers will be as compatible as equipment or software from the original manufacturer(s) or developer(s).

## **SECTION III – PROCEDURES FOR MODIFYING PURCHASE ORDERS**

**Changes or Cancellations to a Purchase Order**: If you wish to modify or cancel a purchase order once it has been issued, you must notify Procurement in writing.

**Confirming/Verbal Purchase Orders:** On occasion, it is advantageous for the originating department to place an order directly to the supplier via the telephone. In the rare occasion that this becomes necessary, **Procurement must be notified and must authorize such orders in advance.** A purchase order must be issued to confirm an order placed by telephone. The following procedure is to be followed:

- a) At the time of order, inform the supplier the invoice must indicate the purchase order number and should be mailed directly to Procurement.
- b) The ordering department must submit an electronic Purchase Requisition (PR) to Procurement
- c) Indicate the word “Confirming” within the Note to Buyer field of the Source Details tab on the electronic Purchase Requisition

### **Supplier Orders Timeline**

All approved Purchase Requisitions will be processed within three working days. If a special circumstances or handling requirements preclude processing within this timeframe, the originating department will be notified. Completed purchase orders will be mailed or faxed to the supplier by Procurement.

### **Receiving**

Upon receipt of merchandise, please be aware of the following:

- a. It is the responsibility of the ordering department to immediately inspect the contents for damage as well as order completeness and accuracy
- b. In the event of damage or order discrepancies on purchase orders, it is the responsibility of Procurement to notify the supplier for resolution. Be aware that most suppliers operate under policies stating returns will not be accepted usually after thirty days
- c. Sign and date the department receiver copy of the purchase order and forward it to Procurement
- d. Supplier payment will be made only after the signed department receiver copy is received by Procurement

### **Supplier Payment**

The following procedure should be followed when payment to a supplier is required:

- a) The face of the invoice must reflect an authorizing signer for the project and the date signed
- b) The face of the invoice must reflect the purchase order number or the appropriate POETS coding string if no purchase order number indicated

- c) Submit the invoice to Procurement for processing

For payments to independent contractors, an officially approved contract must be on file with Procurement. **If the contract fees exceed \$5,000 a Purchase Order is required.** It is required that the contract be submitted prior to the processing of invoices. If reimbursements are part of the contract, it is expected that independent contractors will follow USD Expense Reimbursement Procedures (see Section V. B.) See Human Resources Independent Contractor policy for further detail <http://www.sandiego.edu/legal/policies/community/financial/contractors.pdf>

Suppliers must be made aware that invoices to be submitted directly to Procurement should indicate the purchase order number and/or the department incurring the charge. **Invoices without the required information will be rejected.**

#### **Supplier Deposits and Advance Payments**

Procedures outlined in **Section I** of this document apply to transactions requiring deposits. When a supplier deposit or advance is required, a purchase requisition should be submitted at **least seven working days before the deposit or advance is due.**

#### **SECTION IV – SUSTAINABLE PROCUREMENT GUIDELINES**

Sustainable procurement must consider the environment as well as economic and social responsibility as it relates to USD's spending. Sustainable procurement allows USD to procure goods and services in a way that achieves value for money on a whole life basis, generating benefits not only to the University but also to the society and the economy, while reducing impacts to the environment.

USD's Sustainable procurement practices prioritize waste reduction in the following order: reduce, reuse and then recycle. Sustainable procurement then seeks to reduce unnecessary purchasing first, then prioritize purchase of multiple use products or surplus products, before looking at recyclable or otherwise sustainable products.

Please see our "**Sustainable Procurement Guidelines**" for more information on "Green" and "Sustainable" spend.