

## Wellesley College Purchasing Policy

Acquiring Goods and Services .....	2
Procurement Value Table .....	2
What's Needed at Each Level.....	3
Purchases less than \$50 .....	3
Purchases between \$50 and \$999 .....	3
Purchases between \$1,000 and \$4,999 .....	3
Purchases Between \$5,000 and \$9,999.....	3
Purchases more than \$10,000 .....	4
Categories Exempt from Purchase Orders.....	5
Common Goods & Services .....	5
College-Wide Suppliers.....	6
Bid Policy .....	6
Bid Guidelines.....	7
Competitive Bid Summary and Justification (Form A).....	7
No Bid Justification (Form B) .....	7
Setting Up a Purchase Order .....	8
Creating Your PO .....	8
Viewing Your Purchase Order Transactions.....	9
Special Types of Purchase Orders.....	10
Blanket Purchase Order.....	10
Open Purchase Order.....	10
Emergency Purchase Order .....	11

## Introduction

The Purchasing Department and the Controller's Office are jointly responsible for the purchasing and payables functions of Wellesley College. Generally, within guidelines described in this Purchasing Policy, department representatives may initiate purchases covered by funds approved in their budgets.

If you have any questions about this Purchasing Policy, please contact the Purchasing Department. We are happy to help.

## Acquiring Goods and Services

There are different methods for securing goods and services, depending on dollar amount. The Procurement Value Table below shows the various methods for acquiring goods and services with explanations of each category following.

### Procurement Value Table

Dollar Value	Petty Cash	ProCard	Check Request	Purchase Order
Less than \$50	recommended	recommended	not recommended	not available
\$50 to \$999	not available	expected	recommended	not available
\$999 to \$4,999	not available	recommended	recommended	not recommended
\$5,000 to \$9,999	not available	contact Purchasing	available	recommended
\$10,000 to \$999,999	not available	contact Purchasing	not available (in most cases)	required
Over \$100,000	not available	not available	not available (in most cases)	required w/ <u>senior staff sign-off</u>

## What's Needed at Each Level

### Purchases less than \$50

The College gives you two ways to procure items totaling \$50 or less: use your own cash or credit card, then to receive reimbursement:

1. Submit the original sales slip with a petty cash request to the Cashier in the Bursary. The Cashier will give you cash on the spot; or
2. Submit the original sales slip with a check request to the Controller's Office. A check will be sent to you in about five business days.

Although they create inconvenience and additional work for small dollar purchases, you can use a purchase order if the supplier requires one. If you find yourself using a particular supplier many times during the course of the year for small dollar purchases, you may want to create a blanket purchase order (see page 10). Contact Purchasing to discuss your options.

### Purchases between \$50 and \$999

The Wellesley College ProCard is expected to be used for all orders under \$1,000. For vendors that do not accept credit cards, some will allow you to charge your purchase to a Wellesley account. In these situations, the supplier sends an invoice to the College and a purchase order is not required. Please stamp the invoice with the Wellesley College invoice stamp, authorize with a budget number and forward to the Controller's Office.

Purchase orders are generally not available for purchases under \$1,000. Exceptions are made for suppliers that insist on receiving a purchase order. Please forward the vendor's written request for a PO with your requisition.

### Purchases between \$1,000 and \$4,999

Wellesley College ProCard cardholders with higher limits are encouraged to use their ProCards for purchases between \$1,000 and \$4,999. For vendors that do not accept credit cards, some will allow you to charge your purchase to a Wellesley account. In these situations, the supplier sends an invoice to the College and a purchase order is not required. Please stamp the invoice with the Wellesley College invoice stamp, authorize with a budget number and forward to the Controller's Office.

### Purchases Between \$5,000 and \$9,999

A purchase order is recommended for purchases between \$5,000 and \$9,999 for budget control purposes and for the added legal protections that purchase orders provide. For a step-by-step guide to creating a PO, see "Setting Up a Purchase Order" on page 8.

#### Purchases more than \$10,000

A purchase order is required for purchases greater than \$10,000 that are not listed as categorically exempt (see page 5). The \$10,000 may be reached in one of the following three ways:

1. A single ordered item with a total cost (including freight) equal to or greater than \$10,000
2. More than one item ordered at one time with a total cost (including freight) equal to or greater than \$10,000
3. Multiple purchases to the same vendor against the same budget number that total \$10,000 or more in a fiscal year.

For a step-by-step guide to creating a PO, see "Setting Up a Purchase Order" on page 8.

All purchases \$10,000 or more are also subject to the College's Bid Policy (see page 6) and require written approval from the appropriate senior staff person.

## Categories Exempt from Purchase Orders

Certain categories are exempted from the purchase order requirement and bid policy. These include:

- Honoraria and fees for entertainers
- Investment management services
- Educational program expenditures (e.g., study abroad programs)
- Fringe-benefit related
- Taxes and payments to government agencies
- Legal and audit fees
- Membership fees and subscriptions
- Insurance
- Utilities

These expenditures should be processed for payment directly with the Controller's Office. Contact Purchasing if you have any questions as to whether or not your purchase will require a purchase order.

