



Marshall University Purchasing Basics Training

Updated 2/7/23



Overview



- ▶ The Marshall University Office of Purchasing maintains a central purchasing office that assists faculty and staff with acquiring goods and services. One person will be assigned to your department to give you the best possible service.
- ▶ PURPOSE:
 - ▶ Purchasing exists to serve you, our customer. Our primary goal is to buy what you need as quickly and efficiently as we can at the best price from a responsible vendor. Very simply, we are here to help you get what you want for your department. Additionally, the office is the liaison between the University and Vendor communities.



Authority to Purchase and Obligate Funds

- ▶ The University's procurement officers, and CPO delegated designees are the only individuals authorized to effect and sign non-credit card and non-essential service purchases and agreements or contracts for Marshall University. Faculty and staff outside of Purchasing may not obligate University funds, regardless of source. The Attorney General, the Audit Division, and the Department of Finance and Administration only accept purchasing documents signed by procurement officers. Only University procurement officers or designees may issue confirming orders to vendors.



WV FOIA (Freedom of Information Act)

W.Va Code 29B-1-3(4)

- ▶ Public records are available to every person for inspection or copying when a request has been made to the custodian and when they are not specifically exempted from disclosure.
- ▶ The following are examples of documents that may be requested in a FOIA request:
 - ▶ Purchase Orders
 - ▶ Bid Documents
 - ▶ Bids Submitted
 - ▶ Bid evaluations
 - ▶ Emails
 - ▶ Contracts and Agreements
 - ▶ Etc.



Purchasing Decision Path

1. Determination of Need
2. Can this be purchased on a department P-card
3. Check availability through contracts:
4. Once you have determined if there is a contract or not, you will decide which type of purchase to utilize.
5. Review the bid thresholds to determine bid requirements.
6. If needed, solicit bids or advertise the sole/single source determination
7. Obtain the required documentation
8. Submit Banner document (requisition or encumbrance) for review
9. Contract/Purchase Management



Purchasing Decision Path Step 1: Determination of Need

- Needs vs. Wants
- Determining which vendors can provide services or goods.
 - If we request quotes or publish for bidding, purchasing will need three vendors to provide the service or good.
- Request for Information (RFI): If you need assistance determining the needs or vendors available for a purchase, an (RFI) can be conducted by the purchasing office.
 - RFI provides questions about a good or service from potential vendors
 - Estimated pricing can be provided
 - A PO or contract CAN'T be awarded from and RFI.
- Vendor Registration: To issue a PO or contract to a vendor, they must be registered in both Banner and WVOasis. If a vendor is new or their registration needs to be changed, we need a signed W-9 form.



Purchasing Decision Path Step 2: Department P-Card

- ▶ This slide provides a summary of Departmental P-card acceptable use. For the full MU P-card training, please reach out to the P-card department.
- ▶ The department P-card limits are typically \$2,000 per transaction.
- ▶ Below are examples of items that can't be purchased on a P-card. A full list can be found in the P-card Manual.
 - ▶ Any purchase with vendor terms and conditions
 - ▶ Labor
 - ▶ Appliances
 - ▶ Membership Dues
 - ▶ Software over \$5,000 or with T&Cs
 - ▶ Hardware
 - ▶ Gifts, party supplies, or other expenses related to employee parties
 - ▶ Personal charges



Purchasing Decision Path Step 3

Contract Availability

- ▶ When purchasing from a contract, you do not need to solicit bids. Below are the contract options available:
- ▶ MU Contracts ([Contracts Updated - Office of Purchasing \(marshall.edu\)](#))
 - ▶ The Purchasing Office bids and maintains open-end contracts for commonly purchased services and goods.
 - ▶ These contracts help streamline the purchasing process and help save money.
- ▶ Statewide Contracts ([WV Statewide Contract Index](#))
 - ▶ The State of WV Purchasing Office bids statewide contracts. They are available to Marshall University but are not mandatory.
- ▶ Cooperative Agreements
 - ▶ Cooperative Agreements are bid by outside organizations and available for multiple state agencies, non-profits, and companies. Commonly used cooperative agreements can be found on the MU Purchasing website. If you would like to use an agreement not listed, it can be sent to purchasing for approval.



