

The University of Montana- WESTERN

Purchasing Guidelines

**REQUISITION TIME SCHEDULE/STATE TERM CONTRACTS/
CENTRAL STORES CATALOG**

Items purchased which fall under the requisition time schedule, state term contracts must go through State purchasing division unless the total aggregated cost spent on items during a fiscal year will amount to less than \$500.00. See page 8 for definitions.

PRINTING

*The Publications and Graphics Division of the Department of Administration has been delegated the responsibility for all printing-related procurement no matter what the cost; therefore, permission to purchase or supervise the purchasing of state printing requirements, including printing, duplicating, binding, forms, graphic arts, typesetting and reprographics, will be obtained from the Publications and Graphics Division. Some printing can be done through U of M Printing Services. All printing requisitions require **written approval by the Director of News & Publications** before coming to the Business Office.*

BOOKSTORE PURCHASES

Minor office supplies can be purchased through the college bookstore.

COMPUTER AND DATA PROCESSING SERVICES

All computer hardware purchases must be approved by the ITS Director. All computer software purchases must be approved by the Micro Computer Director.

COPY MACHINES

All copy machine purchases must be approved by the Vice Chancellor of Administration and Finance and must be processed through State Purchasing in Helena or U of M Purchasing.

PURCHASES FROM STAFF

No purchases are made from employees. However, when an item cannot be obtained elsewhere or a one-time purchase would have obvious advantage for the University, the department may request a waiver. Written requests are to be submitted to Purchasing for review and approval.

HINTS FOR DEALING WITH VENDORS

Here are some helpful hints when dealing with vendors as you check prices, complete Limited Solicitations or place orders and follow them through to completion.

- *Feel free to discuss your requirements – however, do not make a firm commitment during you inquiry discussions.*
- ***Do not sign a vendor’s contract or agreement.*** *Contact Purchasing to have someone review any terms and conditions you receive. We will review the terms and conditions to ensure your interests and those of the University are protected.*
- *Contact purchasing if you have any problems with suppliers, their product or their performance.*
- *Acceptance of gratuities from a suppliers or potential supplier should be avoided. This may appear as favoritism to other entities. Vendors wishing to give you free “advice” should know that receiving the advice will not create a commitment by the University to purchase goods or services from them.*
- *Be sure your specifications are complete and are presented the same to all vendors. This ensures that each vendor is treated the same and that you will receive the product or service you desire. Each solicited vendor **must** bid on the exact same item(s).*
- *Contact purchasing if you have any questions as to what documentation is required to make your purchase. Do not use “advice” from vendors as to UM procedure.*

ETHICAL CONSIDERATIONS

As a publicly supported institution, we assume a fiduciary responsibility to insure that all purchases are conducted in an open and forthright manner, without favoritism, above reproach, and not subject to accusations of impropriety.

Employees may not solicit or accept gifts, gratuities, favors, or items of monetary value from contractors, parties to sub-agreements, or persons/individuals known to have actual or future business involvement with the University. In no case may any gift of any nature, which may influence a purchase, be accepted.

Following is quick reference to actions that may be considered to be in conflict with the ethical activity of the University departments:

Classification	Actions
Gifts and Gratuities	Passes or tickets to recreational or entertainment events. Consumable goods (food, beverages, tobacco, or other products)
Promotional Merchandise	Coupons, Certificates good for discounts or free merchandise or services. Exceptions: items of insignificant value (\$50 or less) – pencils, note pads, calendars or items won at a drawing at conferences/seminars offered by or on behalf of public agencies or employees.
Discounts	Discounts offered to the University are not personal use of employees- unless, it is offered to all public employees.
Trips	Expense paid trips offered by existing or known future contractors.
Evaluation/Selection/Award Recommendation	Anyone having an existing or known future employment or financial interest with a bidding vendors may not be involved in the selection process.

Any gift or gratuity received by a University employee should be returned to the vendor as soon as possible. The employee will report the receipt and return of goods in writing to his or her department head. Anonymously donated gifts or other goods are to be turned over to the Controller. Cash gifts will be placed in the University General Fund. Non-cash gifts will be assigned to a University department to offset the need for a similar purchase or sold at the next public auction when the University can not use the item.

