MARYMOUNT MANHATTAN COLLEGE

PURCHASING MANUAL

June 2016

Introduction

A centralized procurement function provides maximum operational effectiveness and best leverages the College's purchasing power. Marymount Manhattan College has centralized procurement activities related to the acquisition of materials, supplies, equipment, and services in the Purchasing Department.

It is the responsibility of all employees who have authority to commit College funds through the Purchasing Department to adhere to the policies contained in this manual. The Administrative Services Department includes Purchasing, a division of the Office of the Executive Vice President for Administration and Finance, bears responsibility for the management and operation of the central procurement function for the College.

Purchasing Department Responsibility

As indicated above, the Purchasing Department bears responsibility for administering centralized purchasing services for the procurement of goods and business and professional services in support of the College mission and College operations. The Purchasing Department ensures that the procurement of goods, business and professional services in a manner consistent with good and ethical business practices and consistent with this policy. The goal of the Purchasing Department is to procure goods and services from responsible parties who offer added value at the lowest cost possible and to provide these products in a timely manner. To achieve this objective, the Purchasing Department has been delegated responsibility for the following:

1. Determining the procurement method (e.g. competitive bid, bidding plus post-bid negotiation, negotiation and re-bidding), which is expected to obtain the most favorable cost (initial price and consequential cost) and terms under the circumstances.
2. Securing competitive bids or conducting negotiations, as determined by the selected procurement method.
3. Developing and maintaining suitable sources of supply to assure that College requirements are consistently met in a timely and cost effective manner.

Authorization to Purchase

Requests for outside purchases, regardless of the source of funding, must be processed through the Purchasing Department. To initiate the purchase of any product or service, it is necessary to prepare an electronic Purchase Requisition and submit it to the Purchasing Department. All requests must be approved through the Purchasing Department in order to commit College funds. Any commitments made without prior authorization may become the personal liability of the person making the commitment.

The Purchasing Department will issue a Purchase Order for the commitment of College funds for the purchase of goods and services upon receipt of a properly completed and properly authorized Purchase Requisition. (A link to the electronic form can be found under Administrative Services/Purchasing and information entered can be saved for later use.) A properly completed purchase requisition contains the following information:

1. Vendor name and address (new supplier request should also include their telephone number, fax number, contact name and Federal Tax Identification or Social Security Number if known and must be approved by either the Associate Vice President or Assistant Controller. Attach Form W-9 if received from the vendor, if not, the Purchasing Department will send a request to the new vendor.)
2. Choose - Purchase Order, Blanket Purchase Order or Change Order.
3. Brief description defining purpose of the purchase or service.
4. Fund Code, Expense Code and Department Code to be charged.
5. Complete description/specifications of the required goods or services. (Note: For goods a complete description includes make, model and if applicable, color, size, weight, etc. and for services a complete description includes what the service entails, where the service will be provided and when the service will commence and when it should be completed.)
6. Quantity required.
7. Estimated unit and estimated shipping charges if known.
8. Total estimated price of Purchase Requisition will be calculated.
9. Delivery Requirements (i.e. when required, where required, any special requirements).
10. Date Requisition prepared, including signature of initiator (different than Authorizer).
11. Divisional Chair or Department Head approval.
12. Divisional Vice President’s approval (as appropriate).

A purchase requisition will not be honored unless all of the previous information is properly completed. The Purchasing Department will provide vendor information to the departments, upon receipt. If the total cost of the purchase indicates that bids are required, the Purchasing Department can assist in the solicitation of the necessary bids.

Attach a copy of the written or e-mail quote to the purchase requisition when submitting your request to the Purchasing Department. When two or more bids are required, bid documentation must be included with the Purchase Requisition being submitted to the Purchasing Department.

A requisition is considered to be properly authorized, based on the total estimated price of the purchase requisition, including shipping charges as indicated below.

Estimated Value of Purchase Requisition	Authorization Required
Up to $1,000	Department Head/ Division Head/ Department Chair
Up to $2,500	Assistant Dean
Up to $5,000	Dean/Assistant Controller
Up to $25,000	Assistant Vice President
Up to $35,000	Associate Vice President
Up to $50,000	Vice President*
Greater than $50,000	President

* During the absence of a Vice President or Executive Vice President the Associate Vice President/Controller can authorize a Purchase Requisition.

Gifts and Gratuities

Employees of the College (faculty and staff) may accept unsolicited gifts and business courtesies if they are customary and commonly accepted business courtesies; not excessive in value and given and accepted without an express or implied understanding that obligates the employee or College by the acceptance of the gift. Any gift that is given that is excessive in value or unusual in nature, shall be returned immediately to the supplier or representative who will be informed of the College's policy pertaining to gifts and gratuities.

Note: Under no circumstances will individuals accept any gifts from a new vendor seeking to do business with the College.

