

Small Purchase Procedures for Procurement of Goods and Non-Professional Services

The *Rules Governing Procurement of Goods, Services, Insurance and Construction by a Public Institution of Higher Education of the Commonwealth of Virginia (Subchapter 3 of the Restructured Higher Education Financial and Administrative Operations Act)*, hereafter referred to as “*Governing Rules*” permits a public body to establish small purchase procedures, if adopted in writing, not requiring the use of formal competitive sealed bidding or competitive negotiation for single purchases of goods and services or the establishment of a term contract if the sum of all phases is not expected to exceed \$200,000; however, such small purchase procedures must provide for competition wherever practicable.

All purchases of goods and non-professional services valued over \$200,000 shall follow the procedures as set forth in the [Commonwealth of Virginia Procurement Manual for Institutions of Higher Education and their Vendors](#).

The UMW Procurement Services Office is the central procurement and contracting office for the University for materials, supplies, equipment, printing, and services. All such purchases made by any University department shall be made in accordance with the [Governing Rules](#), and such rules and regulations as UMW may prescribe.

No employee shall contractually obligate the University, including verbal or other commitments, without receiving prior authorization and in accordance with applicable laws.

- The University shall not issue payment upon any voucher for any using department covering the purchase of any material, equipment or supplies, when such purchases are made in violation of law.
- Contracts awarded in violation of the Governing Rules are voidable.
- Contracts, agreements, or accepted quotes signed or otherwise authorized by individuals without authority to do so are void from the beginning.
- *Individuals obligating the University without the authority to do so, which may include but is not limited to, awarding contracts, verbally committing the University to a purchase, or any other written or unwritten agreements, may be held personally liable for payment to the contractor and/or subject to disciplinary action consistent with University policy.*

Purchases made with personal funds that are intended for reimbursement by the University shall be subject to these small purchase procedures.

In accordance with the Governing Rules and the Commonwealth of Virginia Procurement Manual for Higher Education Institutions and their Vendors, the University of Mary Washington “UMW” has adopted the following procedures for goods and non-professional service purchases valued at \$200,000 and under.

These procedures include:

- I. General University Requirements
- II. University Mandatory, Exclusive, and Preferred Contracts
- III. Other Preferred Contract Use
- IV. Purchases \$10,000 and Under
- V. Methods of Procurement & Competition Requirements for Purchases between \$10,000 and \$200,000
- VI. Exemptions to Competitive Requirements
- VII. Exemptions for Non-State Funds and Pass-Through Procurements

I. General University Requirements

- A. **Information Technology (IT)** - Information Technology related purchases, including equipment and/or software, must be approved by IT prior to purchasing. There are three (3) classification types for approval: Buy Your Own, Standard, and Non-Standard.
- **Buy Your Own** – This is a list of pre-approved categories of goods. Buyers may order items on their own while adhering to all other Procurement regulations. Contact Procurement Services for assistance if the total procurement exceeds \$10,000.
 - **Standard form** – Items on this form meet University guidelines, and can be supported by UMW’s Help Desk team. To begin, view the list within the form and select items needed. The form will be routed to Procurement Services and ordered on behalf of the department buyer indicated on the form by the Procurement Services staff.
 - **Non-Standard form** – Use this form for all software requests or items not listed within the other classification listings. Non-Standard item requests are reviewed by the technology group prior to the purchase. Begin the request by completing the online Non-Standard form. Approved requests will be ordered on behalf of the department buyer by the Procurement Services staff, if possible. If not, Procurement will forward the approval to the department buyer with instructions for how to proceed. The requester should allow extra time for IT review of goods or services valued over \$5,000.
- B. **Independent Contractor Questionnaire**: For any services being provided by an individual, the **Independent Contractor Questionnaire** must be completed to determine employment status before proceeding.
- C. **Chrome River**: An entry in **Chrome River** must be completed for any travel or lodging related purchases and purchases intended for reimbursement by the University. Visit the Accounts Payable website for more information on travel or **non-travel reimbursements**.

II. University Mandatory, Exclusive, and Preferred Contracts

The following list includes University Mandatory Sources, Exclusive, and Preferred Contracts for University use.