FORMS TO BE USED FOR PURCHASING

*Purchase Requisition
Request and Authorization for Payment (Rap)
Record of Telephone Bids
Sole Source Procurement Justification
Emergency Purchase Justification*

PURCHASING PROCEDURES FOR PURCHASES LESS THAN \$5,000 :

Departments may purchase supplies and services costing \$5,000 or less (total purchase) under the following conditions:

- *The item is not a Controlled Commodity. Purchases on non-controlled commodities less than \$5,000 do not require competitive quotes; however, some form of competitive purchasing should be observed whenever practicable.*
- *A Request And Authorization For Payment (RAP) form is signed by the department budget manager. Forms are available in the Business Office.*
- *Use a RAP number to order or purchase merchandise.*
- *If the vendor is mailing the invoice, request that they send the invoice directly to the Business Office. Also, state that the invoice should include the RAP number. (The Rap number will be the index code to be charged and the 3 digit extension). Submit the Rap to the business office within **5 days of placing the order.***
- *Attach the itemized invoice to a completed copy of the Rap form. Submit the Rap to the business office within **5 days from date of purchase.***
- *Purchases will be reviewed for compliance with purchasing policy and entered into Banner for payment.*
- ***Purchases made using a RAP will not be encumbered so the budget manager should track these items carefully.***
- *A **RAP** may **not** be used:*
- *For Travel, Personal Services (i.e., independent contractors), Printing, or computer or computer related purchases.*
- *For purchases in excess of \$5000.00 (multiple RAP's are not to be used to make larger purchases)*

UM Pro Card may be used with any vendor that accepts Mastercard. It may be used in place of Request and Authorization for Payment (RAP) for purchases totaling \$5,000 or less.

- *Itemized receipts are required, including the Index Code, submit to the Business Office with **5 days from date of purchase***

*The Pro Card can **NOT** be used:*

- *For Cash Advances, Food and Lodging When Traveling, Entertainment, Computers, Contracted services or **for personal use.***
- *Purchases less than \$5.00.*

PURCHASES GREATER THAN \$5,000.00 AND LESS THAN \$15,000:

An approved purchase requisition signed by the department budget manager must submit to the Business Office. These purchases require written or faxed bids from at least three (3) vendors. These bids may be requested by the departments or the business office may request them for you.

The purchase requisition provide, the manufacturer and model number, dimensions, and other pertinent, detailed specifications, including estimated amount and all available information on the item. Please provide names and addresses of vendors.

The Business Office will submit a state requisition to State Purchasing in Helena or to the University of Montana Purchasing Office.

PURCHASES GREATER THAN \$15,000

A Request for Bid is issued by the business office. The requesting Department is provided a copy of the request for bid to review for accuracy. Advise the Business Office Purchasing of any discrepancies immediately.

Tabulation of Bid:

The bid due date and time will be indicated on the Request for Bid. At the assigned time, the sealed bids from the suppliers will be opened and tabulated. The bid will be awarded to the lowest bidder who has met the specifications. The requesting department will be given the bid results to review. An approval should be given to the business office to issue a Purchase Order. A copy of the completed Purchase Order will be sent to the Department. Departments are encouraged to review the copy for accuracy.

PROCESSING INVOICES FOR PAYMENT:

The department head verifies the goods received signs the invoice for approval of payment, and forwards the invoice to the Business Office for processing.

*All invoices submitted to the Business Office for payment **MUST** have a Request And Authorization For Payment (RAP) form attached. Any invoices being submitted without a rap or purchase order will **NOT** be paid by the university and will be returned to the vendor or the department head. Raps or Purchase Order numbers will **NOT** be given **AFTER** a purchase has been made. The individual making the unauthorized purchase **WILL** be responsible for payment of the invoice.*

COMPLETION OF THE RAP FORM

1. *Vendor name, remittance address and telephone number.*
2. *RAP number - Index followed by three digit extension (to be completed by the business office - this number will be recorded when the RAP form is picked up in the business office.)*
3. *Departmental Name.*
4. *Departmental Telephone Number.*
5. *A. Index - If more than one account is paying, indicate each number.
B. Object of Expenditure is optional. Further information regarding the object of expenditure can be obtained in the Business Office.
C. A short description of the items purchased i.e. Office Supplies, Educational Supplies, etc.
D. Vendor Invoice Number. Multiple invoices may be paid on one RAP, but a separate RAP must be completed for each vendor.
E. Dollar amounts to be paid from each index.*
6. *Document Total.*
7. *Signature of Budget Manager. (Departmental approval certifies receipt of goods*

