

University Procurement Services

Procurement Procedures

1. Methods for Obtaining Competitive Pricing

- A.** A **Request for Quotation (RFQ)** is the simplest form of competitive pricing and is generally used for small dollar purchases. Vendor selection is made on the basis of informal competitive price quotations from a minimum of two sources. Pricing may be solicited by telephone or in writing. RFQ's may be used for Purchasing Card (P-Card) transactions or Purchase Order transactions below \$25,000.
- B.** An **Invitation for Bid (IFB)** is a formal binding document used to obtain pricing for a defined period of time. IFB's are used to establish time specific contracts for the University for goods or services or for one time purchases of \$25,000 or more. An IFB includes the following:
 - 1. Complete specifications for the goods or services requested
 - 2. General conditions that define the scope of the purchase.
 - 3. Payment terms
 - 4. Delivery requirements
- C.** A **Request for Proposal (RFP)** is similar to an IFB, but gives more latitude to the vendors. An RFP describes the goods or services required and requests the vendor to propose a solution to meet the University's need.

2. Competitive Pricing Evaluation

- A.** All competitive pricing information provided by vendors must be held in strict confidence during the evaluation process and will not be disclosed to other vendors until after the award of the order.
- B.** If a vendor submits the lowest price but does not meet all criteria, the transaction will be awarded to the vendor who best meets all the following criteria:
 - 1. Price
 - 2. Vendor's previous record of performance and services
 - 3. References
 - 4. Ability of the vendor to deliver value added services such as maintenance.
 - 5. Delivery schedule
 - 6. Warranty
 - 7. Terms and Conditions

3. Purchase Requisitions

A purchase requisition is a form used to request the purchase of goods and services through University Procurement Services. This form must be used for all purchase requests submitted to University Purchasing. A PDF form is available for download at:

<http://oncampus.richmond.edu/administration/userservices/procurement/forms/indexpf.html>

To ensure that your request is processed promptly and correctly, the following information must be included:

A. Vendor

1. Federal Identification Number
2. Company Name
3. Complete Address
4. Contact Name
5. Fax Number
6. Telephone Number

B. Shipping

1. Delivery Address
2. Recipient's Name
3. Date Required
 - a. ASAP if no specific date required.
4. Shipping Method (i.e. overnight, UPS ground, etc.)

C. Accounting distribution

1. Include Index and Account code to be charged.

D. Product information

1. Clear, concise product description.
2. Stock number, pack sizes, colors, etc.
3. Clarify special delivery needs, receiving and installation.
4. Include essential documentation such as price quotations or product specification sheet.

E. Approval

1. The person authorizing the purchase must sign the requisition.

4. Delivery and Installation Considerations

- A. Smaller items can be delivered directly to your department.
- B. Special delivery and/or installation requirements for large or heavy deliveries *must be prearranged before placing an order.*
 1. Some shippers will only deliver to a loading dock. Arrangements must be made to unload the items and deliver to the campus destination.
 - a. The University Services Setups and Moving Team can move items weighing up to 300 pounds. Special arrangements must be made with University Facilities to move heavier items.

2. In some cases, the supplier must install special equipment.
3. *Consult with University Facilities prior to ordering equipment that requires utility hook-ups or equipment that you expect them to install.* Considerations:
 - a. Can the product be physically delivered to the installation site? Will it fit through existing doorways?
 - b. Is an elevator available and will the product fit on the elevator?
 - c. Is the power supply adequate to support your equipment?
 - d. Is a dedicated electrical circuit needed?
 - e. Is a convenient water source available?
 - f. Is special lighting required?
4. When needs cannot be met within existing conditions, there may be additional charges for services to accommodate your needs. These costs should be figured into the total acquisition cost.
5. If shipping costs are not included in the price, ask for approximate shipping costs.
6. Delivery and/or installation methods must be finalized before an order is placed. Contact University Purchasing if assistance is needed to resolve delivery and/or installation processes.

5. Purchase Orders

A purchase order (PO) is a written agreement between the University and a vendor for goods or services. Each PO is assigned a specific number to assist in tracking the order throughout the transaction process. There are two types of purchase orders used at the University.

1. A **University Purchase Order** is processed through University Procurement Services for the purchase of goods or services valued at \$5,000 or more. (See exceptions in Purchasing Policies, sections 5 and 6). A PO encumbers funds within Banner when issued. The encumbrance is liquidated when the invoice is paid. The payment is then reflected in the designated Banner Index and Account code.
2. A **Blanket Purchase Order (BPO)** is processed through the University Procurement office for multiple purchases from one vendor within a certain time frame, usually within one fiscal year. Examples of goods purchased on BPO's include: fuel oil, gasoline, or theatre supplies. Funds are not encumbered within Banner when a BPO is issued. But rather funds will be paid out each time an order is placed against a BPO and the corresponding invoice is paid by Accounts Payable. The payment is then reflected in the designated Banner Index and Account code.

6. Processing a Purchase Order

Each Purchase order has three copies that are distributed as follows:

1. The **Vendor** copy is faxed, emailed, or mailed to the vendor with pertinent documentation such as a price quotation or special delivery and installation instructions.
2. The **Receiving** copy is forwarded to the person or department **receiving** the goods or services.
 - Upon receipt of shipment this person shall:
 - Initial and date the receiving copy.
 - Forward the receiving copy to the person responsible for payment.
3. The **Payment** copy is forwarded to the person **funding** the goods or services.
 - Upon receipt of the receiving copy this person shall:
 - Initial and date the payment copy
 - Forward the payment copy to Accounts Payable.

5. Order Status

The requestor is responsible for tracking his/her order. However, if the order has not been received in a reasonable period of time and the vendor has been unresponsive to inquiries, University Procurement Services will contact the vendor to resolve this or any other vendor related issue on your behalf.

6. Purchasing Card Program

The University of Richmond Purchasing Card (P-Card) is a corporate Master Card issued through JP Morgan Chase. The P-Card is designed to provide an efficient method to process orders of University business-related goods. P-Cards may not be used for any personal transactions. Because the P-Card is a University credit card, approval is not contingent on nor will it impact the cardholder's personal credit history. Qualified departmental purchases within a predetermined purchase limit can be charged directly to the P-Card. Purchase requisitions or check requests are not required. All P-Card charges are billed centrally to the University and paid to JP Morgan Chase. Charges are then uploaded into the cardholder's Banner budget Index.

7. Tax Exemption

Because the University is a not-for-profit, educational institution, payment of tax on tangible personal property purchased for University business in the Commonwealth of Virginia is not required. Services items, however, are taxable.

A. Tangible Personal Property

Tangible personal property is defined as durable goods such as furniture, office supplies or **unprepared** food items such as canned soda.

1. The University is exempt from taxes on tangible personal property in Virginia, Florida, New York and Tennessee.
2. Other states may have reciprocal tax exemption agreements with Virginia. If a vendor requires the University to be registered in their state as tax exempt, contact University Purchasing at extension 8891 to work through the process for you.
3. Contact University Purchasing at extension 6827 if you need a tax exemption form when you purchase items.
4. All tax exempt purchases must be made with a University check, purchase order, or P-Card. Purchases made with cash or personal credit cards are not eligible for tax exempt status.

B. Service Items

Service items include prepared foods, such as deli trays, as well as lodging.

1. The University must pay tax for service items including lodging in Virginia.
2. The University is exempt from lodging tax in Florida, Tennessee, Maryland and the city of New York (**not** New York State).
3. Contact Procurement Services at extension 8891 if you need a tax exemption form when you travel on University business.