

Benedictine University	S.O.P. 102
Approval	Date

PURCHASING AND BIDDING PROCEDURES

General

A Purchase Order is the offer of a contract between the University and the vendor. Subject to the established dollar thresholds, no purchase may be made without a valid Purchase Order. Purchase Order terms and conditions address the legal and contractual obligations of the supplier and the University and are an integral part of each Purchase Order.

A purchase from a vendor may be initiated only when sufficient budget funds are available in the University's departmental budget to accommodate the expense. Every attempt will be made to obtain the maximum value for each dollar.

Business with potential and current vendors will be conducted in a fair and ethical manner. The Purchasing Department does not enter into any negotiation or become involved in any transaction for purchases of a personal nature for faculty and staff. The Purchasing Department may question requisitioned items that appear to be a personal nature or an improper use of University funds.

Tax Exemption

The University is tax exempt and as such does not pay or reimburse Illinois sales tax. Regular University suppliers already have an exemption certificate on file. You may obtain one from the Purchasing Department, if needed. Use of the University sales tax exemption number when purchasing items for other than University purposes is prohibited and may result in disciplinary action.

Purchase Requisition

The [Purchase Requisition](#) form is used by University departments to request for the purchase of goods or services from vendors. This form must be completed with authorized signatures PRIOR to placing an order with a supplier. An individual who obligates the University without authorization may be held personally responsible for the obligation.

For purchases up to \$250.00, the User Department should use and follow the procedures for [Check Requisitions](#). Otherwise, a Purchase Requisition form must be filled out and sent to the Budget Manager for signature. The Budget Manager must ensure that sufficient budget funds are available to accommodate the expense. Depending on the dollar level of the expense, additional approvals may be required. Purchasing requirements should not be artificially divided so as to bypass the required authorizations. See the *Authorization Spending Limit Schedule* for guidance. The General Accounting Manager will perform a final audit of the Purchase Requisition and ensure that all necessary signatures are in place. The Purchase Requisition will then be forwarded to the Purchasing Department for final processing and issuance of the formal Purchase Order.

[Purchase Requisition](#)

1. Eligible uses (not all inclusive)
 - 1.1. Purchases over \$250.00.
 - 1.2. Office supplies
 - 1.3. Furniture, carpeting, office equipment
 - 1.4. Contracts and leases
 - 1.5. Repairs
 - 1.6. Science lab supplies
 - 1.7. Temporary employees from an outside agency
 - 1.8. Advertising

Note: For purchases of personal computers and related hardware and software, all User departments must have the signature of the Executive Director of Information Technology.

2. Form preparation
 - 2.1. Complete the Requestor section (requestor, title, extension, and department)
 - 2.2. Circle whether annual purchase order
 - 2.3. Fill in the vendor name and vendor number. See **I:\UNIVERSITY SERVICES POLICIES AND PROCEDURES\BUSINESS AND FINANCE POLICIES \..\Forms\Purchase Requisition.xls** and click on Vendor Name for preferred vendor listing. Budget Managers should consult this list or be prepared to justify their preference for a different vendor. When applicable, complete additional information for new vendors and attach IRS Form W-9.
 - 2.4. Complete the order section (i.e. catalog number/description, quantity, unit, and unit price)
 - 2.5. Budget numbers to be charged
 - 2.6. Authorized signature(s)
 - 2.7. Attachments to the form
 - 2.7.1. Original supporting documentation (registration forms, order forms, remittance advice, receipts) - securely fasten to the purchase requisition.
 - 2.7.2. Bids, as required (see Bid section below)

Types of Purchase Orders

1. A *One-Time Purchase Order* is used to identify a specific requirement at a firm price, generally with a single delivery.
2. An *Annual Purchase Order* is issued to identify like-kind goods or services needed from a vendor for the fiscal year.

Please allow five workdays from the receipt of a completed requisition to the issuance of the Purchase Order. The processing time begins on the date the requisition is received in the Business Office **with all approvals and required information completed on the form**. Processing days do not start on the date of the requisition. Proper planning for future requirements and communications of those needs to the Purchasing Department will result in the University receiving the best product or services in a timely manner and at the lowest cost.

A Blue Copy of the Purchase Order will be given to the requisitioning department and will serve as the Receiving Report. It should be signed, dated and marked "complete" by the user department to evidence that the product or service has been inspected and delivered by the vendor in accordance with the purchase order. The signed document should then be forwarded to Accounts Payable for matching against the vendor's invoice.

If a partial shipment is received, a copy of the Purchase Order should be signed, dated and marked indicating those items received and those items on back order. The signed document should then be forwarded to Accounts Payable to process partial order invoices. The user department should retain a copy of the Purchase Order for the next shipment.

Bidding

The purpose of this section is to establish guidelines and procedures for obtaining and accepting bids for products and services required by the University.

The general principle underlying the University's bidding policy is that, by obtaining bids for products and services above a certain dollar limit, the University will be able to secure the best possible value for its purchases and to demonstrate its adherence to responsible management of its financial resources.

The responsibility to obtain bids and to justify their acceptance or rejection lies primarily with the Budget Manager of the User Department.

Bidding Procedures

1. As a general rule, all products and services, the price of which is expected to be over \$10,000, should be put out for bid to at least three vendors.

- 1.1. These bids are to be obtained by the Budget Manager. Beneath the \$10,000 level, the bids may be oral or written. The Budget Manager may select the vendors, within the restrictions listed below.
 - 1.2. For certain products or services, the Business Office will maintain a list of preferred vendors. The Budget Manager should consult this list or be prepared to justify their preference for a different vendor.
 - 1.3. Vendors contacted for bids should be creditworthy, willing to abide by the University's Purchase Order policy, and free from any history of poor service to the University.
2. For purchases of personal computers and related hardware and software, all User Departments must obtain the approval of the Executive Director of Information Technology.
3. For purchases and services the price of which is expected to be over \$25,000 at least three formal written, sealed bids are to be obtained by the Budget Manager. These bids are to be opened in the presence of the Budget Manager, the appropriate Vice President, and a Finance Office administrator (when the Finance Office is making the purchase, an administrator will be appointed from another area).
4. The Budget Manager, when submitting a Purchase Requisition, is to include a copy of all bids. If the lowest bid has not been accepted, a full written justification for this decision should be submitted by the Budget Manager with the Purchase Requisition.
5. The General Accounting Manager must review all purchase requisitions. The Associate Vice President for Business and Finance is required to sign all purchase requisitions and check requisitions \$10,000 and over.
6. The usual bidding requirements may be waived in case of:
 - 6.1. Emergency situations, as determined by the Executive Vice President and documented in writing by the appropriate Budget Manager.
 - 6.2. Services provided on a continuing basis (e.g., food, legal assistance, auditing, etc.), as determined by the Associate Vice President for Business and Finance. At least every three years, these services should also be put out for bid, unless an exception is granted by the Executive Vice President on the basis of written documentation provided by the appropriate Budget Manager.