CONTRACTED SERVICES

The Contracted Services Guidelines (see page 10) are intended to assure the appropriate hiring of Independent Contractors and to assist departments in the acquisition of independent contractor and consulting services. Guest Speaker/Program Participant and Contractor Checklist forms are available in Purchasing. Contracted Service forms for contracts under \$5,000 are available at the Business Office Purchasing.

DEPARTMENT REQUIREMENTS

Departments should determine prior to services being rendered whether an individual's status is either "independent contractor" or "employee". The Independent Contractor Checklist (see page 11) assists in this determination. Departments will complete the Contractor Checklist form for all Contracted/Consulting Services and submit it to Purchasing with the Contracted Services Agreement (see page 12). Contract Purchasing at x7352 with questions.

Separate forms are required for each of the following categories:

- 1. Guest Speaker/Program Participant under \$2,000. (page 13)*
- 2. Contracted Service Agreement under \$5,000. (page 12)*
- 3. Contracted Service Agreement over \$5,000*

Restrictions apply when contracting with individuals previously or currently employed by state agency or the University. A current employee may not simultaneously be an independent contractor providing services to the University. Former employees cannot serve as an independent contractor for services related to their previous job for six (6) months after termination of that employment. Contract Purchasing prior to contracting with a former employee.

Independent contractors may be required to have Workers' Compensation Insurance coverage or an exemption. The University will require certificates of coverage or exemption when the contractor has employees or if the contractor is engaged in a trade requiring physical labor with exposure to a high incidence of work related injuries.

The University will report payments for each independent contractor as required by IRS regulations.

When contracting with foreign guest please contact Accounts Payable at x7352 prior to completing any forms. Under the Internal Revenue Code, all amounts paid to non-resident aliens for contracted services, including honorariums and travel reimbursements are subject to federal reporting requirements and may require income tax withholding.

DEFINITION OF TERMS:

Term Contract/Controlled Items - State Purchasing has established a blanket purchase order for certain items and when ordered, the dollar amount is not restricted. The Term Contract holder has the exclusive right to sell the item or service to the University System and the State of Montana at the established contract price for the period of the contract. Western may be subject to contract default if the contracts are not utilized for these items and services

Requisition Time Schedule (RTS) - State Purchasing purchases certain items on a time ordering basis. Purchasing has a set call date which we are to follow. A list of these items and dates is available in the Business Office.

Approved Purchase Requisition - a purchase requisition with all necessary department head signatures.

Central Stores Catalog - The State of Montana purchases commonly used items in bulk. Items in this catalog may be purchased through the Central Stores Catalog.

Examples of Central Stores Items

- Office Supplies*
- Paper*
- Janitorial Items*
- State Forms*
- Flags*
- Video Cassettes*
- Disposable Paper/Plastic Products (Cups, Napkins, etc.)*
- Aprons, Gloves, Shop Towels, etc.*

--SOME CENTRAL STORES OFFICE SUPPLY ITEMS ARE AVAILABLE AT THE BOOKSTORE AND MAILROOM

SOLE BRAND OR SOURCE

Merchandise or services over \$5,000 requiring specific supplier or a specific product/brand, you must be accompanied by an explanatory memorandum or sole source/brand justification with your requisition. These must be processed through the business office.

EMERGENCY

The normal turnaround on large dollar purchase requisitions is four to six weeks. If you absolutely have to have a product or service in advance of the normal time frame, an explanatory memorandum or an emergency purchase justification must accompany your purchase requisition.

FISCAL YEAR END PROCEDURES

Invoices for any goods received on or before June 30th must be submitted to the business office IMMEDIATELY upon receipt of goods. Fiscal Year End cut-off dates will be distributed by the business office. The dates become critical to ensure that expenditures and other activities are recorded accurately and in the appropriate fiscal year.