Conflict of Interest

The College shall not enter into purchasing contracts or agreements with students, faculty, staff, or members of their immediate family. (Immediate family is defined as mother, father, marital partner, son, daughter, brother, sister, or in-laws.) Further, the College shall not purchase, or agree to purchase, any goods or services from any company in which an employee, or member of his/her immediate family has a financial interest.

The College shall not be party to any negotiations or participate in any transactions for the College's purchase of goods or services for the personal use of any staff, student or faculty member.

Expenditure of Funds

All funds deposited with the College, regardless of source, are College funds with respect to Purchasing, and as such, are handled in accordance with the College's purchasing policy, as outlined in this manual. Although each College department has OTPS (Other Than Personal Service) funds allocated in its budget for each Fiscal Year; the Purchasing Department requires proper authorization to requisition the use of such funds for the purchase of goods or services in support of College operations.

Bid Requirements

Competitive bids/proposals must be solicited for the purpose of the purchase of all goods and non-construction related services when the total estimated price will exceed $5,000. For construction related services, competitive bids/proposals must be solicited when the estimated total price will exceed $10,000.

The Purchasing Department, in accordance with established guidelines, solicits competitive quotations or bids. In the event that the requisitioning department has obtained quotations, this information must accompany the requisition. The Purchasing Department will evaluate the proposed transaction and determine the most appropriate procurement plan. The requisitioning department shall not use multiple requisitions to circumvent the bidding process.

Goods and non-Construction Services

Estimated Value of Purchase Order	Bid Requirements
Up to $5,000	One Written Quote*
Greater than $5,000 up to $25,000	Two Written Bids
Greater than $25,000	Three Written Bids

Construction Services

Estimated Value of Purchase Order	Bid Requirements
Up to $10,000	One Written Quote*
Up to $25,000	Two Written Bids
Up to $50,000	Three Written Bids
Greater than $100,000***	Three Sealed Bids

Comments:

* Written quote shall either be via e-mail or written proposal.

** All construction projects over $50,000 must include project construction budget, general conditions and outline of project management responsibilities.

*** All projects over $200,000 require Board approval.

A vendor certificate of insurance must be on file with the Purchasing Department prior to the commencement of any construction or on-site services. It is the responsibility of the Purchasing Department to ensure that evidence of proper insurance has been submitted by vendors performing services for the College.

Quotes/Bid Documentation

The following required documentation will be maintained by the Purchasing Department when soliciting quotes/bids/proposals.

Written Quotes – written quotes including a brief description of goods and services, vendor name and phone number and the dollar amount of the purchase, should be delivered via written proposal or e-mail and submitted with the Purchase Requisition. Written quotes are retained by the Purchasing Department.

Written Bids - written bids including a brief description of goods and services, vendor name and phone number and the dollar amount of the bid, should be delivered via written proposal or e-mail and submitted with the Purchase Requisition. Written bids are retained by the Purchasing Department.

Sealed Bids – Purchasing shall retain a copy of the solicitation and the original bid submissions. A summary of bids received shall be signed by those present at the time of the opening of the sealed bids. The summary shall include the title of the project, contractor names, date of the opening and total dollar amount of the proposal. A representative of the Business Office and of the user area shall witness sealed bid openings.

While it is not required that orders should be awarded based on price alone, a justification for selecting a contractor other than the lowest bidder shall be documented for the file and shall be approved by the Director of Administrative Services for written quotations and the Executive Vice President for Administration and Finance for all sealed bids.

In certain instances, bids may be waived:

Proprietary – Permitted when the product purchased must match a previous purchase (e.g. color, style, material, etc.) or is an extension of an existing previously purchased system.

Sole Vendor Provider - The product to be purchased can only be purchased from a single supplier due to copyright, patent or similar restrictions and no other product exists that will meet the College's requirements.

Emergency – Goods or services are required immediately where time and circumstance do not permit the solicitation of multiple quotations.

If a bid is waived because of one of the above conditions, documentation must be attached to the Requisition Form and approved by the Director of Administrative Services.

The Executive Vice President for Administration and Finance or in his/her absence the Associate Vice President/Controller must sign bid exceptions up to $50,000 that do not meet the above criteria. The College President must sign all bid exceptions for amounts over $50,000. Samples of the Request for Bid Exception forms are included in the Purchasing Manual and are available on the MMC website under Purchasing Forms or by contacting the Purchasing Department.

Long Term Vendor Relationships

Long-term vendors must be subject to the open bidding process every five years (i.e. security services, maintenance, food services, certain maintenance contracts, etc.). Multi-year leases will be exempt from such process during the lease term. Specialized professional services provided by external auditors, attorneys, insurance risk advisors, banks and investment managers fall under the jurisdiction of the College President and/or the Board of Trustees and are not subject to this section.

Purchase Orders

Purchase Orders will be issued for all expenditures. **A Purchase Order will be assigned prior to commitment of College funds and can only be issued by the Purchasing Department**. Purchase Orders will only be issued after the required funds have been encumbered for the items and quantities requested.

