

# Millersville University Purchasing Manual

## Table of Contents

<b>1. Policy</b> .....	<b>2</b>
<b>2. Definitions</b> .....	<b>2</b>
<b>3. Responsibilities and Authority</b> .....	<b>6</b>
3.1 Contracting Officer.....	6
3.2 Fiscal Officer .....	6
3.3 President.....	6
3.4 Vice President for Finance and Administration .....	7
<b>4. Code of Ethics:</b> .....	<b>7</b>
<b>5. Procedures</b> .....	<b>7</b>
5.1 Purchasing Procedures for Supplies and Services of \$10,000 or Less.....	7
5.2 Purchasing Procedures for Supplies and Services of \$10,001 or greater.....	8
5.3 General Procurement Practices.....	8
5.3.1. <i>Purchase Orders</i> .....	9
5.3.2. <i>Honoraria and Consultant Services</i> .....	9
5.3.3. <i>Vendor Approval Process</i> .....	10
5.3.4. <i>Unauthorized Purchases</i> .....	11
5.3.5. <i>Accounts Payable</i> .....	11
5.4 General Information.....	13
5.4.1. <i>Pre-Planning for Department Needs</i> .....	13
5.4.2. <i>Use of Public Funds for Various Expenditures</i> .....	13
5.4.3. <i>Purchases Prohibited by University Policy</i> .....	14
5.4.4. <i>Gifts and Gratuities</i> .....	14
5.4.5. <i>Small Dollar Purchases</i> .....	14
5.4.6. <i>Petty Cash Procedures</i> .....	14
5.4.7. <i>Procurement Procedure for Copiers</i> .....	15
5.5 Conflict of Interest.....	15
5.6 Receipt of Goods and Payments .....	15
5.6.1. <i>Incorrect or Damaged Items</i> .....	15
5.6.2. <i>Expediting / Order Status</i> .....	15
5.6.3. <i>Special Procurement Items</i> .....	16
5.6.4. <i>Payment of Invoices</i> .....	16
5.6.5. <i>Report of Lost, Stolen, and Damaged Property</i> .....	16
5.7 Trade-In of Equipment and Surplus Equipment.....	16
5.7.1. <i>Surplus Procedures (see Store Procedures)</i> .....	16
5.8 Training .....	17
5.9 Prepayment / COD.....	17
5.10 Maintenance / Service Repairs on Department Equipment .....	17

## 1. Policy

The procurement of supplies, services and construction by Millersville University will conform to the provisions and statutory limitations as outlined in the Commonwealth Procurement Code (Act 57 of 1998) as well as to implementing procedures adopted by the Board of Governors, including Policy 1998-04 and 1983-02-A.

It is the policy of Millersville University to follow prudent business practices in its purchasing and contracting activities, which maximize the value of supplies and services received in return for dollars expended. Institutional purchasing procedures are designed to focus centralized procurement efforts of the Purchasing Department in areas where the greatest gain may be achieved in terms of cost and quality, while utilizing decentralized procurement for smaller dollar items. Purchasing practices also recognize that the benefits of procurement at the lowest possible cost should always be weighed against other factors such as useful life, functionality, associated hidden costs, and the time sensitivity of certain procurement needs.

## 2. Definitions

- **Act 57** - The Commonwealth Procurement Code. Dictates how Commonwealth entities purchase goods and services.
- **Agreement** - See Contract.
- **Amendment** - A change or modification required to a contract that has already been fully executed by all parties. A written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of a contract.
- **Assignment** - The transfer of a party's rights and responsibilities under a contract to a third (new) party. This is impermissible absent the expressed written approval of the University.
- **Attachments** - Any and all paperwork appended to a contract that is to be referenced and incorporated within the contents of the main contract as part of the overall contract.
- **Banner System** - Online computer financial system utilized by Millersville University for Accounting, Purchasing, Budget, Accounts Receivable, and Accounts Payable.
- **Bid** - A firm and unconditional offer in response to an invitation for bids.
- **Bidder** - A person that submits a bid in response to an invitation for bids.
- **Bid Protest** - The formal contesting by a contractor as to anything involving the bidding process.
- **Blueback Contract** - A formal written contract, not written on a pre-approved form, is referred to as a "blueback" as a result of the traditional blue paper which is used by attorneys to bind the papers together. These are normally complex or detailed contracts.
- **Board of Claims** - A Commonwealth entity which has exclusive original jurisdiction to resolve contract disputes in excess of \$300.00 which involves Commonwealth agencies.
- **Competitive Sealed Bidding** - The most traditional of procurement methods which requires the issuance of invitations to bid on previously prepared

specifications and contract terms and conditions which each bidder must meet to be eligible for the contract award.

