6 Step Guide to Making University Purchases

Step 1 - Are the goods or services available in-house?
- Department of Business Services:
  - Copy Services- provides copying and finishing services
  - Design Services- a resource for design and production needs
  - Mail Services- delivers, collects, and processes all incoming and outgoing U.S. Postal Service and interdepartmental mail
  - Motor Transportation Services (MTS)- offers a wide variety of rental vehicles and transportation-related services
  - Photo Services- provides a wide range of photographic services.
  - Printing Services- service and assistance throughout all phases of the printing process including: design, composition, typesetting, offset printing, binding and bulk mailing
  - Records Management- provides information to University departments regarding the proper procedures for retaining and discarding University records.
  - Travel Services- provides travel policy clarification, information about service providers and discounts, expense reconciliation processing, and facilitation of travel procurement.
  - University Copy Program- offers University departments an alternative to purchasing a copy machine using departmental funds.
- ChemStores- maintains an inventory which includes a wide variety of chemicals, scientific apparatus, equipment and supplies.
- Center for Leadership and Organizational Change (CLOC) - provides customized consulting and leadership coaching to help you achieve your organizational goals.
- Dining Services- offers a wide variety of dining and catering options.
- Environmental Safety- DES includes Research Safety, Occupational Safety, Risk Management (insurance), Fire Marshal’s Office and Sustainability.
- Facilities Management- offers a wide variety of in-house services for the College Park campus.
- Division of Information Technology- includes the Terp Technology Store, TERPWare software downloads, and a variety of other technology services.
- Institute for Bioscience & Biotechnology Research (IBBR) - DNA Sequencing.
- Physical Distribution Center- provides services for receiving and distribution, shipping, importing and exporting, and household and lab moves to campus.
- Terrapin Trader- the University’s surplus property operation.

Step 2 - Can you borrow from another department or purchase used/remanufactured items?

Step 3 - Does the State require that we purchase the goods or services from “Preference Providers”?
- Maryland Correctional Enterprise (MCE)
- Blind Industries and Services of Maryland (BISM)
- Maryland Works

Step 4 - Is the transaction within Delegated Procurement Authority?
- Purchasing Card (all unrestricted small dollar transactions) <$5,000
- Automatic Purchase Order in KFS (small dollar transactions excluded from purchasing card and travel card) <$5,000
- Travel Card (limited to travel related transactions within Delegated Procurement Authority) <$5,000 unless from a contract vendor
- Use of a Campus Wide Vendor Contract in KFS (only applies to vendors/purchases with whom UMD has an established Campus Wide Vendor Contract) >$5,000.
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Step 5 - Submit a Requisition for Purchase to the Department of Procurement and Strategic Sourcing. Your requisition will be assigned to a Contract Manager (Purchasing staff).

For competitive purchases include:
- Requisition in KFS
- Specifications/Scope of Work/Technical Requirements
- Performance requirements
- Special requirements such as delivery or installation
- Estimated dollar amount
- Funding source
- List of suggested vendors*

* Please consider making such purchases with State Certified Minority Businesses (MBE) and Small Businesses (SBR).

The assigned Contract Manager will contact you to review your requirements and make recommendations that allow for maximum competition and result in the acquiring the best value for the University.

For sole source purchases include:
- Requisition in KFS
- Specifications/Scope of Work/Technical Requirements
- Performance requirements
- Special requirements such as delivery or installation
- Estimated dollar amount
- Funding source
- Sole Source Justification Form

The Contract Manager will determine if a sole/single source exists and research the requirement to ensure the cost is fair and reasonable.

For competitive and sole source purchases when the funding source is sponsored funds, additional approval of the expenditure is required from appropriate ORA/ORAA department for your campus as follows:
- UMD – A2 form
- UMCES – A3 form
- USM – A4 form

Step 6
Contact the Department of Procurement and Strategic Sourcing with any questions/concerns.

Department of Procurement and Strategic Sourcing
2113-R Chesapeake Building
Main Phone 301-405-5813
Main Fax 301-314-9565
Website www.purchase.umd.edu
If the Dollar Amount of the Transaction is between $5,000.00 and $100,000.00 (the estimated cumulative value including any option years):

Please be aware that $5,000.01 is the dollar threshold at which competition of University purchases is required. This means that the Department of Procurement and Strategic Sourcing must seek competition for any requirement that exceeds this amount. In very special circumstances, sole/single source procurements may be justified.