## Common Goods & Services

Certain items are coordinated and ordered by departments outside of the Purchasing Department. Please consult the following chart for a summary:

Item	Responsible Department
Computer equipment	Information Services
Software	Information Services
Food supplies	Food Services/Wellesley College Club
Scientific equipment and supplies	Science Center
Library book and subscriptions	Clapp Library
Vehicles	Physical Plant
Furniture/space management/construction expenditures	Physical Plant
Appliances	Physical Plant
All others not highlighted here	Purchasing

## College-Wide Suppliers

The College contracts for certain commodities and services on a college-wide basis with particular suppliers. Please refer to the following chart for a summary:

Item/Service	Vendor	Contact Person
Office supplies	Office Depot	Tina Dolan, Purchasing
Overnight shipping	Federal Express	Fran Adams, Mail Services
Ground shipping	UPS	Rick Russell, Distribution Center
Copiers	IKON	Vicki Mustachio, Copy Center
Business cards	Print Shop	Rick Bourque, Printing Services

## Bid Policy

A competitive bid with three vendors is recommended for purchases of \$5,000 or more and required for purchases of \$10,000 or more under the guidelines of this Purchasing Policy. There are two types of bids:

1. Request for Quotation (RFQ)

Use the RFQ template for:

- Commodity items – “off-the-shelf” catalog products sold by more than one supplier
- One-time purchases of tangible goods
- Bids that do not involve substantial “value added” effort on the vendor’s part – such as complicated logistics, installation efforts or vendor instructions.

Do not use the RFQ template to procure or bid services or service contracts.

2. Request for Proposal (RFP)

Use the RFP template for:

- Services
- When a substantial part of a commodity purchase involves “value added” vendor services
- When a Wellesley College defined “scope of work” is involved
- When the total projected value of the vendor relationship exceeds \$100,000 or more over a three (3) year period

For purchases less than \$100,000, use the abbreviated RFP template.

For values greater than or equal to \$100,000, contact Purchasing to coordinate use of the long RFP, which includes terms that protect the College.

## Bid Guidelines

When dealing with vendors under a bid process, it's important to conduct a fair and ethical process. Here are some key points to remember:

- All vendors must be provided with the same information and deadlines to avoid any advantages for any vendor.
- No information on the bids submitted (especially price) may be disclosed to the other competing vendors except for the name of the company.
- You should not tell any vendor the amount that should be submitted.
- You should not allow any vendor to resubmit a bid. Resubmission bid requests must include all vendors.

## Competitive Bid Summary and Justification (Form A)

Once all bids have been reviewed, complete the Competitive Bid Summary and Justification (Form A) prior to notifying the awarded vendor. A justification will be required if the bid is awarded to a vendor that is higher in cost than the lowest bid by either 15% or \$10,000, whichever is lower, and must be approved by the department senior staff and the vice president for finance.

## No Bid Justification (Form B)

If a competitive bid was not completed for purchases of \$10,000 or more under the guidelines of the Purchasing Policy, the No Bid Justification (Form B) must be completed with appropriate approvals as required.

## Setting Up a Purchase Order

### Creating Your PO

1. Prepare an online Requisition for Goods and Services by logging on to [www.wellesley.edu/Purchasing/Req/WcReqForm.html](http://www.wellesley.edu/Purchasing/Req/WcReqForm.html) and completing as much of the form as possible.

To ensure your requisition is processed as quickly as possible, be sure to:

- Provide the correct budget number information
  - include as much information as possible, such as catalog number(s), description of item(s), size(s), color, grade (if applicable), costs and vendor terms should be noted on each requisition. The purchasing staff will be happy to assist you in attaining this information.
  - Enter estimated prices when actual costs are not known.
  - Enter a date wanted (delivery date) on each requisition. Please note that ASAP, RUSH, IMMEDIATELY are usually ineffective.
  - Remember that some requisitions, based on dollar value, must enter the competitive bid process while others may require approval of other College departments (such as requests for computer equipment) and Budget Office approval. See page 6 for more details.
  - Include bid documents with your requisition. A competitive bid with three vendors is recommended for purchases between \$5,000 and \$9, 999 and required for purchases of \$10,000 or more under the guidelines of the Purchasing Policy. See page 6 for more details.
  - Attain all appropriate signatures before forwarding to Purchasing. A list of who is authorized to approve expenditures is maintained by the Controller's Office.
  - Furniture/Capital Project Requests: If the item being ordered requires other than the most minor installation, the ordering department should coordinate with the Physical Plant Facilities Office on the installation prior to seeking budget approval for unbudgeted expenses or forwarding the requisition to Purchasing. When the item is received, send Physical Plant a copy of the Requisition for Goods and Services with the Maintenance Service block checked to initiate the installation. Once again, the Purchasing staff will be happy to assist you in this process.
2. Forward the completed form to the Purchasing Department
    - You will receive a copy of the PO after it has been prepared. This copy contains all order specifics as stated on your requisition, including the ship to and accounting information. Please review this information carefully as we are all human and mistakes may be made.