- **Contact Person** - The University employee charged with the day-to-day supervision of the delivery of a supply or the performance of the services or construction and who interacts with the contractor.
- **Contract** - A type of written agreement, regardless of what it may be called, for the procurement or disposal of supplies, services or construction.
- **Contracting Officer** - A person authorized to enter into and administer contracts and make written determination with respect to contracts. A person who has contracting authority either directly from Act 188 or from written delegation by a person authorized to have and delegate this authority.
- **Contractor** - Any person that has entered into a contract with a Commonwealth agency.
- **Contract Modification** - A written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract. See Amendment.
- **Contract Purchase Order** - Written authorization from the University for a contractor to proceed to furnish a supply, service, or construction item in accordance with a statewide requirements contract.
- **COSTARS** - Commonwealth DGS administered collaborative procurement contracting listing. D/b/a (Doing Business As). Used to indicate that an owner of a business utilizes a fictitious name as part of their business identity. Example: John Smith d/b/a John's Used Cars.
- **Debarment** - The exclusion of a contractor from eligibility of Commonwealth contract awards as a result of a finding of substantial evidence of impermissible business practices.
- **Effective Date** - A date fixed by the contracting officer which is after the date the contract has been fully executed by the contractor and by the University and all approvals required by Commonwealth contracting procedures have been obtained. The contract shall not be a legal and binding contract until after the Effective Date is affixed and the contract is sent to the contractor.
- **Emergency Contract** - A procurement made without formal bidding, even if greater than a small procurement, due to the fact that there exists a threat to public safety, health or welfare or circumstances outside the control of the University. This thereby created a need, which does not permit the delayed method of formal competitive bidding methods.
- **Execution** - The signing of a contract by a person with contracting authority.
- **Expiration Date** - The date on which a contract expires. The last date when work to be billed under the contract can be performed.
- **Extension of Contract** - The continuation of an existing contract, with the same contractor, which is due to expire and does not provide for an option to renew.
- **Firm, Fixed Price Contract** - A contract where the total amount to be paid to the contractor is fixed and is not subject to adjustment by reason of the cost experience of the contractor. The term includes contracts where the unit price is set but the total price varies because actual quantities purchased deviate from the quantities estimated to be purchased. The term also includes contracts where the price may be adjusted in accordance with a contractually established price adjustment provision which is not based upon the contractor's costs. The term also includes time and material contracts.

- **Good** - A tangible product or commodity that is manufactured or grown and available through common supply sources. May be stock or custom fabricated.
- **Hold-harmless Clause** - A statement in a contract that obligates one party to not hold a second party liable for any actions, which may be specified and limited.
- **Indemnification Clause** - A contractual obligation where one party agrees to make another party whole in the event of litigation. This is an impermissible clause where such imposes the obligation upon the Commonwealth.
- **Independent Contractor** - A contractor who performs services under contract who is not an employee of the University.
- **Invitation for Bids (IFB)** - All documents, including those either attached or incorporated by reference, used for soliciting bids from contractors.
- **Invitation to Qualify (ITQ)** - A pre-approved contractor process and listing administered by the PASSHE Chancellor's office for technology goods and services.
- **Joint Purchasing** - When two or more permissible entities such as universities or a university and a another state agency procure goods and services together in the hopes of achieving lower prices as a result of higher volume.
- **Legal Approval** - The process in which all necessary Commonwealth attorneys review and sign a contract thereby approving of its form and legality.
- **License** - Permission or authority to use personal property for specific purposes without possessing title to, or any interest in, the property itself.
- **Memorandum of Understanding (MOU)** - A written understanding of goods or services provided between two Commonwealth agencies who come under the authority of the Office of General Counsel.
- **Modification** - See Amendment.
- **Multiple Awards** - The awarding of a contract to two or more contractors.
- **Multi-Step Sealed Bidding** - A two step procurement process first requesting the submission of unpriced offers followed by the submission of bids to a then selected procurement description.
- **Multi-Year Contract** - A contract for supplies, services, or construction whose term covers more than one Commonwealth fiscal year.
- **Notice to Proceed** - Written authorization from the University's Purchasing Office to the contractor to perform the services or construction specified in the contract. The notice to proceed cannot be issued until on or after the effective date of the contract.
- **Novation** - A document between parties, with sufficient documentation, that evidences and confirms another business assuming the responsibilities of another business or the evidence of a name change.
- **Offeror** - A person that submits a proposal in response to a request for proposals.
- **Option to Renew** - A provision of the Bid or RFP and included as a provision within the contract which allows the continuance of a contract for an additional time period.
- **Pennsylvania State Procurement Code** - See Act 57, above.
- **PEPPM** Pennsylvania Premier Education Technology Program, collaborative procurement contracts.
- **Proposal** - An offer made in response to a request for proposal which may be subject to negotiation and award criteria set forth in the request for proposal.
- **Proprietary Specifications** - A description of the physical or functional characteristics or the nature of a supply, service or construction item, including a description of any requirement for inspecting, testing or preparing a supply,

service or construction item for delivery which is specific to a contractor either as a result of a patent or copyright.

