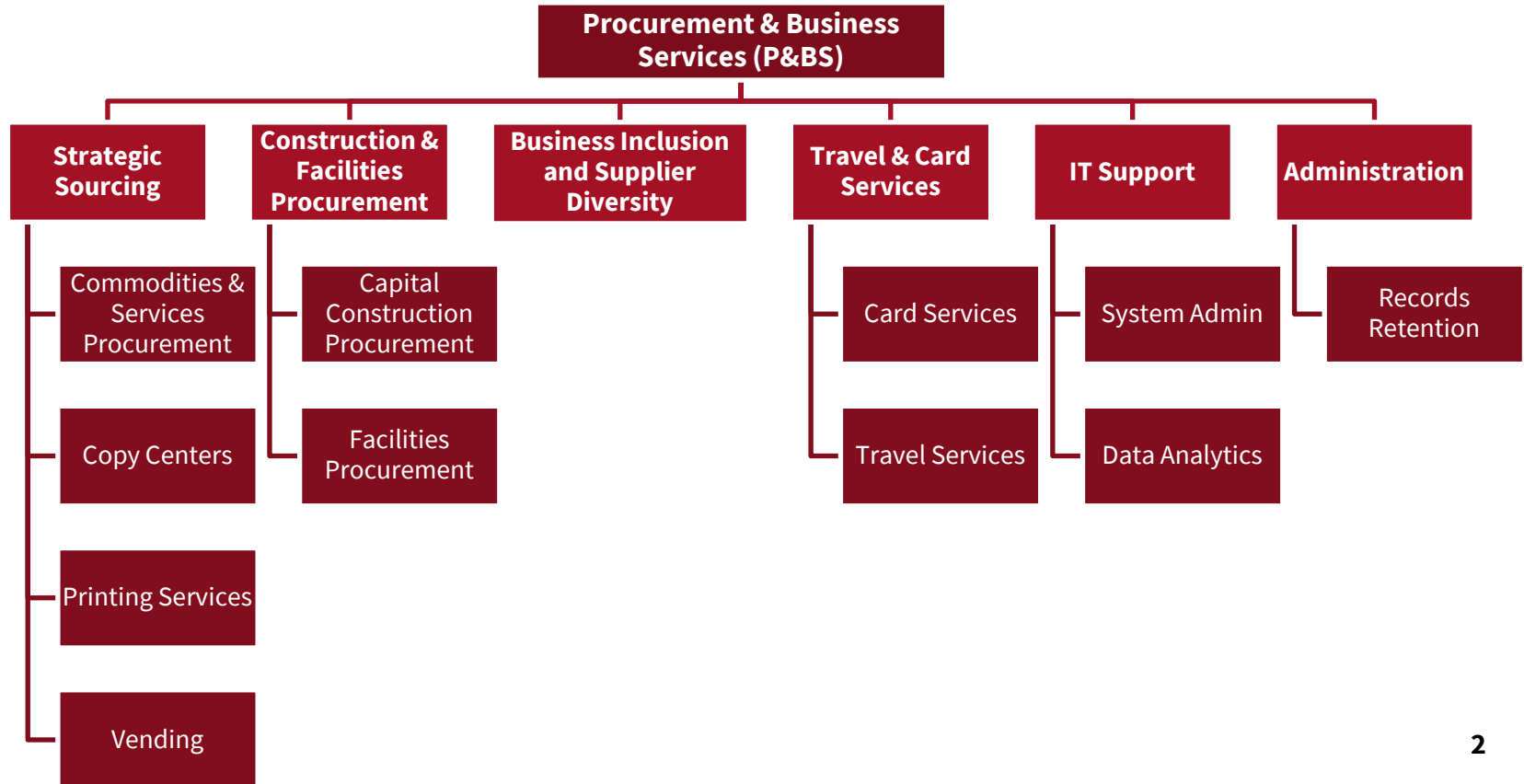


Procurement at UMD

Overview of the Procurement Function
10-31-2023



Procurement & Business Services - Who we are



Procurement at UMD

Complex Environment

Procurement at UMD can be a complex process due to being a public institution with relationships to USM and the State of Maryland

Compliance

Procurement & Business Services (P&BS) ensures compliance with USM Policies and Procedures, applicable Maryland procurement regulations, and applicable Federal requirements

Delegated Actions

Most procurements are relatively low dollar and handled directly by campus departments

When P&BS must be involved

- \geq \$25,000
- Any purchase requiring interpretation of terms and conditions
- Any purchase requiring a signed contract or agreement



What is a Procurement? When is P&BS Involved?