All Purchase Requisitions will be charged to the appropriate budget code. If there are insufficient funds to meet the amount of the purchase requisition, an approved budget modification form must be sent to the Assistant Controller in the Business Office.

Following approval by the Purchasing Department, the Purchase Order shall be distributed as follows: Original (white) to the supplier/contractor; Copy one (pink) to the requisitioning department; Copy two (yellow) is retained by the Purchasing Department along with a copy of the requisition submitted. The original (white) of the authorized purchase requisition will be forwarded to the Accounts Payable Department with copies of supporting documentation.

College departments shall not order goods or services in quantities or at costs in excess of the issued purchase order specifications. A Purchase Requisition/Change Order is required when changes are made to the original Purchase Order which exceeds $50.00.

Emergencies

In an emergency situation, an order may be placed by phone and, a Purchase Order number may be released by the Purchasing Department. The person placing the order must give this Purchase Order number to the vendor over the phone. The person placing the order will then prepare a Purchase Requisition following the procedures outlined in this manual. This requisition should be clearly marked with the Purchase Order number given to the department and shall include the following notation:

Confirmation of Verbal Order to [vendor *representative's name*]
On [*date verbal order and purchase order number provided*]
Do Not Duplicate

Sales Tax Exemption

The College enjoys privilege of being a sales tax exempt organization. Under most conditions, the College will not reimburse an employee for sales tax paid. A Tax Exempt form can be requested from the Business Office and will be provided to the vendor when the order is placed.

Delivery and Receipt of the Order

All deliveries are received by the Mailroom and are logged into our inbound tracking system and then delivered to the respective department. The delivery must be signed by an authorized representative of the department. The requisitioning department should inspect all goods for possible damage and verify that the correct item(s), and the appropriate quantities have been received. In the event of receipt of damaged goods, the Purchasing Department should be notified immediately. The Purchasing Department will work with the supplier to replace or repair the damaged item(s) as appropriate.

Note: When a box/package is not clearly labeled with a department or person name, or if the packing slip is in the box, the box/package will be opened and inspected for documentation, logged and forwarded to the correct person or department.

Invoice Approval

All invoices shall be sent directly to the Accounts Payable Department by the vendor. Any invoices received by the requisitioning department must be sent directly and immediately to Accounts Payable.

Accounts Payable will notify the requisitioning department via e-mail that an invoice has been received. Upon department approval from an authorized representative (Division Head/Department Chair/Department Head or designee) of the department, the invoice will be processed for payment.

In the event that a department determines that a vendor has not successfully met the terms and conditions of the Purchase Order and consequently does not feel that payment should be made, the Purchasing Department should be notified immediately in writing of the details. The Purchasing Department will follow-up with the supplier accordingly.

Lease Agreements and Rental Agreements

All contracts including but not limited to lease agreements, lease/purchase agreements, rental agreements and service agreements of any kind should be forwarded for review to the Business Office with a completed and authorized Purchase Requisition Form. The contract/agreement shall be signed on behalf of the College by either the Executive Vice President for Administration and Finance or Associate Vice President/Controller. (Leases/contracts over - $200,000 require signature of the President.) In all instances, a Purchase Order shall be issued to facilitate all payments associated with such agreements. The executed contract/agreement will be retained by the Purchasing Department.

Supplier Selection and Quotations

If you need assistance on vendor selection, please contact the Purchasing Department.

Vendors are selected for their capability to serve the needs of the College in the most economical and efficient manner possible. Past performance and cooperation are crucial factors. Vendors must comply with the Equal Opportunity Act (Executive Order II 246 as amended) since it is the policy of the College to promote the full realization of equal opportunity.

The Purchasing Department will maintain a list of all persons and firms who wish to bid for College purchases. Invitations to bid will be solicited from responsible vendors.

Requisitioning departments are encouraged to suggest sources of supply for unusual items. Purchasing will work with the department on final vendor selection.

Before the Purchasing Department can process a Purchase Requisition for a new vendor, it must be approved by either by the Associate Vice President/Controller or the Assistant Controller prior to the commitment of College funds.

MarymountManhattan

Request for Bid Policy Exception under $50,000

Please forward completed form along with all supporting documentation to the Office of Executive Vice President for approval.

*Date*_____

Request From: _____ *Department:* _____

Project/Supply/Service Description:

_____

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_____

Number of Bids Received: _____ *Amount of Order*: $ _____

Vendor Requested: _____

Reason for Request:

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Comments:

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Executive Vice President

SAMPLE

MarymountManhattan

Request for Bid Policy Exception over $50,000

Please forward completed form along with all supporting documentation to the Office of Executive Vice President for approval.

*Date*_____

Request From: _____ *Department:* _____

Project/Supply/Service Description:

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Number of Bids Received: _____ *Amount of Order*: $ _____

Vendor Requested: _____

Reason for Request:

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Comments:

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_____ _____

Executive Vice President President

SAMPLE