- **Purchase Order** - Written authorization for a contractor to proceed to furnish a supply or service. A purchase order constitutes the University's legal and binding acceptance of a contractor's offer.
- **Purchasing Card** - University credit card issued to an authorized individual for the purpose of procuring necessary goods for the University and paid for directly by the University.
- **P-card** - See Purchasing Card, above.
- **Quotation** - An informal bid or offer from a contractor for goods or services.
- **Renewal** - The continuing of a contract beyond its original term for another fixed period. The right to renew a contract must be specifically contained in the original contract.
- **Request for Proposal (RFP)** - All documents, including those either attached or incorporated by reference, used for soliciting proposals.
- **Required Provisions** - Mandatory contract language, which must be contained in all Commonwealth contracts.
- **Requisition** - A request by a user department to purchase or supply a good or service.
- **Responsible Bidder** - A bidder who has the capability in all respects to fully perform the contract requirements and the integrity and reliability, which will assure good faith performance.
- **Responsible Offeror** - An offeror that has submitted a responsive proposal and that possesses the capability to fully perform the contract requirements in all aspects and the integrity and reliability to assure good faith performance.
- **Responsive Bid** - A bid which conforms in all material respects to the requirements and criteria in the invitation for bids.
- **Responsive Proposal** - A proposal which conforms in all material respects to the requirements and criteria in the request for proposals.
- **Sealed Bid** - A bid whose contents are not disclosed until the bid opening time. Bids are typically submitted in sealed envelopes.
- **Sealed Proposal** - A proposal whose contents are not disclosed until the proposal receipt date. Proposals are typically submitted in sealed envelopes.
- **Serial Contracting** - The drafting of multiple contracts under the guise of small procurements for one large purchase of goods or services in order to avoid the formal bidding process. This is impermissible.
- **Service** - Labor or other action performed by a contractor.
- **Services Purchase Contract** - Pre-approved STD-278P form that is used for non-complex purchase of services.
- **Small Procurement** - The purchase of goods and services under \$10,000.00.
- **Sole Source** - When only one contractor is capable of providing the goods or services needed by the University.
- **Specifications** - Description of the physical or functional characteristics or the nature of a supply, service or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.
- **Statewide Requirements Contract** - A contract entered into by the purchasing agency which covers the annual, semi-annual, or quarterly contract requirements of all Commonwealth agencies and allows the agencies to order needed supplies, services, or construction directly from the contractor.

- **Subcontractor** - Someone contracting to perform part or all of another's contract.
- **Termination** - The completion of a contract as a result of its expiration date, or the severing of a contractual relationship for causes specifically dictated within the contract.
- **University Legal Counsel** - Attorneys who work under the auspices of the Office of general Counsel who are supervised by Chief Counsel for the State System of Higher Education and who are assigned to respective universities for the purpose of providing legal services.
- **Work statement** - A detailed description of services to be performed by a contractor.

## 3. Responsibilities and Authority

### 3.1 Contracting Officer

The University president has delegated her authority for contracts and purchases to the Vice President for Finance and Administration. Secondary delegates include the Associate Vice president for Finance and Administration and the Director of Purchasing for purchasing and contracts, and the Construction Contract Specialist for construction contracts. These are the only individuals who are authorized to procure supplies, services and construction; enter into contracts; make written determinations with respect to contracts for the University; and carry out all other duties and responsibilities of that office as defined in the Commonwealth Procurement Code.

*Therefore, no one should sign or enter into a contract on behalf of the University. A person without delegation who signs a contract will be acting outside the scope of his or her employment and will be held personally liable for the obligations created by the inappropriate signing of the contract.*

### 3.2 Fiscal Officer

The University president has delegated fiscal officer authority to the Vice President for Finance and Administration. The Associate Vice President for Finance and Administration will serve as fiscal officer in the absence of the Vice President for Finance and Administration.

At all other times, the Associate Vice President has fiscal officer authority for procurements up to and including \$50,000. The Director of Purchasing has fiscal officer authority for procurements up to and including \$10,000. Those individuals exercising fiscal officer authority are responsible for reviewing all contracts for services and other procurements (except those defined as small procurements) for fiscal responsibility, budgetary appropriateness, and availability of funds. The fiscal officer, at his or her option, may also serve as a nonvoting member of an evaluation committee for requests for proposals or similar selection committee for acquisition of services.

### 3.3 President

The University President and his/her designees are delegated the authority to resolve protests of solicitations or awards according to the provisions of Section 1711 and 1712 of the Commonwealth Procurement Code.

### **3.4 Vice President for Finance and Administration**

The Vice President for Finance and Administration will appoint selection and negotiation committees in accordance with Policy 1990-07-A, Professional Services Contracting, for procurement of design professional services. The selection and negotiation committee will select and negotiate agreements with architectural and engineering firms seeking to perform design and engineering services for the University.

