

## **Purchasing Policy - Quick Reference Guide**

The entire [Purchasing Policy and Procedures](#) document is available on the [NU Portal](#) and the [Purchasing Resource Services](#) (PRS) web site.

### **Summary of Primary Points of Emphasis/Changes to Purchasing Policy and Procedures:**

- The University requires that departments/schools solicit bids for purchases of \$25,000 or more, unless a Preferred Vendor is utilized. **Departments/schools are strongly encouraged to involve PRS in the procurement process for significant purchases or when a strategic relationship needs to be established with a vendor for a particular product or service.**
- Requisitions will be initiated by departments/schools in the University's financial system (NU Financials).
- Departments/schools will submit detailed BD-1's and SSJ-1's as an attachment to the electronic requisition for purchases of \$25,000 or more. Departments/schools must maintain copies of all documentation related to the bid process in accordance with University record retention guidelines. PRS reserves the right to request and review any documentation related to a particular purchase decision.
- Purchase orders are not issued (and PO numbers are not assigned) until all approvals have been applied to the requisition and the requisition has been budget checked.
- Purchase orders will be sent to vendors based on their profile in PeopleSoft.
- Purchase orders will be sent multiple times per day (electronically and by fax server).
- Vendors are instructed to send their invoices directly to Accounts Payable.
- Purchasing Resource Services (PRS) will be responsible for approving Requisitions of \$25,000 or more.
- All requisitions for blanket orders will require PRS approval, regardless of dollar value. Blanket orders are not to be used as an open line of credit or to facilitate the use of phone orders (open account with no detail regarding each individual transaction). Blankets orders should also not be used as a way to manage your budget.
- Receivers will need to be applied in PeopleSoft for non-catalog requisitions.
- PRS will be responsible for the process of dispatching Purchase Orders to vendors.
- All changes to purchase orders will be processed by PRS.
- Departments and schools will request new ship to codes from PRS
- Contracts and agreements of \$25,000 or more that need to be signed by the University **MUST** be reviewed by the Office of General Counsel (OGC). Certain Associate and Assistant Vice Presidents, Deans, Associate Provosts, and Directors have been delegated authority to execute contracts under \$25,000 per year.

**Summary of Required Approvals:**

|  | <b>Purchasing Resource Services Approval Required?</b> |
|--|--|
| Non-catalog orders < \$25,000          | No   |
| Non-catalog orders of \$25,000 or more | Yes (BD-1 or SSJ-1 required)                           |
| Catalog orders of any value (iBuyNU)   | No   |
| Blanket orders of any value            | Yes  |
| Grant Subcontract                      | No (only ASRSP)  |

**Summary of Appropriate Uses of Blanket Orders:**

Blanket orders are to be used primarily to make payments for the regular delivery of a consistent quantity of products or for services that are provided on a regular and consistent basis. The underlying theme behind most appropriate blanket orders is that there is a contract/agreement in place that has been reviewed and approved by PRS and/or OGC, or an established agreement template created by PRS and OGC was used.

Blanket orders are not to be used as an open line of credit or to facilitate the use of phone orders (open account with no detail regarding each individual transaction). Blankets orders should also not be used as a way to manage your budget. Blanket orders will be sent to the vendor, so they know the PO number to include on all invoices.

**Approval.** ALL blanket Purchase Order requests will be reviewed and must be approved by PRS, regardless of value. In addition, all changes to blanket orders will be processed by PRS.

| <b>Type of Purchase</b>  | <b>Acceptable Practice</b>  |
|--|---|
| Department/school specific contract  | Blanket for payment on contracts that are approved by OGC and PRS   |
| Service or Maintenance Agreements  | Blanket for monthly payment on contracts for services or maintenance of equipment, approved by OGC and PRS (or approved template is used) |
| Regular delivery of product or service from Preferred Vendor                                   | Blanket to pay monthly cost (same amount every month or when exact amount might be slightly different each month)                         |
| Regular delivery of product or service from non-Preferred Vendor when approved contract exists | Blanket to pay monthly cost (same amount every month or when exact amount might be slightly different each month)                         |
| Facilities   | Blanket used to encumber funding for large, long term construction projects   |

**Summary of differences between catalog and non-catalog requisitions:**

|                             | <b>Catalog (Preferred Vendors)</b>       | <b>Non-Catalog</b>     |
|-----------------------------|--|------------------------|
| PRS approval required       | No                                       | Yes (\$25,000 or more) |
| Receipt required            | No                                       | Yes                    |
| PO dispatch                 | Electronic *                             | Fax Server             |
| Change orders to PO allowed | No                                       | Yes                    |
| Electronic invoicing        | Yes *                                    | No                     |
| Electronic payment          | Yes, if invoices are sent electronically | No                     |

\* depending on vendors capabilities

**Quick Reference Sheet of Acceptable Procurement Methods:**

- See next page.