A. **Mandatory Source**:

- **Virginia Correctional Enterprises (VCE)**: §53.1-47 *Code of Virginia* requires all furniture to be purchased from VCE. A **written release or waiver** must be obtained from VCE for all non-VCE furniture purchases prior to the purchase if (§53.1-48 *Code of Virginia*):
 - The furniture VCE can provide does not meet the reasonable requirements of the department or institution;
 - An identical piece of furniture can be obtained at a verified lesser cost from the private sector, which is evidenced by a verified request for pricing; or
 - The requisition cannot be fulfilled due to an insufficient supply of the furniture required.

VCE shall be afforded up to 48 hours to respond to a request for a release of furniture valued less than \$200,000. Contact Procurement Services for assistance if a release has not been received within this time frame.

- B. **University Exclusive and Preferred Contracts**: When beneficial to the University, exclusive or preferred term contracts will be established and shall be honored by all staff with purchasing authority for the University. Examples of UMW exclusive or preferred contract include:

1. Food Services
2. Local Hotel Preferred Partner(s)
3. Express Shipment/Mail/Copy and Print Services

4. Office Supply Contract
5. Athletic Apparel
6. Bookstore and Retail Operations Services: Preferred University Partner for primary merchandise categories typically found in University bookstores, either in-store or online. Refer questions to Business Services.

III. Other Preferred Contract Use

When a new solicitation is initiated, the determination has been made that no existing state or cooperative contracts meet the business goals and objectives of the University (§6A *Governing Rules*). The use of state contracts issued by the Department of General Services, Division of Purchases and Supply (DPS), and the use of cooperative contracts, i.e., Virginia Association of State Colleges and Universities Procurement Professionals (VASCUPP), is preferred. Cooperative contracts issued by other public or private organizations or entities, including other educational institutions, public-private partnerships, public bodies, charitable organizations, health care provider alliances and purchasing organizations are allowed only when those contracts are procured competitively with comparable processes as noted below (for procurements over \$200,000); *and terms and conditions are approved by Procurement Services prior to adoption of the contract.*

IV. Purchases \$10,000 and Under

- A. **Single Quote Limit:** The University's Single Quote Limit and individual Departmental Delegation is \$10,000. Purchases up to \$10,000, that are not on contract, and not exempt per Section VI below, shall be made from a Department of Small Business and Supplier Diversity (DSBSD) certified micro business. A minimum of ONE quote is required from a certified micro business prior to purchasing. Additional quotes from SWaM businesses may be sought. It is the University's goal to support qualified diverse businesses by purchasing from them.
- B. **Competition Requirements for Purchases \$10,000 and Under:** Purchases \$10,000 and under, that are not made on a contract and are not listed on the exemption tables below, are to be made from a DSBSD-certified micro business. If the quoted price from the DSBSD-certified micro business is fair and reasonable based on market research and does not exceed the quoted price from a non-certified business by more than 5%, the purchase must be made from the DSBSD-certified micro business. If the lowest quote from the DSBSD-certified micro business does not meet the required specifications or exceeds the lowest responsive and responsible quote by more than 5%, UMW will document the procurement record to that effect, including stating the basis for the determination.
- C. **Departmental Delegation:** Individual purchases of goods and services costing \$10,000 and under, and not accumulating to over \$200,000 in total annual cost may be purchased through the procurement delegation granted to individual university departments. However, order-splitting* must be avoided. Where possible, requirements should be combined when practical to obtain quantity discounts and other administrative efficiencies. In some instances, even though the annual amount is \$200,000 or less, it may be advantageous to the University to consider entering into a term contract.

***Order Splitting Prohibition.** Order splitting is the placement of multiple orders within a short time period to one or more vendors for the same, like, or related goods and services in an attempt to circumvent delegated purchasing authority (including SPCC Single Transaction Limits), or to avoid using the appropriate method of procurement. Order splitting may be intentional or unintentional and is strictly prohibited. Order Splitting results in higher administrative cost and inefficiencies to UMW. *Violation of this prohibition may result in suspension or termination of individual purchasing authority or other Human Resources actions.*

V. Methods of Procurement & Competition Requirements for Purchases between \$10,000 and \$200,000

The following small purchase procedures have been established by the University of Mary Washington when acquiring materials, supplies, and equipment, printing or nonprofessional services up to and including \$200,000. Procurements made pursuant to these procedures do not require public bid openings or newspaper advertising of competitively negotiated procurements. Appropriate competition requirements are also detailed below. UMW's annual SWaM plan encourages purchases from Department of Small Business and Supplier Diversity (DSBSD)-certified Micro, Small, Woman-Owned, Minority-Owned and other disadvantaged Businesses (SWaM).