## **4. Code of Ethics:**

Millersville University of Pennsylvania will follow the National Association of Educational Buyers Code of Ethics. The code is as follows:

1. To give first consideration to the objectives and policies of my institution.
2. To strive to obtain the maximum ultimate value for each dollar of expenditure.
3. To cooperate with trade and industrial associations, governmental and private agencies engaged in the promotion and development of sound business methods.
4. To demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
5. To decline personal gifts or gratuities.
6. To grant all competitive bidders equal consideration, to regard each transaction on its own merits; to foster and promote fair, ethical and legal trade practices.
7. To use only by consent original ideas and designs devised by one vendor for competitive purchasing purposes.
8. To be willing to submit to arbitration any major controversies.
9. To accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

## **5. Procedures**

### **5.1 Purchasing Procedures for Supplies and Services of \$10,000 or Less.**

Purchases of \$10,000 or less do not require competitive bidding. However, the following prudent business practices are established in order to promote maximum utilization of fiscal resources:

1. For goods and services of \$1,500 or less, competitive bids will not generally be solicited by the Purchasing Department. For procurement needs at this level, University departments are encouraged to solicit quotations, take advantage of volume discounts, and use other techniques to obtain the lowest possible prices in relation to the value received.
2. For goods and services between \$1,500 and \$10,000, informal quotations will be solicited when in the judgment of the Purchasing Department based on historical experience; the potential for appreciable cost savings exists. This process may include obtaining telephone quotes, fax quotes, Internet or other electronic pricing, etc., and quotes obtained by using departments may be

utilized by the Purchasing Department. The Purchasing Department will work with using departments in determining the most appropriate procurement approach based on individual circumstances.

## **5.2 Purchasing Procedures for Supplies and Services of \$10,001 or greater.**

Pursuant to Act 188 and Board of Governors Policy 1983-02-A, all University purchases greater than \$10,000 must be publicly advertised and competitively bid under institutionally established business practices. Such competitive bidding will be undertaken centrally by the Purchasing Department and documented appropriately for audit purposes. Supplies and services over \$10,000 may be bid on a straight cost basis and awarded to the lowest responsible bidder. Alternatively, certain services may be bid using a more elaborate evaluative process, such as a Request for Proposal (RFP), which incorporates both cost and other technical criteria. Departments should contact the Purchasing Department to discuss whether an RFP would be the appropriate method to use for their needs.

1. Exceptions to competitive bidding requirements are authorized for items available from 1. The Commonwealth warehouse, 2. Items on state (DGS) contract, 3. Items available from agencies for persons with disabilities (such as Pennsylvania Industries for Blind and Handicapped), 4. Certain items specified under grant or restricted gift provisions, and 5. Items procured under the sole source and emergency provisions of the Commonwealth Procurement Code. Exceptions to competitive bidding requirements may also be authorized for emergency facilities project contracts when a threat exists to public health, welfare or safety and the urgency does not permit the delay involved in using more formal competitive methods. A written determination of the basis for the emergency and for the selection of the particular contractor will be included in the contract file.
2. Public Notice for Competitive Bids

All procurements greater than \$10,000 (except emergency procurements or other authorized exceptions) must be advertised publicly. The contracting officer will determine the method of source selection and public notice to be given for each procurement to ensure competition that should produce the least cost for the procurement, using any or all of the methods outlined in Section 512 of the Commonwealth Procurement Code, except that a general notice must be given in addition to issuance of invitation for bids to bidders on a solicitation mailing list, or when utilizing the pre-qualification method.

The contracting officer will consider the principles of responsiveness, accountability, fairness, and openness in determining the type of public notice given for each procurement.

[Current Bid Opportunities](#)

## **5.3 General Procurement Practices**

The Purchasing Department will continually update its master vendor file in an attempt to maintain a reasonable number of potential bidders for all commodities and services utilized by the University.

Advertising of general University needs and specific major procurements will be utilized where appropriate to achieve an adequate pool of potential bidders. The cost of advertising and any corresponding procurement delays will be weighed against the benefits on a case-by-case basis.

Minority and Women Business Enterprises (MBE/WB) will be sought to be suppliers of goods and services.

### **5.3.1. Purchase Orders**

After a department enters an on-line requisition, the Purchasing Department prepares and issues a purchase order.

The purchase order is the normal instrument by which goods are procured to fill requirement. It is the seller's authority to ship and invoice for the goods specified on the order. It is a legal instrument which expresses the buyer's part of a contract of sale. The Purchasing department will process all requisitions entered by authorized department personnel.

### **5.3.2. Honoraria and Consultant Services**

This policy covers all requests to contract with outside individuals or firms for consultant services or honoraria.

To ensure that honorarium and consultant services are procured in accordance with PASSHE policies and that satisfactory and legally acceptable contracts are entered into prior to performance of work.