- A receipt acknowledgement form will be attached to your purchase order copy. You must sign this and return it to Purchasing after you've received goods in good order.

## Viewing Your Purchase Order Transactions

In addition to the hard copy of the purchase order, you may also view the order online via the Banner Purchasing System. Once you've entered the order into the system by the buyer, all related information, including budget, receipt and invoicing information, can be viewed through the Document History form (FOIDOCH).

The Document History form displays the processing history of a purchasing and payment document. In addition to the type of document and the document number(s) associated with a transaction, the system displays an indicator for each document, denoting the current status. You can navigate to the actual document by using the "List Field Values" option. This allows you to view the document only — no changes can be made from this form.

Once a purchase order is created in the system, an "encumbrance" for the amount of the purchase is charged against the budget line(s) assigned to the purchase. This encumbrance is deducted from the account balance at the time the PO is approved by the buyer. Once the item is received and invoiced, the encumbrance for the acquisition is removed and the actual cost of the item is charged to the account balance.

Budget status can also be viewed online in the Banner system. For more information on encumbrances, budgets and budget viewing, please contact the Budget Office.

## Special Types of Purchase Orders

The Wellesley College purchasing system is designed to provide you with a mechanism to track multiple small dollar purchases, contracts or maintenance agreements with a particular supplier charge to multiple budget numbers.

### Blanket Purchase Order

By using a blanket purchase order, you create a mechanism to track the actual dollar volume you have done with a supplier over the term of the purchase order.

To facilitate the invoicing process, Purchasing has already received the entire order in the system for you. This will allow your invoices to go directly to payment without having to have receipt information processed. If you happen to receive a notice from us asking you to receive something against a blanket order, simply write "Blanket Order" on the form and return it to our office. We may have inadvertently left your order off those to be received in advance and will correct the situation immediately.

Unlike other order systems, we have asked the supplier to send all invoices against these orders directly to you. This is an important step in processing payments against a blanket purchase order. Since you will be charging items placed under this order to a variety of accounts, you must see the invoice before it's processed to assign the accounting information. Once this is done, the original invoice should be sent directly to the Controller's Office for payment.

Wellesley College departments are strongly urged to develop some type of internal system to track these orders, especially if you have many people using the same order number. Please feel free to call Purchasing as we can assist you in developing a system that meets your specific needs.

Remember, blanket purchase orders should only be used for small dollar purchases or contracts. Unless we have a specific negotiated arrangement with the supplier, large dollar items (over \$500) should have unique purchase orders assigned to them.

### Open Purchase Order

The Purchasing Department has also developed another mechanism to track multiple small dollar purchases, contracts or maintenance agreements with a particular supplier charge to one budget number. By using an open purchase order, you have created an encumbrance in the accounting system that will decrease as invoices are received against the purchase order number.

To facilitate the invoicing process, Purchasing will receive the entire order in the system for you. This will allow your invoices to go directly to payment without having to have receipt information

processed. If you happen to receive a notice from us asking you to receive something against an open order, simply write "Open Order" on the form and return it to our office. We may have inadvertently left your order off those to be received in advance and will correct the situation immediately.

If you receive an invoice for an open order, simply send it along to the Controller's Office. Since the purchase order has already created the charge information and the whole order has been received, the invoice can be processed without further intervention on your part.

Wellesley College departments are strongly urged to develop some type of internal system to track these orders, especially if you have many people using the same order number. Please feel free to call Purchasing as we can assist you in developing a system that meets your specific needs.

Remember, open purchase orders should only be used for small dollar purchases or contracts that are being charged to one account. Once the accounting is assigned to a purchase order, it's difficult to change. Unless we have a specific negotiated arrangement with the supplier, large dollar items (over \$500) should have unique purchase orders assigned to them.

## Emergency Purchase Order

Wellesley College strongly discourages individuals placing orders greater than \$10,000 on an emergency basis. If the needed items are required on campus immediately, Purchasing will expedite order placement with whatever means are available (fax, call in, computer exchange). Preplanning for such large purchases will eliminate the need for such orders.

Please note that the Wellesley College Purchasing Card/ProCard is available for all emergency needs under \$1,000, and one-time increases to card limits can be made (up to \$10,000) on an exception basis.

For all emergency orders greater than \$10,000, you must complete Bid Form B and submitted it to Purchasing with the appropriate signatures. Once Purchasing has this form and the necessary requisition data to place the order (vendor name, dollar amount, description, budget number, contacts info., etc.) the order will be placed as soon as possible. Please note that Purchasing has limited control over vendor lead times and that most vendors quote delivery time from receipt of order.