Purchases over \$10,000 not made on an existing contract must route through Procurement Services.

- A. **Unsealed Bidding:** When the award of the purchase is exclusively predicated on cost, and clearly defined quantities and specifications are available:
1. **Between \$10,000 and \$200,000:** An unsealed Invitation for Bid may be used to solicit bids or quotes for goods and nonprofessional services from \$10,000 up to and including \$200,000. UMW will solicit DSBSD-certified small business sources, if available. If the quoted price from the certified small business is fair and reasonable based on market research and does not exceed the quoted price from a non-certified business by more than 5%, the purchase must be made with the DSBSD-certified small business. If the lowest quote from the DSBSD-certified small business does not meet the required specifications or exceeds the lowest responsive and responsible quote by more than 5%, and/or less than four (4) DSBSD-certified small businesses are available, UMW will document the procurement record to that effect, including stating the basis for the determination.

Posting Requirements: Public posting is not required under \$200,000.

- B. **Unsealed Proposals:** When the award of the purchase is based on a variety of criteria, including but not limited to price, and where best overall value to the University may be considered:
1. **Between \$10,000 and \$100,000:** An unsealed Request for Proposal may be used to solicit proposals for goods and nonprofessional services from \$10,000 up to and including \$100,000. Availability of DSBSD-certified small businesses shall be documented in the procurement file.
 2. **Between \$100,000 and \$200,000:** An unsealed Request for Proposal should be used to solicit proposals for goods and nonprofessional services from \$100,000 up to and including \$200,000 if there is documented evidence of adequate available competition, to include DSBSD-certified small businesses. Availability of DSBSD-certified businesses shall be documented in the procurement file.

Offers may be opened and evaluated upon receipt. All responses must be received at the designated location by the date and hour stated in the solicitation. Submission of offers may be accepted by electronic means or as stated in the solicitation. In lieu of an evaluation committee, the buyer or end user may solely evaluate, and rank offers. Upon completion of the evaluation, negotiations may be conducted with the offeror(s) selected.

Posting Requirements: Public posting is not required under \$200,000.

- C. **Sole Source Procurement:** A sole source procurement is authorized when there is only one source practicably available for the goods or services required. Competition is not available in a sole source situation; thus, distinguishing it from a proprietary purchase where the product required is manufactured

by only one company, but is sold through distributors and competition between them can be obtained. Sole Source justification based solely on a single vendor's capability to deliver in the least amount of time is not appropriate since availability alone is not a valid basis for determining a sole source procurement. The following elements are required to execute a sole source procurement:

1. Documentation: The sole source procurement record must include a written determination using the following [Sole Source or Proprietary Purchase Template](#) prior to the purchase.
 2. Negotiate a Contract: After the sole source has been documented, a contract may be negotiated and awarded without competition. In designating sole source procurement, it is the buyer's responsibility to initially negotiate terms that are in the best interest of the University. The contract officer should carefully conduct market research in order to determine fair and reasonable pricing for the good or service, using all available resources, and document such findings. It may be necessary for Procurement to negotiate business or legal terms and conditions that are favorable to the University and to comply with statutory requirements in order to execute a contract. When Technology goods or services are being procured, there may be need for additional security or other review by the UMW IT department.
 3. Approval and Reporting: Sole source procurements exceeding \$100,000 in total value including all renewals must be approved by the University's Chief Procurement Officer or designee.
 4. **Posting Requirements: *Sole Source awards, regardless of dollar amount, must be publicly posted on the Commonwealth's e-procurement system, eVA.***
- D. **Emergency (or Exigency) Procurement Procedures for Purchases Exceeding \$10,000:** An emergency is an occurrence of a serious and urgent nature that demands immediate action. Exigency is a need to avoid, prevent, or alleviate serious harm or injury, financial or otherwise. Emergency (or Exigency) procedures may be utilized only to purchase that which is necessary to cover the Emergency (or Exigency). Subsequent requirements shall be obtained using standard purchasing procedures.

The potential loss of funds at the end of a fiscal year is not considered to be an emergency.