The requesting department must allow sufficient time for processing honoraria/consulting services through the Purchasing Department. An on-line requisition under \$1,500 should be entered at least three weeks prior to the lecture/consulting services. An on-line requisition in the amount of \$1,500 and over should be entered at least 6 – 8 weeks prior to the lecture/consulting services. Payment to the lecture/consulting services cannot be guaranteed unless these advanced notice guidelines are followed.

1. Obtain the following information:
  - a. If payment is to be made directly to an individual; full name, home address, home phone number, social security number, place of employment, date of lecture/consulting service, brief description, and University contact, business name, address, phone number and fax number.
  - b. If payment is to be made to an agency/company: Provide their business name, address, phone and fax numbers, a copy of their contract (if applicable), date of service, brief description, and University contact. (DO NOT SIGN THE CONTRACT – ONLY THE VICE PRESIDENT FOR FINANCE HAS SIGNATORY AUTHORITY).
2. The requesting department is responsible for verifying that there are sufficient funds available to pay for the requested services.
3. If applicable, forward a copy of the agency's/company's contract to the Purchasing Department, showing the requisition number on any documentation.

4. After the requisition has been approved and posted, Purchasing staff will transfer the requisition to either a Purchase Order (under \$1,500) or Service Purchase Contract (\$1,500 and over).
5. A Purchase Order is sent to the individual in order to verify honorarium/consultant information if the total amount is less than \$1,500. No signature is required but the P.O. gives the individual permission to provide the requested services. If request is entered in a timely manner and the check is ready before the event, the Accounts Payable department will send the check to the named contact person in the requesting department who will be able to present the check to the lecturer/consultant. If the request is not entered into the University's on-line system in a timely manner, the check will be mailed directly to the individual/agency.
6. If the total amount exceeds \$1,500, a Service Purchase Contract (SPC) is sent to the individual/company for signature. If there is an agency/company contract, it is incorporated into the SPC as an attachment. The PC must be returned to Purchasing. Appropriate University signatories then sign and the SPC are forwarded to Legal Counsel for approvals. A fully executed contract is sent to the individual/company to give them permission to proceed with the services. Accounts Payable will send an individual's honorarium check to the department contact prior to the lecture. If an agency is involved, their invoice will be paid following the lecture. All consulting services (both individual and company) will be paid following completion of services.
7. Travel expenses can be processed for individuals in one of two ways:
  - a. They can be incorporated into the honorarium/consultant total based on an estimate of expenses.
  - b. They can also be paid separately. However, a travel approval request must be completed for the individual and he/she would be responsible for submitting applicable receipts at the time of the service. Note: if the lecturer/consultant is paid through an agency/company, the expenses are always submitted on a separate invoice issued by the agency/company after the services have been provided. It is important to negotiate travel costs prior to the service so the department can assure adequate funding will be available.
8. Purchasing must be notified in writing, either by fax or email if a lecture/consultant service is cancelled. If a check has already been issued, contact Account Payable as soon as possible to cancel the check.
  - a. The fax number for this notification is x2000.
  - b. [Darlene.Cassidy@millersville.edu](mailto:Darlene.Cassidy@millersville.edu), [Joan.Eby@millersville.edu](mailto:Joan.Eby@millersville.edu), or [Anna.Stauffer@millersville.edu](mailto:Anna.Stauffer@millersville.edu)

### 5.3.3. Vendor Approval Process

It is required that any new vendor be submitted to Purchasing for approval. Purchasing will approve the vendor and return an ID number to you. New vendor information in the document text will not be accepted and the requisition will be returned disapproved. Exceptions will be made only when an appropriate vendor is not known, or when items are subject to bidding.

Before you begin entering your requisition check your budget balance. Look up your SAP Vendor ID using Transaction ZM08 in the SAP system. If you do not find the vendor ID in

this list, please complete the Request for SAP Vendor ID which can be found under Forms. Please save this form to your desktop.

#### 5.3.4. Unauthorized Purchases

Any purchases made by departments without prior approval from the Purchasing Department are considered "unauthorized purchases". The University does not assume responsibility for these commitments. Department use of the University Direct Payment Form (DP), Procurement Card and Petty Cash procedures are exceptions to this and are considered authorized purchases in accordance with the guidelines set forth for the use of each of those mentioned.

#### 5.3.5. Accounts Payable

[Direct Payment Request](#) forms are used to purchase goods and supplies costing more than \$50 and less than \$500. These forms are also used to reimburse University employees for items purchased under \$500.00

1. **Small repetitive orders** should be increased in quantity and decreased in frequency of ordering so as to take advantage of lower prices for greater quantities and to reduce the administrative handling and high overhead cost when ordering frequently.

The following are procedures for sending invoices, air bills, etc. to Accounts Payable Department in the Accounting Department.

