

UMCES Policy VIII-3.00

UMCES Policies

VIII-3.00-UMCES Procurement Policy

Approved by the UMCES Administrative Council 08/03/2005

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All University of Maryland Center for Environmental Science (UMCES) units shall follow the USM Procurement Policies and Procedures (VIII-3.00) and the University of Maryland (UMCP) Procurement Policies (VIII-3.10A, VIII-3.10B).

I. PURPOSE

The purpose of this policy is to establish guidelines for the procurement of goods and services. All UMCES units shall use the procurement services of the University of Maryland (UMCP).

II. DEFINITIONS

Senior Management refers to the President, Vice Presidents, Unit Directors, Comptroller, Associate/Assistant Directors, or their equivalent.

III. PROCUREMENT METHODS

Set forth below are the generally accepted methods of procurement, which may be adjusted from time to time in the best interest of UMCES, the USM, and/or UMCP to reflect current business practices. UMCP has established procedures for use of these procurement methods, consistent with the USM Procurement Policies and Procedures, which will be followed by UMCES. The UMCP Procurement Procedures are available at www.president.umd.edu/policies/vii310a.html.

A. Small Procurement:

1. The preferred method of purchase for Small Procurements (under \$5,000) is the purchasing card (VISA). The Purchasing Card (also known as "pcard") is UMCES's primary tool for purchases up to \$5,000. Individual cardholders have single purchase and monthly credit limits based on their expected usage. Cardholders and their limits are determined by senior management or their designees (primarily the Vice President for Administration, Unit Directors, and Associate/Assistant Directors).

The Purchasing Card is to be used to purchase goods and services required for daily operations. Purchases from Master Contracts may be made up to \$5,000 with the Purchasing Card. The use of these cards will:

- * Expedite the ordering and delivery of goods and services
- * Eliminate the need for issuing requisitions and processing invoices
- * Provide significant savings in the cost of the procurement/payment process
- * Allow the user to have direct contact with suppliers
- * Simplify purchasing

2. The Delegated Small Procurement Order allows for the purchase of authorized goods and services up to \$5,000 when the purchasing card cannot be used. Small Procurement Orders

are input and approved via the UMCP Electronic Forms (ELF) System. Only authorized ELF users can input Small Procurement Orders. Please note that the Delegated Small Procurement Order is NOT to be used in conjunction with Master Contracts. Small Procurement Order access via ELF is determined by senior management or their designees (primarily the Vice President for Administration, Unit Directors, and Associate/Assistant Directors).

All Purchasing card applications must be approved by the Comptroller's Office. All changes to card limits must be approved by the Comptroller's Office. Any Purchasing cards for which maintenance forms are sent directly to UMCP without the approval of the Comptroller's Office will be subject to immediate cancellation.

A review will be performed by the Comptroller's Office every six months to check for inactive Purchasing cards. Those inactive for six months or longer must have justification as to why the card is still needed. Those inactive for twelve months or longer will be deactivated as required by State of Maryland policy. Deactivated cards must be forwarded to the Comptroller's Office for destruction.

3. Neither the Purchasing Card nor the Delegated Small Procurement Order should be used for food (except for catering or food provided for business meetings), amusement, or recreation. The Travel Card Program should be used for travel related charges; however, the Delegated Small Procurement Order can be used for travel agency transactions if the agency does not accept the Travel Card.

4. Purchases of certain categories of goods and services are restricted by State law, regulations or policy so that they may not be purchased with purchasing cards or delegated procurement orders.

They are:

- a. Purchases requiring the signing of vendor's agreements, contracts, or other vendor documents;
 - b. Alcoholic beverages, gifts, flowers, or other expressions of sentiment;
 - c. Alterations to UMCP buildings, building equipment, or building systems;
 - d. Two-way radios;
 - e. Office furniture other than from State Use Industries (unless State Use Industries does not have the required item or cannot supply it in a timely manner);
 - f. Printed forms (other than from University Printing Services or State Use Industries) without justification.
5. "Stringing" orders, or splitting over \$5,000 needs into small portions to bypass submitting requisitions to Procurement, is prohibited.