## Quick Reference Guide of Acceptable Procurement Methods

| Most purchases start with a Requisition   |   | Other procurement methods  |   |   |
|---|---|--|---|---|
| iBuyNU Marketplace Requisition  | Non-Catalog Requisition   | Procurement Card   | Direct Payment Request (DPR) Form   | Blanket Order   |
| The iBuyNU Marketplace is a tool that provides departments and schools with the most streamlined, cost effective way to order products they need from many of NU's preferred vendors.                           | For services and products that cannot be purchased from a preferred vendor in iBuyNU, a standard purchase order will need to be issued and sent to the vendor.  | To be used primarily to purchase items that cannot be purchased from a preferred vendor in iBuyNU and when the purchase is low cost and low risk (the transaction doesn't warrant the issuance of an official purchase order to a vendor).   | To be used primarily for payment purposes (the transaction doesn't warrant the issuance of an official purchase order to a vendor).   | To be used primarily to make payments for the regular delivery of a consistent quantity of products or services that are provided on a regular and consistent basis.  |
| Provides end users with a web based ordering experience. Departments/schools will be shopping on, in many cases, the vendor's actual website configured for NU.   | For purchases of \$25,000 or more, departments/schools are required to make purchasing decisions based on the results of a competitive bid (it is recommended that departments/schools solicit bids for all purchases of \$5,000 or more).<br><br>The BD-1 Form must be used to summarize bids and how the award decision was made. | Examples include: <ul style="list-style-type: none"> <li>• Registration fees</li> <li>• Subscriptions</li> <li>• Membership dues</li> <li>• Emergencies (products or services)</li> <li>• Internet orders (only when item needed cannot be found from any other source)</li> </ul> | Examples include : <ul style="list-style-type: none"> <li>• Rent, utilities</li> <li>• Registration fees</li> <li>• Subscriptions</li> <li>• Membership dues</li> <li>• Repairs (unplanned, emergency)</li> <li>• Independent contractor payments</li> <li>• Research subject fees</li> <li>• Student reimbursements</li> <li>• Visitor reimbursements</li> </ul> | Examples include: <ul style="list-style-type: none"> <li>• Equipment maintenance (monthly payments)</li> <li>• Garbage pick-up (department specific service)</li> <li>• Coffee service (different amount each month)</li> <li>• Laboratory Gas (same quantity each month)</li> <li>• Facilities construction projects</li> <li>• Rent, utilities</li> </ul> |
| Preferred vendors are vendors that have been awarded a contract or agreement by Purchasing Resource Services.   | If bids cannot be solicited due to the proprietary nature of the product or service, it must be justified as a sole source.<br><br>The SSJ-1 Form must be used.   | Departments/schools are also encouraged to use the Procurement Card for many small dollar, low risk transactions (i.e. less than \$500) instead of having a Purchase Order issued.   | The Direct Payment Request process <b>cannot</b> be used to pay invoices for the purchase of products that should have been ordered using a Purchase Order.   | The underlying theme behind most of these blanket orders is that there is a contract/agreement in place, reviewed and approved by PRS and/or OGC, or an established template was used.  |
| PRS approval is not required, departments/schools do not need to solicit multiple bids, an SSJ-1 or BD-1 does not need to be filled out, and receivers are not needed for payment purposes.                     | Templates are provided and maintained by PRS to help departments/schools manage the bid process. PRS can also assist/manage the bid process on behalf of departments/schools, when necessary.   | The procurement card is ultimately how certain purchases get paid. However, it is primarily a purchasing method.   | The DPR Form must be submitted to Accounts Payable with all supportive documentation.   | ALL blanket purchase order requests will be reviewed and must be approved by PRS, regardless of value.<br><br>All changes to blankets will be processed by PRS.   |
| Orders are sent to vendors multiple times per day either electronically or by fax server, once they are budget checked and fully approved. Invoices can also be received by NU Accounts Payable electronically. | PRS approval is required for all requisitions of \$25,000 or more. Either a BD-1 or SSJ-1 is required.  | Please note that individual limits can be set by each department/school for each of their procurement card holders (both an amount per transaction limit as well as a monthly total limit).  |   | Blankets are not to be used as an open line of credit (open account with no detail regarding each individual transaction).<br><br>Blankets should also not be used to manage your budget.   |
|   | Orders are sent to vendors multiple times per day by fax server, once they are budget checked and fully approved.   |  |   | Blanket orders will be sent to the vendor, so they know the PO number to include on invoices.   |