

## **Marietta College Procurement Policy**

### **Introduction**

Marietta College endorses the prudent use of funds in the procurement of products and services. The College requires budget unit heads to assure the procurement of the “best buy” when expending College funds in support of their programs. “Best buy” is defined as an:

- appropriately high-quality product or service;
- delivered in a timely manner; and,
- at the lowest possible price.

The College, therefore, advises its budget units to comply with the following guidelines and methods when procuring products or services in support of their programs.

### **Purchase Orders**

A purchase order is created through the requisition process. A purchase order is a legal contract supplied to the vendor for the purchase of goods or services.

A purchase order should be used when ordering merchandise or services for which an invoice requiring payment will be sent to the College. It is the approved method for ordering. Purchase orders are required when the needed goods or services total \$1,000 or more. Some exceptions: subscriptions, membership fees, and travel arrangements.

### **Bidding Requirements**

Budget units should comply with the following bidding requirements when procuring products or services, applying the requirements whenever practical. The requirements are not intended to be burdensome, but only to assist the budget unit in optimizing its purchasing power. Bidding requirements vary depending on the value of the purchase.

<u>Dollar Value of Purchase</u>	<u>Bidding Requirement</u>
Under \$2,500	No bids require;
\$2,500 and higher	Three written bids required, documentation must be attached to Purchase Order upon its submittal to the Business Office.

### **Sole Source**

In some cases, a required product or service may be available from only one source. Under these circumstances, the budget unit may request the product or service from the sole source provider by indicating “Sole Source” on the Purchase Order and attaching written justification for the sole source purchase.

### **Blanket Purchase Orders**

A blanket purchase order is usually an annual agreement with a vendor to provide certain products or services at a pre-determined price for the duration of the agreement (e.g., office supplies, print paper, biology or chemistry lab supplies). A blanket purchase order is issued to the vendor and an estimated

amount of budget unit funds is encumbered (reserved) for use under the purchase order. During the course of the agreement, the budget unit issues releases against the purchase order, converting the encumbered funds to expenses. The purpose of blanket purchase orders is to save time and effort when making repeat purchases with the same vendor.

Blanket purchase orders are usually awarded only following a written request for proposal process in which competing vendor candidates offer their best buys to the budget unit. The budget unit should complete the request for proposal process in late spring, prior to May graduation, for a July 1 award date.

#### **Repeat Purchases from Same Vendor**

In some cases, it may be impractical to issue blanket purchases to a vendor, even though the budget unit may be repeatedly ordering similar products or services from that vendor. Under these circumstances, the budget unit need not bid each purchase, as described in Bidding Requirements above, as long as the vendor is willing to offer the same pricing as it offered for previous purchases. If vendor pricing differs from previous purchases, the budget unit should use prudent judgment in determining the need to secure bids for the current and future purchases.

#### **Credit Card Purchases**

Commercial credit cards are available to budget units at the discretion of the budget unit head and the corresponding Cabinet officer. They can be managed in numerous ways to expedite procurement logistics without compromising budget control by the budget unit head or other designee.

The intention of the commercial credit card program is to reduce costs and transaction completion associated with certain purchases. Commercial credit card use is encouraged in lieu of purchase orders for transactions valued at less than \$1,000 and is permitted for purchases \$1,000 and higher. Commercial credit card users are required to follow the procurement procedures described above, including bidding requirements and sole source justification. Proof of bidding must accompany receipts submitted to the Business Office with the card holder's monthly credit card report.

#### **Check Requests**

Check requests should be used for purchases less than \$1,000 when they cannot be placed on a commercial credit card.

#### **For More Information**

The Vice President of Administration and Finance or the Accounting Manager can answer questions regarding this policy and its terms.