Purchasing Decision Path Step 4

Types of Purchases (slide 1 of 3)

- **Single Use Purchase**: The purchase order will be issued for a set amount. Once the service or good is provided, the invoice will be paid, and the PO will be closed.
- **Open-End Purchase**: The purchase order is issued for an estimated amount and will be used multiple times.
 - These are typically used for services.
 - Require an agreement or contract with set pricing to cover the term of the PO.
 - Usually reference an existing contract.
 - Typically issued for the Fiscal year but can be set to different time frames.



Purchasing Decision Path Step 4

Types of Purchases (slide 2 of 3)

- ▶ **Single or Sole Source Purchases**: When a purchase is over \$25,000 and is only available from one source, an order can be placed without competitive bids with an approved Single/Sole Form.
- ▶ The approval form must list the specifications that another vendor would need to meet to provide the good or service.
- ▶ A requirement for a particular proprietary item does not justify sole source procurement if there is more than one potential seller.
- ▶ A Single Source purchase is when circumstances necessitate a specific vendor. Examples include:
 - ▶ Compatibility of equipment, accessories, or replacement parts.
 - ▶ Trial use or Testing
 - ▶ Resale items
 - ▶ Public Utilities
 - ▶ Requirements set by a Grant or contract
- ▶ A Sole Source purchase is where only one vendor can provide the product or service.



Purchasing Decision Path Step 4

Types of Purchases (slide 3 of 3)

- ▶ **Emergency Purchases** may be made where there is a threat to public health, welfare, or safety (IE: floods, epidemics, equipment failure, etc.)
- ▶ A written letter/email must be sent to the CPO for approval. The letter must include:
 - ▶ A detailed description of the emergency
 - ▶ What is needed to resolve the emergency
- ▶ Emergency purchases do not need to be bid.
- ▶ Emergency purchases are limited to goods and services necessary to meet the emergency.
- ▶ Approval of the emergency must be provided with the requisition documents.

Purchasing Decision Path Step 5

Bid Thresholds

- If the purchase isn't exempt from bidding, you will need to determine the bidding requirements for your purchase.

Amount of Item:	Bid Requirements
Goods/Services less than \$25,000	Bidding is not required.
Goods/Services between \$25,000 and \$50,000	3 quotes required, winning vendor must sign quote
Goods/Services over \$50,000	Written specifications and formal public bid
Construction: \$50,000 - \$100,000	3 quotes required, winning vendor must sign quote
Construction: over \$100,000	Written specifications and formal public bid
Architectural/Engineering Services: less than \$625,000	3 quotes required, winning vendor must sign quote
Architectural/Engineering Services: over \$625,000	Written specifications and Expression of Interest
Any purchase over \$1,000,000	Requires Board of Governors' approval



Purchasing Decision Path Step 6

Bidding/Advertising Requirements

- ▶ For purchases that require 3 quotes: These must be in writing and can be obtained via email.
- ▶ If a public bid/advertising is required, you will determine the type of bid to conduct from the following options.
 - ▶ Request for Quote (RFQ): Award is made to the lowest bidder, meeting all specifications/bid requirements. Most common bid type.
 - ▶ Request for Proposal (RFP): Award is made to the highest scoring bidder, meeting all specifications/bid requirements. Split into Technical and Cost proposals
 - ▶ Expression of Interest (EOI): Awarded based on the highest-scoring technical proposal. These are only used for Architectural and Engineering services.
 - ▶ Single/Sole Source Advertisements: All approved single/sole source purchases are publicly advertised to determine if another vendor can meet the requirements set in the justification form.