If the requirement is competitive (i.e. there is more than one source that can fulfill the requirement), then the requesting department should provide information such as one or more suggested vendors for the item(s) and/or service(s). If the requirement is a service the department should include a Statement of Work/Scope of Services. Procurement will issue a Request for Quotation (RFQ) package to multiple vendors. Please note that the Procurement may designate the procurement as “small businesses reserve”, allowing only certified small business to participate in the competition. Once quotes are received and analyzed, award will be made to the lowest responsive, responsible offeror.

A sole/single source purchase (i.e. procurement without competition) is authorized under limited conditions and subject to written justification documenting the conditions that preclude the use of a competitive process. If Procurement determines that there is only one source that will satisfy the requirements and/or circumstances present, Procurement may negotiate and award a contract without competition to the company identified as a sole source. If you have a sole source transaction, complete and sign the Sole Source Justification form found on the web at http://www.purchase.umd.edu/forms.html, click on the link for “Purchasing”. Procurement has established a turn-around goal of 10 calendar days for sole source transactions between $5,000.01 and $100,000.00. This 10-day period begins upon Procurement’s receipt of a complete package (requisition plus all documentation, and a completed and signed sole source justification form with persuasive justification in sufficient detail to clearly establish the transaction as sole source). If Procurement does not approve the transaction as sole source, then it will be handled as a competitive transaction.

If the Dollar Amount of the Transaction exceeds $100,000.00 (the estimated cumulative value including all option years):

Procurement utilizes a different process for competitive requirements exceeding $100,000.00. Typically, Procurement issues a formal Request for Proposal (RFP) or Invitation for Bid (IFB) package, containing a complete and detailed Specifications and Scope of Work. RFP/IFB’s are issued to multiple vendors and posted on eMarylandMarketplace. Procurement makes an award(s) as a result of the department’s evaluation of proposals and Procurements approval. Under an RFP the typical basis of award is the proposal that represents the "best value" to the University. Technical and Financial proposals are formally evaluated by separate committees. Use of the RFP process also involves Procurement creating a Source Selection Plan and a Milestone Plan. The end user representative agrees to both of these plans prior to issuance of an RFP. The RFP process typically takes between 2 and 4 months and includes significant involvement from the requesting department, so it is very important to involve Procurement as soon as possible for any requirement expected to exceed $100,000.00.

The process for handling sole source transactions in excess of $100,000 does not differ significantly from lower-dollar sole source transactions, except that the sole source justification acquires the additional approval of the Vice President of Administration and Finance. The USM Vice Chancellor of Administration and Finance must also be notified when a sole source exceeds $100,000. If the sole source exceeds $500,000, prior approval from the USM Vice Chancellor is required. As a general rule, the higher the dollar amount of the transaction, the more compelling the sole source justification must be.
Procurement Flowchart 1
- Basic Non-Construction

1. Requisition Received and Assigned to a Contract Manager (Buyer)
2. Is this an Emergency Procurement?
   - NO: Does this use Sponsored Funds?
     - NO: Is this an Excluded Activity?
       - YES: Complete an Excluded Activity Determination
       - NO: Complete an Emergency Procurement determination
     - YES: Obtain appropriate Sponsored Fund approvals (SEE Flowchart #4 for Sponsored Funds Process)
   - YES: Complete an Emergency Procurement determination
3. If Applicable: Obtain appropriate Sponsored Fund approvals (SEE Flowchart #4 for Sponsored Funds Process)
4. Is it a Sole Source?
   - NO: SEE Flowchart 3 for Competitive Process
   - YES: See Flowchart 2 for Sole Source Process
5. AWARD Purchase Order/Contract
6. Complete Purchase Order/Contract (Close-out Process)
   - PO Close - for PO’s with payments, departments can close the PO in KFS
   - PO Void – for PO’s without payments, department’s can submit a request to Procurement to VOID a PO
7. ELIMINATES REQUIREMENTS FOR:
   - BPW (State) Approval
   - BOR (USM) Notification/Approval
   - VCAF (USM) Notification/Approval
9. Contract Close-out – If other activities are needed the department can contact Procurement (i.e.- notice of termination, etc. required by certain legal agreements)
Procurement Flowchart 2 -
Non-Construction Sole Source Process

Sole Source Determination Approval Process

Procurement evaluates reasonableness of SS and may search for alternate vendors

Is this actually a sole/single source?

- NO: Send the form back to the department for correction.
- YES: Buyer notifies department and proceeds to a competitive process

SS Determination requires the following signatures:
- Buyer
- Manager
- Procurement Director
- Vice President of Administrative Affairs (VPAF)

Review Quote – verify information and review terms and conditions (T&Cs)

Sole Source Paperwork Complete

PROCUREMENT EVALUATES REASONABLENESS OF SS AND MAY SEARCH FOR ALTERNATE VENDORS

Is the justification form sufficient?