2. **Credit Card (P-card) Invoices**  
Department P-cards should be used for all purchases of supplies, subscriptions and memberships up to the established transaction limits of the card. P-cards should not be used for services or travel expenses. Attach original receipts to monthly statements which have had the coding entered and approved. **All statements are due in Accounts Payable in the Accounting Department by the 15th of the month.**
3. **Direct Payment Request Form**  
When a P-card is not accepted by a vendor, the Direct Payment Request Form is a procurement method designed to handle small dollar purchases as well as other items which do not require a Purchase Order. The use of the Direct Payment Request Form will expedite the procurement of goods by departments and eliminate the need to enter such items into the on-line purchasing system. Vendor and descriptive information regarding items procured using this method may be tracked within the SAP system using the Direct Payment invoice number.

Specific instructions for use of the Direct Payment Request Form are included on the back of the form itself (a copy of the form and instruction follow this page).

In all situations where the Direct Payment Request Form is utilized to pay a vendor or reimburse an employee, the department head or financial manager must sign and approve the form before it is submitted to Purchasing for payment. Any additional internal approval should also be obtained prior to submission. An original invoice or receipt must accompany the Direct Payment Request Form. Remember, for supply orders, when you send this documentation

for payment, it indicates that you have received your items and have checked that all is in good working condition.

*NOTE: The dollar amount is limited to \$500 EXCEPT for memberships and subscriptions.*

This form is **not** to be used for travel reimbursement, services, honoraria, consultants, or any goods and supplies over \$500.00.

The Department should place the order directly with the vendor.

If the vendor requires a Purchase Order number give them the DP number.

The goods and supplies should be shipped directly to the Department.

The Department should receive the invoice from the company.

The invoice and completed Direct Payment Request Form should be sent to Accounts Payable in the Accounting Department for payment to the vendor.

6. Collaborative efforts with other universities and public agencies will be undertaken to achieve maximum value.
7. The number of bidders solicited for a specific procurement need will be determined by the Purchasing Department based on dollar value, past experience with the particular commodity or service and the procurement manual requirements.
8. Vendors may be removed from the active bidders list for a particular commodity based on historical bidding results or past performance.
9. Where beneficial to the University, the Purchasing Department may develop a pre-certified bidders' list for particular commodities or services. The contracting officer will determine the pre-qualifications of prospective bidders for particular types of supplies, services, and construction wherever a pre-qualification list is used for the procurement action.
10. In no case will items be bought in series in order to avoid the dollar ceiling for competitive bidding. This is commonly known as "pyramiding".
11. Withdrawals of erroneous bids will be permitted as provided in Section 512 of the Commonwealth Procurement Code, provided notice of request for relief is made in writing within two business days after opening the bids.
12. When a contracting officer intends to award a sole-source procurement (as defined in Section 515 of the Commonwealth Procurement Code) above \$10,000, or intends to make an emergency procurement as defined in Section 516, a copy of the written determination will be forwarded to University legal counsel for review prior to award of contract.
13. The contracting officer will determine bonding requirements for procurements to ensure appropriate risk coverage consistent with the Commonwealth Procurement Code and System policy.
14. Service contracts for honoraria, consultants, equipment maintenance, rentals etc. of \$1,500 or more must be reviewed and signed by University legal counsel before any services can be performed by the contractor.

## 5.4 General Information

### 5.4.1. Pre-Planning for Department Needs

It is critical to plan well in advance of the department's needs and enter requisitions so as to allow bidding to be done (when applicable), a purchase order issued and allowed the vendor time to secure delivery from their suppliers and ship to the University. Departments should monitor requisitions that have been entered and are pending action for prolonged periods. These requisitions should be cancelled to free up budget monies and keep only those documents that are current and are to be processed by Purchasing.

### 5.4.2. Use of Public Funds for Various Expenditures

This policy will be used by the University Purchasing Office as it audits purchase orders and claims for payment. It is important to establish what is meant by public funds. Public funds are those dollars that are spend from normal University departmental accounts (Cost centers). These dollars are products of public taxes, student fees and University revenues and as a result must be used with great care. Funds from grants or contracts with the Federal or State Government are considered Public Funds. As a general rule, public funds may be used for necessary costs involved in carrying out the University's programs. The following will clarify types of expenditures that may be of particular concern.

**Holiday Receptions** – Public funds may be used for all costs (other than the cost of alcoholic beverages) involved in the President's official holiday receptions. Public funds may not be used to pay for other Faculty and Staff parties held at either on or off-campus sites.

**Food** – Food may be purchased to carry out an official University purpose. Normally, meals for University employees are their own personal responsibility. However, in certain limited circumstances, meals may be provided for University staff. Generally, food costs may be reimbursed for official meetings involving outside guests only. The connection with University business must be very carefully drawn on the travel voucher, and the expenditure must have prior approval of the Dean in the academic areas and in the non-academic areas by a Vice President. The University has issued a policy statement regarding all catered food services on campus. See Campus Food Services on Campus Policy. For on-campus luncheon meetings not involving outside guests, food may be purchased through Dining Services with public funds with the prior written approval of the appropriate Vice President. The same pre-approval form described above should be used. **Luncheon meetings in an off-campus restaurant involving only University employees are not reimbursable.** Employees who are expected to work closely with students may be reimbursed for their expenses involved in attending formal student dinners. Also, employees who as a part of their official duties must attending community lunches or dinners may be reimbursed for the costs of attending. However, the expense for a spouse or personal guests may not be reimbursed.