Purchasing Decision Path Step 6 Bidding/Advertising Requirements

- The department is responsible for typing the bid specifications and pricing requirements.
- The Purchasing Department will work with the department to complete the Instructions to Bidders form and the Terms and Conditions form.
- Once the bid packet has been reviewed and approved by Purchasing and the Department, the purchasing office will post the bid in the newspaper, on the Bonfire website, on the purchasing website, and will email/mail copies to potential bidders.
- After bids/proposals are received, the evaluation group will review bids and award based on the bid type.



Purchasing Decision Path Step 6

Bidding/Advertising Notes

- ▶ Blackout Period: Once a bid is posted it is in a black out period. During the blackout period only Purchasing can discuss the bid with potential bidders.
 - ▶ All questions must be sent to the Purchasing office in writing.
 - ▶ Purchasing will send questions to the department for clarification.
 - ▶ Discussing the bid with a bidder during the blackout period will result in the bid being cancelled.
- ▶ No bids received: If no bids are received, Purchasing and the Department should contact potential bidders to determine the reason(s) they choose not to bid. The requirements should be revised to encourage bids.
 - ▶ Not receiving bids is not a justification for a sole/single source award.



Purchasing Decision Path Step 7

Document Requirements from Dept.

- Quote: Required for all purchase orders. If the quote is over \$25,000 the vendor must sign the quote.
- W-9: This form must be signed. Purchasing uses this form to verify that a vendor is properly registered, and their information is up-to-date.
- BOG-48: Required for professional services provided by a company, not including repairs, when a vendor doesn't have their own contract or terms.
- BOG-48HR: Required for professional services provided by an individual when a vendor doesn't have their own contract or terms.
- Hospitality Form: Any time hospitality purchases are made this form is required, along with a list of attendees.
- Non-Compliance Memo: Required for any purchase that is not in compliance with the Purchasing Policy.
- Vendor Terms and Conditions: We need a copy of all linked or referenced terms and conditions from the vendor.



Purchasing Decision Path Step 7

Document Requirements from Purchasing

- ▶ MU Terms and Conditions or WV-96: Depending on the purchase type, Purchasing will contact the vendor to sign our T&C's or WV-96
 - ▶ The WV-96 is utilized when a vendor has their own terms listed on the quote.
- ▶ Certificate of Insurance: Anytime labor is performed on-site we need a copy of the vendor's COI.
- ▶ WV Contractors License: Anytime labor is performed on-site we need a copy of the vendor's contractor license.
- ▶ WVOASIS Vendor Registration Print-out: All purchase orders require that the vendor is registered in WVOASIS. Purchasing will print out verification to attach to the PO.
- ▶ Contracts: Purchasing will include a copy of the contract utilized with a PO, when required.



Purchasing Decision Path Step 7 Specialty Documents

- Emergency Approval: All emergency purchases require a copy of the CPO emergency approval in writing.
- Sole/Single Source Approval
- IT Approval: All software and hardware purchases require IT approval in writing
- Additional Quotes: For purchases requiring 3 quotes or a public bid, we must have all additional quotes with the purchase order folder.
- Renewal Letters: The Purchasing office will request renewal letters from the vendors. For department specific agreements, please let us know before the agreement expires if you would like to renew. The letter must contain the renewal start and end date, the cost, and the vendor's signature.



Purchasing Decision Path Step 8

Banner Entry – Encumbrance Vs. Requisition

- Encumbrance: Limited use transactions (ex: Internal Department to Department payment for services, one day only speaking engagements, memberships or association dues, single use transactions without terms and conditions, etc.)
- Requisition: Covers broad range of transactions (any purchase with terms and conditions, Bids/Public Offerings, Construction, and Renovations projects, on-site labor, etc.)