- NO: Send the form back to the department for correction.
- YES: Buyer notifies department and proceeds to a competitive process

Complete a VCAF Notification Form

Is this a Personal Service over $25k?

- NO: SS Determination requires the following signatures:
  - Buyer
  - Manager
  - Procurement Director
  - Vice President of Administrative Affairs (VPAF)
- YES: Complete a VCAF Approval Form – signed form required

Complete a VCAF Notification Form (Non-Personal Service)

Is the PO under $100k?

- NO: SS Determination requires the following signatures:
  - Buyer
  - Manager
  - Procurement Director
  - Vice President of Administrative Affairs (VPAF)
- YES: Complete a VCAF Approval Form – signed form required

Complete a VCAF Approval Form – signed form required

Is the PO under $500k?

- NO: SS Determination requires the following signatures:
  - Buyer
  - Manager
  - Procurement Director
  - Vice President of Administrative Affairs (VPAF)
- YES: Complete a VCAF Approval Form – signed form required

Is the PO under $5 million?

- NO: REQUIRES BPW Approval
- YES: REQUIRES USM Board of Regents (BOR) Approval

REQUIRES BPW Approval (SERVICES ONLY)

Is the PO under $1 million?

- NO: REQUIRES BPW Approval
- YES: REQUIRES USM Board of Regents (BOR) Approval

REQUIRES BPW Approval (SERVICES ONLY)

Review Quote – verify information and review terms and conditions (T&Cs)

Concurrent Process

Complete a Basis of Award Form and Price Analysis – verify that price is fair and reasonable

Sole Source Purchase Order/Contract

AWARD

Sole Source Purchase Order/Contract

REQUIRES BPW Approval SEE Flowchart 6

Is this funded by MCCBL funds?

- NO: REQUIRES BPW Approval
- YES: REQUIRES USM Board of Regents (BOR) Approval

REQUIRES USM Board of Regents (BOR) Approval

Is the PO under $5 million?

- NO: REQUIRES BPW Approval
- YES: REQUIRES USM Board of Regents (BOR) Approval

REQUIRES USM Board of Regents (BOR) Approval

Close
Requisition

Under $100,000

Procurement drafts a Request for Quotation (RFQ) and Vendor List

Designate as SBR?

YES

ADD SBR language to the RFQ document

NO

Department customer reviews and approves documents

RFQ is issued to Vendors

IF APPLICABLE – Solicitation Amendment is issued to address questions or changes to requirements

Quotes are received and evaluated in accordance with the RFP

Procurement Completes appropriate Award documentation and gets final purchasing approvals

Under $100,000

Over $100,000

Sourcing is completed

PRG Process – determination to maximize MBE and SBR participation

In conjunction with the department customer Procurement prepares a draft solicitation and Milestone Plan

Invitation for Bid (IFB) Process

Pre-Proposal/Pre-Bid Conference (if applicable)

Amendment / Question and Answer process (specifics vary by solicitation). Amendments may include changes to the RFP/IFB, pricing, and/or end date.

IFB - Bids are received, and opened in the presence of at least two people. Vendors may be present.

Lowest price/responsive vendor is selected

Is the Proposal/Bid Acceptable?

YES

RFP - Procurement obtains confidentiality agreements and distributes Proposals to the Technical Evaluation Committee (TEC)

The TEC completes the initial Technical Evaluation

Are any Clarifications Required?

YES

Procurement issues request for clarifications

RFP -TEC evaluates the Clarifications and updates evaluation forms / IFB – Department review

NO

Are any Proposal/Bids Determined Unacceptable?

YES

The Technical Evaluation Committee completes the Technical Evaluation

Are any additional approvals required?

YES

Procurement Notifies the Offeror/Bidder & removes the Proposal/Bid from further consideration (Allow for debriefing/protest period)

NO

ALL OTHER NOTIFICATIONS AND/OR APPROVALS MUST BE RECEIVED PRIOR TO SUBMISSION FOR BPW APPROVAL.*

* All other notifications and/or approvals must be received prior to submission for BPW approval.

Under $100,000

Exceeds $100,000

Request for Proposal (RFP) Process

Source Selection Plan

Draft is finalized and the RFP/IFB package is issued to Vendors and posted on eMaryland Marketplace

Financial Evaluation team ranks vendors by price

The evaluation team completed the FINAL evaluation and ranks vendors based on best value/lowest price technically acceptable