**Donated funds** – Donated funds must be used in accordance with the expressed wishes of the donor. If the use is not designated, unrestricted donated funds may be used for any purpose that advances University programs. However, donated funds may be used for political purposes. It must be emphasized that only those expenses that are absolutely necessary for the public function may be reimbursed.

### 5.4.3. Purchases Prohibited by University Policy

**Flowers, Gifts, or Seasonal Decorations** – Normally the purchase of flowers or seasonal decorations may not be purchased from public funds. There are some exceptions, for example, purchase of flowers for the decoration of the stage at commencement or for other major public functions. However, flower arrangements, holiday cards, expensive desk accessories, briefcases, or to fund of acknowledge personal celebrations of the faculty or staff (sickness, birthdays, deaths, retirement functions and/or gifts, etc.) or other similar items is prohibited. Such items are considered personal items.

**Coffee** – Coffee itself, coffee makers and coffee services are general personal expenses and not chargeable to public funds. However, coffee may be purchased from public funds for large events or large meetings involving either guests from outside the campus or a cross section of the campus community.

**Water** – Bottled water is considered a personal expense and not chargeable to public funds.

**Microwave ovens and refrigerators** – The University does not provide these appliances for normal office settings. Depending on the circumstances, a refrigerator or microwave oven may be purchased for a public lunch area in a large building. A public lunch area is an area open to all employees.

**Alcoholic beverages** – Under no circumstances may alcoholic beverages be purchased with public funds. Any questions concerning this policy should be directed to the Director of Purchasing at extension 3015.

### 5.4.4. Gifts and Gratuities

All University personnel will refrain from accepting any gifts, gratuities, or entertainment from vendors doing business with the University or wishing to do business with the University. A bigger discount should be applied against the order instead of a gift offer.

### 5.4.5. Small Dollar Purchases

Departments have an efficient method of transacting small dollar purchases through the use of University credit cards (P-cards). This process allows purchases to be made under \$500 as well as other items that do not require a purchase order. In certain limited circumstances a [Direct Payment Request](#) (DP) may be used.

### 5.4.6. Petty Cash Procedures

University departments are permitted to purchase goods and supplies up to a maximum of \$50. Purchases of this type are permitted in accordance with Information Circular 89-1, dated March 9, 1989. There is a \$50 limit per receipt.

1. A department member authorized to make petty cash purchases should purchase and pay for the needed items. Since the University is a Commonwealth entity, payment should be exclusive of PA Sales Tax where possible.
2. A receipt must be obtained for items purchases. Receipts should be as detailed as possible. If not already provided, a description of the items(s) purchased should be written on the receipt.
3. The purchaser should submit a [Petty Cash Request Form](#) along with the original receipt.

4. The Petty Cash Request should be signed by the department head or financial manager and then taken to the Purchasing Department in Dilworth, which will verify that the appropriate information is recorded on the form.
5. In certain circumstances petty cash may also be used for limited expenses (tolls).
6. 5.4.7.6 Petty cash may not be used for:
  - a. Gifts, prizes, flowers, alcohol
  - b. Food (lunch for faculty and staff)

#### **5.4.7. Procurement Procedure for Copiers**

Contact our Ricoh representative, Keith Duckworth, at 240-491-3931 and arrange for him to come by and assess your needs. We HIGHLY recommend you consider a multi function device: printer, fax, scanner, copier.

### **5.5 Conflict of Interest**

The State Adverse Interest Law, 71 P.S., §776.1 et seq., prohibits employees from being parties to contracts with their employing agencies. Therefore, it is not possible for the University to purchase items from employees, to sell items to employees, to pay a use fee to an employee (e.g., rental fee for use of equipment), or to enter into any other contract or arrangement with an employee. Purchases by the University of any goods, supplies, etc., from a vendor where a University employee has an active interest, holding, etc. are prohibited.

The University is prohibited from purchasing insurance for any reasons.

### **5.6 Receipt of Goods and Payments**

#### **5.6.1. Incorrect or Damaged Items**

Refer to the "Reference Manual for Requesting Services from the Inventory/Materials Control Department, July 1999).

All shipments of goods should be checked immediately upon receipt to verify whether the correct item(s) has been shipped and to determine whether the goods are damaged and/or operate properly. All problem situations should be reported in detail to the University Receiving Department. Returns to vendors should be forwarded to the storeroom for shipping. A Return Material Authorization (RMA) should be supplied with the original packing so the storeroom can expedite the shipment. Call Rob Brown x3278 for assistance. Purchase order number and vendor name should be among the details furnished to the Receiving Department. Containers, packaging materials, boxes, etc., should be kept for any item that may need to be returned. Failure to do so may lessen the university's claim.