- A procurement includes all steps needed to obtain the materials, equipment, and services required by UMD
- As simple as issuing a purchase order or as complex as a multi-award competitive solicitation
- Most are low dollar, handled at department level by authorized individuals
- P&BS must be involved when:
 - Purchase is \geq \$25,000
 - Sole/single source purchase is \geq \$25,000
 - **Any purchase** that requires interpretation of regulations, laws or terms and conditions
- All procurements must comply with Maryland procurement laws, Federal regulations and USM Policies



Signature Authority (Part 1)

- P&BS has authority, delegated by the UMD President in the President's Letter of Signature Authority
- Only certain people at UMD have the authority to commit on behalf of UMD; this authority is limited
- Authority to sign offer letters for new hires, as delegated by Deans, is not the same as authority to enter into contracts



Signature Authority (Part 2)

- Anyone signing a contract who does not have the proper authority may be held personally responsible
- Ability to issue Delegated Purchase Orders or to use a Pcard is **not** the same as signature authority
- Procurement staff have signature authority delegated by the AVP for P&BS based on roles
- Procurements exceeding the limit delegated to P&BS staff must be routed for additional approval to a Manager/Director/AVP/VP depending on dollar amount

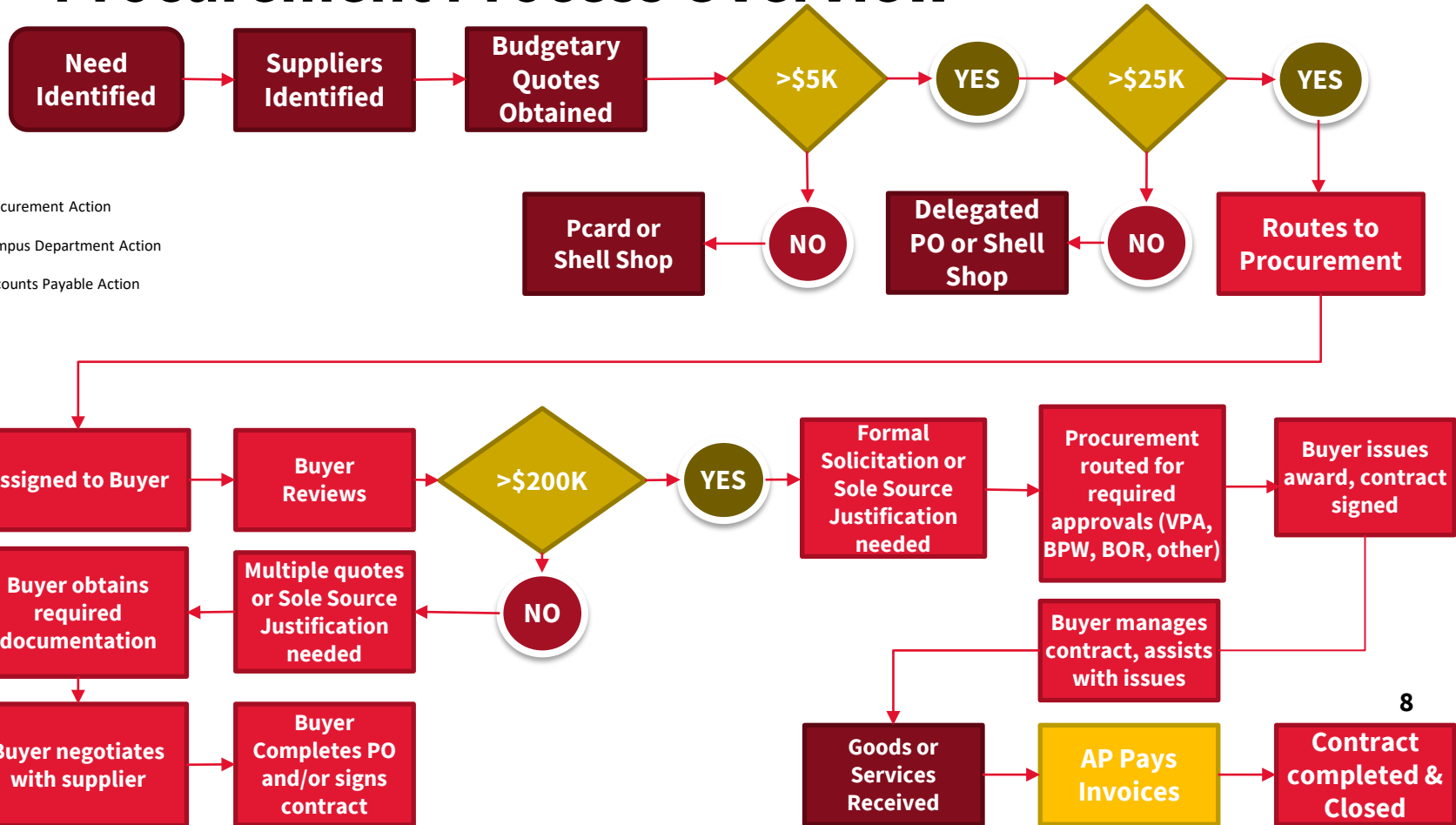


Commonly used Buying Methods

- **Pcard** transaction - < \$5,000 consummated by campus department
- **Delegated** procurement - < \$25,000 consummated by the campus department
- **Strategic Contract** procurement - < \$50,000 orders reference contract and are issued directly by campus units
- **Competitively Solicited** procurement - \geq \$25,000, solicitations are issued by Procurement and awarded by Procurement
- **Consortia-based** procurement - any dollar amount, \geq 25,000 offers opportunity to expedite procurement in some situations
- **Single/Sole Source** Procurement -
 - \geq \$25,000 requires sole source justification
 - \geq \$200,000 requires UMD VP & CAO approval and USM Vice Chancellor notification