Purchasing Decision Path Step 8

Banner Entry – Information needed

- Complete Instructions for entering a requisition/encumbrance in Banner can be requested from the Purchasing Office.
- To create a Banner document, you will need the following information:
 - Fund/Org/Account Code: these can be provided by the Budget office.
 - Vendor name
 - Chart of Accounts: 1 for state funds, 2 for MURC
 - Cost information: a line should be entered for each line on the quote
 - Documents noted in step 7
- Completed Banner documents will route for approval.
- Once approved Purchasing will complete the Purchase order (requisitions)



Purchasing Decision Path Step 9 Contract/Purchase Management

- ▶ Once the purchase order is completed, the department should ensure that the vendor provides the requested goods/services.
- ▶ If there is an issue with the goods/services, the Purchasing Office can assist with resolving the issue with the vendor. The following resolutions are available:
 - ▶ Replacement items or refund
 - ▶ Service repairs/corrections
 - ▶ Cancel order or contract
- ▶ Change Order: If a change order is needed, please email the updated quote to the purchasing office.



Invoices



- ▶ Once the department has certified (signed, and dated) the invoice, it must be sent to the Accounts Payable Department.
- ▶ If you have the original paper invoice, please send the original.
- ▶ If it was sent to you electronically, you can email the invoice to them.
- ▶ Before approving an invoice for payment, please ensure the following:
 - ▶ The good or service has already been provided
 - ▶ The invoice matched the quote and is only for requested items
 - ▶ If a change order was needed, that it has been completed



Non-Compliant Purchases

- All non-compliant purchases require a non-compliance memo. The memo must be signed by the Department Head, the CPO, and the CFO.
- Common non-compliant Purchases:
 - After the fact: Any time a good or service is provided before the PO is completed, the purchase is considered after the fact. Only the Purchasing office can commit to purchases.
 - Stringing: Splitting purchases to try to avoid meeting the bid thresholds. Bid thresholds are based on annual spend with a vendor or on a specific good/service.



Terms and Conditions To be Aware of:

- ▶ Payment Terms: Payment is made after of the good or service are provided.
 - ▶ If the vendor requires payment before this, special approval is required from the Accounts Payable department and the State Auditors office.
- ▶ Auto-Renewal: State policy doesn't allow us to auto-renew contracts, this term must be removed from vendor agreements.
- ▶ Cancellation fees or Liquidated Damages: State policy doesn't allow us to pay either of these fees and they should be removed.
- ▶ Taxes: As a state agency, we are tax exempt. Vendors should be provided without quotes. A tax-exempt certificate can be provided by the Purchasing office.
- ▶ Delivery FOB Destination: MU takes ownership once the goods are delivered, the vendor has ownership while in transit.
- ▶ All of these terms are noted in our terms and conditions, and the WV-96.



Purchasing Website

- [Office of Purchasing - Office of Purchasing \(marshall.edu\)](http://marshall.edu/purchasing)
- Information available on website:
 - Staff Responsibilities
 - Contract links
 - Policies and Procedures
 - Vendor Resources
 - Forms
 - Current Bids

Specialty Purchases

Item:	Notify/Approving Department:
Advertising/Marketing/Promotional Items	Communications Department
Any document with terms and conditions	Office of Purchasing
Construction/Renovation/Architectural	Facilities and Planning, Office of Purchasing, Physical Plant
Computers/Software/IT related items	Information Technology Department & Office of Purchasing
Contracts/Agreements	Office of Purchasing
Copiers/Fax Machines/Printing Services	Office of Purchasing
Donated Equipment	MU Foundation
Emergency Items	Office of Purchasing
Federally Regulated Substances	Office of Purchasing & Environmental Health/Safety
Hospitality & Food Service	If not using Sodexo, Senior VP of Operations
Installation Furniture/Equipment	Coordinate with Physical Plant
Leased Equipment or other instruments over \$1 million	MU Board of Governors & Office of Purchasing
Marshall Employee providing services to University	Human Resources
Multi-year Financial Obligations	Budget Office and Office of Purchasing
Speakers/Honorarium	Human Resources via BOG48HR
Yearly Property Rentals	Senior VP of Operations



Questions?

Send all questions to Purchasing@marshall.edu or
to your assigned Purchasing Agent.