The nature of the emergency determines the pre-award action that should be taken: For an emergency purchase required to protect personal safety or property, efforts should be directed to locating a source and authorizing the contractor to proceed. This does not relieve the University from securing a fair and reasonable price and subsequently documenting the procurement action taken.

For types of emergencies not required to protect personal safety or property, competition should be sought to the extent practicable, to include verification of the vendor's:

1. qualifications
2. insurance coverage, if applicable,
3. warranty, and
4. any other data pertinent to the procurement may be obtained.

As soon as practicable, after directing the contractor to proceed, a confirming purchase order should be prepared. Care should be taken to include in detail any agreement, including price, made orally with the contractor.

Prepare a written determination using the following [Emergency Purchase Form](#) for submission to Procurement Services indicating the nature of the emergency, and the reason for selection of the contractor. This determination, including the purchase order, will comprise the procurement record. Emergency procurements exceeding \$200,000 must be approved by the University's Chief Procurement Officer or designee.

Public posting is not required for emergency procurements of \$200,000 and under.

If an emergency is declared by the Federal Government of the United States and/or the Commonwealth of Virginia, and Federal Emergency Management Agency, Virginia Department of Emergency Management, or other legislatively available funds may be sought for reimbursement of University purchases of goods or services used to support such an emergency, additional processes will be required to support purchases under such a declaration for any dollar value.

**Any purchases regardless of cost or value, that are intended for reimbursement through Federal or other legislatively available emergency fund sources, shall be procured by, or coordinated with, Procurement Services.*

- E. **Reverse Auction:** Reverse Auctioning may be used when purchasing goods or nonprofessional services, but not construction or professional services, wherein bidders are invited to bid on specified goods or nonprofessional services through real-time electronic bidding, with the award being made to the lowest responsive and responsible bidder. During the bidding process, bidders' prices are revealed, and bidders shall have the opportunity to modify their bid prices for the duration of the time period established for bid opening.
- F. **Public Auction:** Upon a determination made in advance by the Institution and set forth in writing that the purchase of goods, products or commodities from a public auction sale is in the best interests of the public, such items may be purchased at the auction, including online public auctions. The writing shall document the basis for this determination (See "Used Equipment").

VI. Exemptions to Competitive Requirements:

- A. Competition may not normally be considered *practicable or available* for purchase of some goods or services up to and including \$200,000, or as otherwise noted. However, ALL other applicable laws, regulations, and UMW Policies and Procedures remain effective. The University maintains [tables outlining exemptions to competitive requirements](#) (exempt from competition and/or entry into eVA).
- B. **Contract Officer Determination to not pursue competition in the best interest of the University:** For purchases of goods and services valued at no more than \$100,000, the University's Central Procurement Office contract officers may, in their discretion and with written approval of the Chief Procurement Officer or designee, place an order with a suggested and Procurement-vetted source without seeking further competition. Determination to not pursue competition for goods and services over \$100,000 but not greater than \$200,000 and not qualified as a sole source may only be approved by the Chief Procurement Officer or the Vice President of Administration and Finance (CFO). A written justification will be maintained with the procurement records explaining in detail the reason why it was in the best interest of the University to not pursue competition.
- C. **Price - Reasonableness Determinations:** When competition is restricted or lacking or the prices offered appear excessive, the procuring officer is responsible for further analysis to determine in writing if the prices are fair and reasonable. This applies to sole source, single response, contract changes/modifications, contract extensions, and contract renewals.

VII. Exemptions for Non-State Funds and Pass-Through Procurements:

- A. **Non-State Funds:** University purchases made by local funds owned by trust-agent organizations (e.g. [8 funds](#)) are non-state funds and are not owned and controlled by the University. The University's sole responsibility is writing checks out of a local account maintained on behalf of the organization that owns the funds; which means that these purchases *may* be exempted from Procurement Regulations such as the requirement for competition and/or eVA entry. *This exclusion does not include Auxiliary Enterprises.*

Local fund sources (those other than 8XXX funds) are not exempted from Procurement Regulations, i.e., purchases made with the Finance Card.

- B. Pass-Through Procurements: Examples include contracting for alumni functions for which the institution is reimbursed by the alumni and materials purchased for students by a faculty member using State funds and for which the students fully reimburse the institution.