Acceptance of a return by the vendor is by no means automatic and a restocking charge may be incurred. This charge, along with freight charge, would be assessed to the requisitioning department.

#### **5.6.2. Expediting / Order Status**

Departments should communicate with the vendor directly for the purpose of checking on the status and/or delivery of goods and and/or equipment. When doing so provide the vendor with the university purchase order number to facilitate answering your questions. Departments shall not attempt to make changes of any type to a purchase order except

through the University's Purchasing Department. Such changes shall be sent to Purchasing in written form.

### **5.6.3. Special Procurement Items**

All requests for air conditioners, carpet, blinds, draperies, etc. that are building associated shall be approved by the Director of Physical Plant. Construction, renovation, etc shall be requested and approved directly through the Physical Plant office.

### **5.6.4. Payment of Invoices**

The University has a responsibility to its vendors to pay invoices promptly for goods and services received. Vendors are instructed on the purchase order to submit their invoices to the Accounts Payable area in Purchasing. Invoices or any receiving documents that are provided by the vendor to a University person who personally picks up an item(s) shall submit such paper work immediately to Accounts Payable. The person's signature, date, and "Received" shall be placed on the paper work to certify the goods have been received. Departments using the Direct Payment Request Form (DP) should advise vendors to forward the appropriate invoice to them.

### **5.6.5. Report of Lost, Stolen, and Damaged Property**

It will be the department's responsibility to submit a report of lost, stolen, or damaged property to the Director of Purchasing immediately after discovering the incident. Reporting should include the capital asset, tag number(s) of any equipment, cost, description and all details associated with the item and the loss. The departments Capital Asset Inventory (CAI) listing will aid in completing this chore. A current listing is available through the Palmer Receiving department personnel. Purchasing will confirm whether insurance will cover any of the losses or damage. In theft situations there is a \$5,000 deductible for each occurrence. Therefore only the value about that amount is potentially reimbursable.

## **5.7 Trade-In of Equipment and Surplus Equipment**

Departments may declare equipment surplus. Any equipment that is declared surplus can be used as a trade-in against the purchase of similar equipment. This is an efficient way of getting rid of excess equipment. Any trade-in value would be deducted from the purchase of any new equipment. To accomplish this the department should enter the appropriate description on an on-line requisition including brand, model number and MU tag number of the item to be traded. This would be entered in line item text under the description of the item that is being ordered to replace the existing equipment. After invoice for the new equipment is paid the surplused equipment will be removed from the department's capital asset inventory.

### **5.7.1. Surplus Procedures (see Store Procedures)**

Departments may declare items surplus that are no longer serviceable, obsolete, no longer needed, etc. by completing a [Request for Moving Furniture or Equipment form](#) and forwarding it to Purchasing. These items will normally be offered to other campus departments before being offered for sale to the public. These items will normally be sold direct from the location in the department where the equipment is stored so as to eliminate excess handling. All surplus items will be handled by the Purchasing Department and disposed of through a bid process. Only the University Purchasing Department has the authority to dispose of University property. Surplus items can not be donated or given to

another organization or individual nor can University employees bid on or purchase University surplus property.

## **5.8 Training**

Group training sessions that provide a hands-on learning approach are provided by the Purchasing staff. Generally these are held three times a year. One-on-one training can be scheduled by emailing [purchasing@millersville.edu](mailto:purchasing@millersville.edu).

## **5.9 Prepayment / COD**

It is not the general policy of the University to pay for goods, services, etc, until those goods or services have been received. Memberships and subscriptions are exceptions to this rule and will generally be prepaid after receipt of invoice/renewal notice from the department attached to the [Direct Payment Request Form](#).

COD deliveries will not be accepted by the University and should not be requested.

## **5.10 Maintenance / Service Repairs on Department Equipment**

When a department formally requests maintenance and/or service for equipment, Purchasing will prepare a contract (normally for a one-year period). This contract will specify the terms and conditions as well as the contract period. Normally a copy of the contract is provided to the department to provide the specifics and limitations of the agreement. In some cases a letter of instructions is provided to the department with the appropriate instructions for how to handle a need for repairs. In these situations, departments can call the vendor directly. However, service is limited by the terms of the contract.

Occasional service may be required for equipment not covered by a maintenance agreement (contract) and the repairs will need to be made "off" campus. In these situations a requisition should be entered on-line so that a purchase order can be prepared by Purchasing. Enter the manufacturers name, model #, serial #, problem where equipment is located. If there is an urgent need to have repairs made immediately, contact Purchasing after the requisition has been entered. These arrangements must be made with Purchasing. The Purchasing Office will generate a purchase order, send the vendor copy to Receiving who will pick up the equipment from the department and ship the equipment, to be repaired, along with the purchase order.