 - \geq \$500,000 requires USM Vice Chancellor approval



Procurement Process Overview



Department's Role in Procurement

- Are the items available from Shell Shop?
If yes, purchase through Shell Shop from a UMD contract
- Is the need < \$5K and not available in Shell Shop?
Order using Pcard
- Is the need >\$5K<\$25K and not available from Shell Shop Catalogs?
Create a KFS Requisition; attach quotation and other documentation. If signature is required or terms require review, attach contract or terms or submit to DelegatedProcurement@umd.edu
- Is the need >\$25K?
Submit requisition in KFS with complete description of item/services needed. Attach budgetary quotation if available. P&BS will obtain final quotation and negotiate all terms and conditions



Delegated Procurement

- Most widely used procurement method at UMD
- Campus departments execute actions with Pcard or delegated PO
- UMD completes about 170,000 Pcard actions annually
- Campus departments execute 12,000-15,000 delegated procurement actions annually
- Delegated procurements that require a signature or with terms that conflict with UMD Terms and Conditions must be routed to P&BS for review, negotiation and final signature



Department Role in Procurement

- Campus departments are to confirm delivery of goods and services prior to approving an invoice.
- To confirm delivery and for record-keeping, retain all packing lists and associated documentation demonstrating that UMD received purchased items/services
- Proof of receipt of goods/services will be requested by Auditors



P&BS Role in Procurement

Facilitate and manage sourcing, contract negotiation, purchasing, and contract administration

Overall responsibility to ensure an open and competitive process with fair and equitable treatment of all suppliers and contractors

Responsible for achieving best overall value in procurement actions

Compliance with UMD and USM Policies and Procedures, State laws and regulations, and Federal requirements

Mitigate contractual risk and limit liability exposure

Administer Card Programs (VISA/Diner's Club)

Collaborate with others to ensure UMD's needs are met (Office of General Counsel, Division of IT, Controller's Office, etc.)