B. Master Contract:

A Master Contract is a formal agreement between the UMCP and a vendor to supply goods and/or services, at a published price or basis of pricing, for a specified time period. UMCP is authorized to utilize UMCP Master Contract Releases. Purchases can be made directly from the contract vendor without further effort to find competitive vendors or prices, since that process has already been completed. Only those goods and services specified on the Master Contract may be purchased through the Master Contract process. Purchases from the Master Contract

may be made up to \$5,000 with the Purchasing Card or by using the Master Contract Release Form (available in ELF) that has NO dollar limit assigned. Master Contract Summaries are available online at <http://www.purchase.umd.edu/general/morder.htm>. Only authorized ELF users can input Master Contract Releases. Master Contract Release access via ELF is determined by senior management or their designees (primarily Unit Directors, Associate/Assistant Directors, and the Vice President for Administration).

C. Requisition for Purchase:

Any Purchase requisition, except for Master Contracts, over \$5,000 must use the Requisition for Purchase form as required by UMCP. The form may be downloaded from the University of Maryland Procurement website (www.purchase.umd.edu). The basic information required is the same as for the Small Procurement Order. A Single/Sole Source Justification form must accompany a Requisition for Purchase form for all procurements that are not competitively bid. The purpose of the Single/Sole Source Justification is to show that a competitive procurement is not viable when only one product or service can meet the specific need.

A Requisition for Purchase form should also be used for "Blanket Purchase Orders" which are used for vendors that provide recurring periodic services such as fuel supply or equipment service (maintenance) contracts. Blanket Purchase Orders are usually prepared at the beginning of the fiscal year, are effective for the entire fiscal year, and should be renewed each subsequent fiscal year as necessary.

For purchases that exceed \$5,000, invoice payments should be tracked by the designated Unit or Center Administration staff (as applicable) and reviewed against the approved purchase order to ensure payments do not exceed the approved purchase order amount. Where the approved purchase order amount is expected to be exceeded, a change order request and justification memo must be issued by the Requisitioner and forwarded to UMCP Procurement Office for approval and issuance of a change order.

Requisition for Purchase (and Single/Sole Source Justification, if applicable) forms are initiated by designated Unit or Center Administration staff. All Requisition and Sole Source forms, except for sponsored project accounts, up to \$25,000 are approved by the Unit Director or his/her designee, and amounts greater than \$25,000 must be approved by the Vice President for Administration or his/her designee.

If the FRS Account number on the Requisition identifies the purchase as a Contract or Grant expenditure (07-4-xxxxx or 07-5-xxxxx), the Requisition must be forwarded to ORAA for review and approval. ORAA approves the Requisition after reviewing the contract/grant agreement and determining whether the purchase is an allowable cost, and then forwards the Requisition to UMCP for processing.

D. Miscellaneous Payment Request (RM):

The Miscellaneous Payment Request form and procedure is designed to simplify and expedite processing payments for reimbursement and miscellaneous type transactions. This process should NOT be used for the procurement of goods and services that can be purchased with the Purchasing Card or require the issuance of a Purchase Order (PO), Small Dollar Procurement Order (SM), or Master Contract (MC).

Do not use the Miscellaneous Payment Request form for payment of items such as reimbursement of actual travel-related expenses; transactions which include a vendor's contract or license agreement; professional consulting and other services from a firm, partnership or individual regularly in the business of providing such service; fellowships, scholarships and other student financial aid assistance; and payment for services of a University employee or where an employer/employee relationship exists.

Miscellaneous Payment Request forms may be used for payment of items such as Accreditation fees; Honoraria (e.g., speaking engagements, participation in administrative or program reviews, scholarly collaborations) and related stipends; Licenses and permits for employees (e.g., electricians, engineers, notaries); reimbursement for non-travel related expenses; and payment of goods and services when a vendor does not accept the Purchasing Card/SM/MC/Purchase Order.

Miscellaneous Payment Request forms are initiated by designated Laboratory and Center Administration staff, but must be approved by the Vice President for Administration or his/her designee.

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