

Purchasing 101

When preparing to make a purchase remember it is your duty to spend the university's funds responsibly by following purchasing laws, university policies and by obtaining competitive pricing and value.

3 Methods for Purchasing

- Procurement and Equipment Cards
- Remittance Voucher – only used for a few select purchases (stipends, honorariums, awards, etc.)
- Requisition/Purchase Order
 - A purchase order is the official university document that represents an obligation to the vendor for the purchase of the specific goods or services
 - Must be obtained **before** making the purchase

Quote and Bid Requirements

- \$5,000.00 and under: one quote is required
- \$5,000.01 to \$75,000.00: two formal, written quotes are required
- \$75,000.01 and over: the formal bid process is required – public advertisement, sealed bid responses

Sole Source Purchases

- Purchases of commodities and equipment totaling over \$5,000.00 when only one supplier provides the needed items for sale.
- Process and timeline are very similar to formal bid process (additional justification required for sole source purchases).
- Contact Procurement & Contract Services if you think you might have a sole source purchase.

State Contract Purchases

- State contracts are competitively bid or negotiated at the state level
- Purchases of state contract items that total over \$5,000.00 may be exempt from the quote and bid requirements or have higher thresholds depending on the specific contract.
- A list of state contracts can be found on the state's Department of Finance and Administration website for the Office of Purchasing and Contracting (OPTFM). A link to the OPTFM state contract site is provided on the Procurement & Contract Services website.

Computer/Technology Purchases

- Must be reviewed and approved by iTech for compliance with technology standards and cyber security requirements
- Includes computers, hardware, software (media, licenses, subscriptions, etc), software as a service (SaaS), technology related services
- Bid/Quote laws apply to all computer/hardware, software, and SaaS purchases.

Equipment Purchases / Property Control

- KEEP UP WITH EQUIPMENT/INVENTORY ITEMS!
- Required by State of Mississippi to keep track and account for inventoried items
- During audits, if items are missing, person assigned to that item will be held responsible
- List of items that must be tagged can be found on the Procurement & Contract Services website.
- https://www.usm.edu/procurement-contract-services/property_control.php

Fleet Management

- Vehicles include golf carts, utility carts, mules, gators, etc. – not just cars and trucks
- Sign Vehicle Use Agreement
- Fleet Management Manual on Procurement & Contract Services website

Contracts

- Any document that obligates USM in some form or fashion, especially financially, may be a contract.
- Only certain positions within the USM administration are authorized to sign contracts, agreements, etc. Contract signature authority is granted and delegated by USM's President in writing.
- Consequences for unauthorized signatures – Fines, Penalties, Termination of Employment
- <https://www.usm.edu/procurement-contract-services/contract-services-0.php>

Travel

- Individual Employee Travel must be on travel vouchers (exception for recruiting; conf. registration and rental car can be on P-Card).
- Student/Recruits/Group Travel can be placed on Purchase Orders.
- Signed Permission to Travel should be on file before any travel related PO is issued.

Facilities and Construction

- USM Physical Plant must be involved with any physical changes to university facilities or property
- State requirements for contractors
 - Must be registered with the MS Secretary of State's Office.
 - Must be a licensed contractor in Mississippi
 - Must have proof of Certificate of Responsibility (COR), Certificate of Insurance (COI)

Independent Contractor Payments

- Procurement of services performed by non-corporate entities must be reviewed and approved by USM's Tax Compliance department and include a signed PSA.
- <https://www.usm.edu/controller/tax-compliance.php>