Source for information and interpretation of regulations

Signature Authority to make external commitments



Buying Methods used by P&BS

- Competitive solicitation
- UMD strategic or master agreement/contract
- State contract
- Extensible USM institution contract
- Consortia based contract - BTAA, E & I, MEEC, Omnia Partners, Sourcewell
- Sole Source
- Preferred Providers - Maryland Correctional Enterprises (MCE), Blind Industries and Services of Maryland (BISM)



Who chooses Buying Method for actions \geq 25K?

- Procurement method is determined by P&BS staff
- P&BS staff consult with department to determine appropriate procurement method
- Procurement staff consider items or services being procured, available options, time and special needs when choosing procurement method



Strategic Contract Uses and Benefits

- Easy to use through Shell Shop
- Contracted pricing
- Terms and conditions are already negotiated
- Faster speed to delivery of goods or services
- Non-delegated POs against strategic contracts are completed more rapidly (terms are already negotiated)



Consortia-Based Agreements and Benefits

- Competitively bid consortia-based agreements used by P&BS to complete purchases more quickly
- P&BS staff are familiar with the consortia-based contracts that are best for UMD to work with
- Not all consortia-based contracts are equal; some require negotiation of terms and conditions (and in some cases terms cannot be negotiated)
- Consortia contracts used at UMD include E & I Cooperative, BTAA Purchasing Consortium, Sourcewell and MEEC



Competitive Solicitations and What to Expect

P&BS staff conduct solicitation process and are responsible for the outcomes.

P&BS staff determine appropriate solicitation vehicle to be used to obtain bids and discuss with customer.

P&BS staff collaborate with customer to prepare solicitation document.

Solicitations range from simple Request for Quotation to complex multi-step Request for Proposal.



Competitive Solicitations and What to Expect

- Campus customers are responsible for providing requirements or scope of work for the items or services required, and timeframe during which goods or services will be provided
- To start the process with P&BS, create a requisition in KFS. The vendor field can be left empty. The description should state that it is for competitive bidding for the goods or services required.
- Attach the requirements document to the requisition for P&BS to review; if needed, they can help in developing requirements.

