Basic Overview of Procurement Process
Methods of Purchasing

There are different processes of ordering goods or services, and encumbering funds.

- P-Card/One Card
- FPO
- Purchase Order
Method of Purchase

P-Card/One Card

P-card can be used to purchase goods as allowed by policy.

**Why:** Most efficient method of purchasing (does not require the processing of an Electronic Requisition or Purchase Order)

**When:** When the total dollar amount is less than $4,500 and is not prohibited by P-Card or One Card Policy

**Example:** Office supplies and lab supplies

*Card users must attend training for additional policies and procedures. Please contact Cathy Daniels at x3264.*

Note: A One Card is a combined P-Card and Travel Card.
Method of Purchase

Field Purchase Orders (FPO)

Accepted on an exception basis only. Requires an *Electronic Requisition* to be submitted to Purchasing.

**Why:** Used when a vendor will not accept a P-Card

**When:** the total dollar amount is *less than $1,000*

**Example:** Ordering business cards through the State
Method of Purchase

Purchase Order

Requires an *Electronic Requisition* to be submitted to Purchasing

**Why:** To encumber funds and to obtain required approvals applicable to each purchase *prior* to submitting an order

**When:** The dollar amount exceeds $4,500 *OR* the purchase requires pre-approval from various departments (e.g.: items using the School’s trademarked logos)

**Example:** Purchasing expensive lab equipment
Additional Approvals

Required approvals that are above and beyond fund manager and department head approvals. They are required to comply with various Policies on campus.

(See attached Purchase Request Required Approvals document for more details.)
Additional Approvals

- **Facilities/Environment/Construction**
  - Involves or requires: Installation, Environmental Impact, Safety, Construction/Renovation, Vehicles/Fleet, Storage or Delivery

- **Information Technology**
  - Configuration or operation requires support or assistance from CCIT

- **Logo and Trademark Administrator**
  - CSM Trademarks (Logos), including verbiage and images
Additional Approvals

- **Office of Research Administration**
  - Funded by Sponsored Research (Banner Indexes beginning with a “4”)

- **Controller’s Office**
  - Equipment and Fabricated Equipment valued at $5,000 or greater.

- **Human Resources**
  - Certification for Personal Services for purchases greater than $5,000 and Business Case for purchases greater than $50,000. Exception – existing waiver.
Competitive Solicitation

Competitive solicitations may be required for purchasing goods and services based on dollar thresholds.

- Documented Quote (DQ)
- Invitation for Bid (IFB)
- Request for Proposal (RFP)
- Sole Source
Solicitation Method

Documented Quote (DQ)

A public notice of Documented Quote (DQ) will be posted for at least 3 days.

Why: To assure that we obtain the best price for higher dollar purchases. Lowest cost is the primary consideration for awarding to vendors.

When:
- **Goods:** Between $10,000 and $150,000
- **Services:** Between $25,000 and $150,000. Services above $100,000 will also require a formal contract to be executed.

Example: 5 Olympus Microscopes with accessories totaling $55,970.50
Solicitation Method

Invitation for Bid (IFB)

A public notice of an **Invitation for Bid (IFB)** will be posted for at least **14 days**. This is a sealed bid with a more formal process for reviewing responses.

**Why:** IFBs are used in cases where the exact specifications for a desired purchase are already known. To assure that we obtain the best price, the lowest cost is the primary consideration.

**When:**

- **Goods:** Above $150,000
- **Services:** Above $150,000 – **Services above $100,000 will also require a formal contract to be executed.**

**Example:** Furnishings for the new dining hall totaling $213,906.68
A **Request for Proposal (RFP)** is a solicitation where the primary consideration for award is not limited to price. A public notice of an RFP is posted for at least **30 calendar days**.

**Why:** Request for Proposals are used to find solutions to a purchasing need that can be evaluated on factors not limited to price.

**When:** RFPs are used for purchases over $150,000 (not limited to purchases only over $150,000) when a solution is not already known. The proposals will be evaluated on many factors, including price.

**Example:** Determining which company will provide campus-wide dining services.
A **Sole Source** requires approval by the Assistant Vice President of Financial Planning and Business Operations and is for exceptions only. It is a procurement made without competition and requires a public notice to be posted for **3 days**. Requires documented justification provided by the requestor.

**Why:** There is only one solution for a purchasing need. Other solutions do not exist or using an alternative creates undue hardship and threatens business operations.

**When:** Sole Sources are used on a rare exception basis when documentation is sufficient to justify a purchase without competition.*

**Example:** Purchasing additional modules for our Enterprise System, Banner.

*Many formal protests result from sole source requests and have delayed the procurement process.*
Purchasing of Computers

Apple and Dell

To purchase a Apple or Dell computer, instructions can be found on the main Purchasing website under Computer Purchases.

How to: Click on the correct ecommerce site.
  - Dell: Add items to Shopping Cart and Purchase through site directly or print cart for quote.
  - Apple: Click on the Apple Instructions and follow the Step by Step registration process.

  • Note: Register as a Proposer

If you have any questions about this process please contact Michael Craig at x3972
After the Fact Orders

For each purchase order, an *electronic requisition* must be submitted to Purchasing. Once processed, a purchase order will be submitted to the vendor. Each purchase order that does not follow this process prior to the order being placed is considered an “After-The-Fact”. “After-The-Fact” purchases must be reviewed and approved by the Controller’s Office. This may result in the end user being personally liable for the purchase.

CSM Financial Policy 2.2.5
Other Resources

Procurement Services and Business Operations

Website:
http://inside.mines.edu/Procurement_Services

Procurement Rules:
http://inside.mines.edu/UserFiles/File/PoGo/Policies/FIN/
FIN_Procurement_Rules_June2012.pdf

Electronic Requisition Training:
- Next training – **Wednesday, September 9, 2:00-3:30 pm, in CT152**
- For scheduling training, please call **Megan Averch** at **x3268**