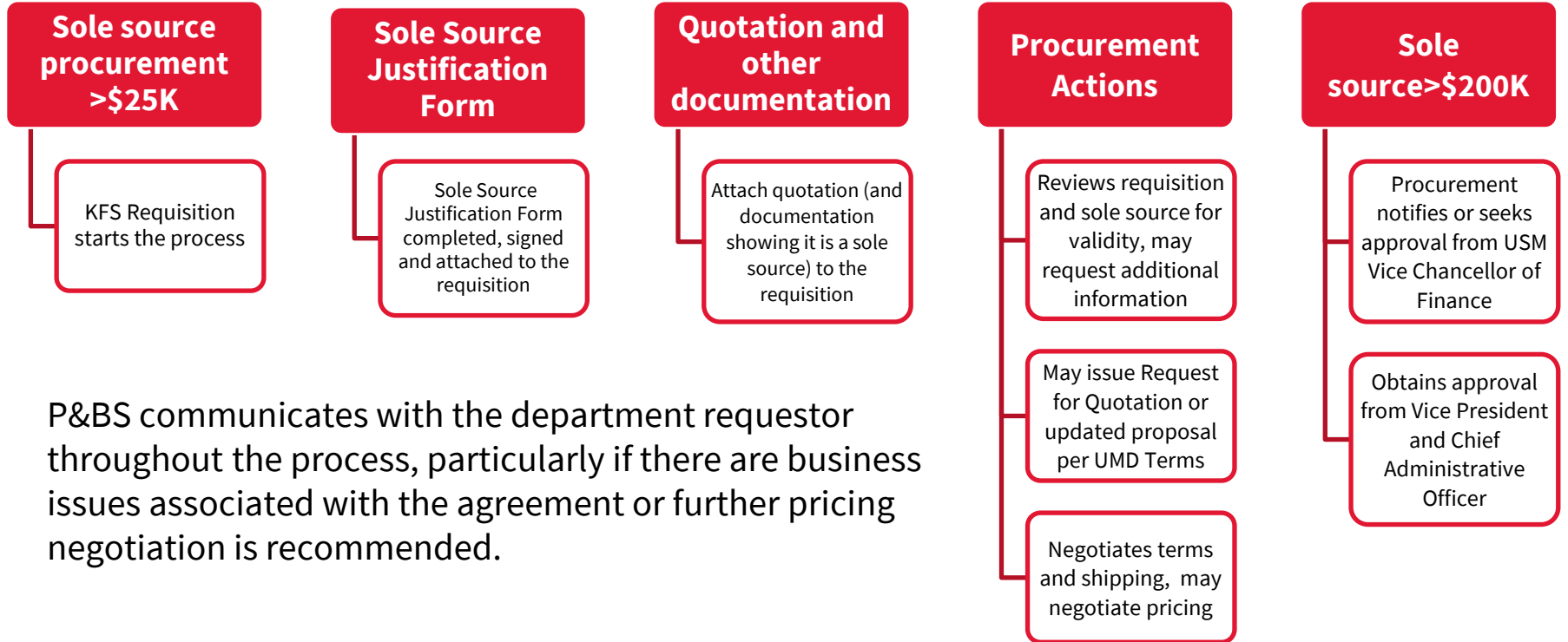


Competitive Solicitations and What to Expect

- Simple competitive solicitations < \$200K can be completed in 10-30 days once P&BS has clear requirements.
- Complex Requests for Proposal (RFP) typically take 90-180 days to complete, from RFP development through final award.
 - If Board of Regents or Board of Public Works approval is required, timeframe may be longer.
 - Time to complete is highly dependent on effective communication and collaboration throughout the process.



Sole Source Procurements



Policies, Regulations and Laws Governing UMD Procurements

- Portions of State of Maryland COMAR Title 21
- USM Procurement Policies and Procedures
- UMD Policies:
 - VIII - 3.00
 - VIII - 3.10
 - VIII - 3.20
 - VIII - 22.0
- Federal Uniform Guidance and FAR/DFAR for Federally funded activities
- President's letter of signature delegation



External Approvals - Obtained by Procurement

- Sole Source procurements \geq \$200,000 require Vice President & Chief Administrative Officer approval
- Sole Source procurements \geq \$500,000 **also** require USM Vice Chancellor of Finance approval
- Procurements \geq \$5M require Vice President & Chief Administrative Officer approval
- Procurements \geq \$5M for the base contract period require University System of Maryland Board of Regents approval
- Specific procurements \geq \$1M require State of Maryland Board of Public Works approval



External Approvals – Board of Public Works (BPW)

- BPW is unique to Maryland, intended to provide transparency to the public related to actions of State agencies
- BPW consists of Maryland Governor, Treasurer, Comptroller
- Reviews and has authority to approve:
 - Capital improvements > \$1M
 - Contracts involving services that are > \$1M during expected life of the contract (including all options), that are not physical infrastructure maintenance activities
 - All contract modifications for approved procurements
 - All MCCBL/Go bond funded items regardless of dollar amount
- Some categories are excluded from BPW review and approval



External Approvals – Board of Regents (BOR)

- Department is informed at the onset of procurement if BOR approval is required
- BOR approval:
 - is required when the **base period** of the contract is \geq \$5M
 - attaches to all contract types
 - must be planned well in advance
- Construction activities are approved separately as part of the Capital Plan
- BOR agenda items (required for approval) are routed to AVP of P&BS, then to VP & Chief Administrative Officer, for review and submittal to USM



**FEARLESSLY
FORWARD**

