

Wellesley College Purchasing Policy

(Effective October 2009)

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Introduction

The Purchasing Department and the Controller's Office are jointly responsible for the purchasing and payables functions of Wellesley College. Generally, within guidelines described in this Purchasing Policy, department representatives may initiate purchases covered by funds approved in their budgets.

Note: For FY16, FY17, and FY18, Wellesley College will continue to follow the procurement requirements of OMB Circular A-110, and will utilize the grace period allowed in the Uniform Guidance. Effective FY2019, starting on July 1, 2018, Wellesley College will follow the Uniform Guidance Procurement Standards (2 CFR §200.317 through §200.326) for purchases made on sponsored awards.

If you have any questions about this Purchasing Policy, please contact the Purchasing Department.

Acquiring Goods and Services

There are different methods for securing the purchase of goods and services at Wellesley College, depending on dollar amount and the complexity of the purchase.

Contracted Suppliers

Wellesley College contracts for certain commodities and services on a college-wide basis with particular suppliers for the best quality, service and price. Departments are strongly urged to make use of the contracted suppliers whenever possible. Please refer to **Appendix "A"** for supplier contracts and the applicable contact information. Departments should contact the vendors directly for these purchases.

Department Coordinated

The purchase of certain items / services must be coordinated and/or ordered by other departments due to its special needs. Please consult the chart in **Appendix "B"** for a summary of these items and services and contact the department directly to make these purchases.

All Other Purchases

The purchasing policy for goods and services which are not categorized as Contracted Suppliers or Department Coordinated depends upon the annual dollar amount. The Purchasing Policy table (below) clarifies the departmental acquisition responsibilities within each dollar range.

Purchasing Policy

Annual Dollar Value	Bid Documentation	Bid Process Managed by
Under \$10,000	None Required	N /A
\$10,000 to \$99,999	Required	Department

Over \$100,000	Required: Managed Acquisition Process	Purchasing Department
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As a matter of Wellesley College policy, higher dollar acquisitions require more documentation to better demonstrate the basis for awarding College contracts and certify that appropriate sources have been selected and all prices paid are fair and reasonable. These acquisitions are audited to a stricter standard and it is the Purchasing Department's responsibility to ensure that all related documentation adheres to Wellesley College's policies.

When departments are dealing with vendors during a bid process, it's important to conduct a fair and ethical process. Here are some key points to remember:

- All vendors must be provided with the same information and deadlines to avoid any advantages for any vendor.
- No information on the bids submitted (especially price) may be disclosed to the other competing vendors except for the name of the company.
- You should not tell any vendor the amount that should be submitted.
- You should not allow any vendor to unilaterally resubmit a bid. Resubmission bid requests must include all vendors. ("Best and Final Offers" are allowed as part of final pricing negotiations)

The above table is applicable for all goods and services with the exception of certain categories that are exempted from the purchase order requirement and bid policy. Expenditures in these categories should be processed for payment directly with the Controller's Office. Contact Purchasing if you have any questions as to whether or not your purchase will require a purchase order / bid documentation. The exempt categories include:

- Honoraria and fees for entertainers
- Investment management services
- Educational program expenditures (e.g., study abroad programs)
- Fringe-benefit related
- Taxes and payments to government agencies
- Legal and audit fees
- Membership fees and subscriptions
- Insurance
- Utilities

Annual Dollar Value under \$10,000

In general purchases under \$10,000 do not require a formal bid. However, we encourage departments to contact several vendors in order to obtain the best price and quality especially for purchases that exceed \$5,000. Departments are responsible for contacting the vendors, negotiating the price, and processing the invoices for payments directly. You do not need to contact the Purchasing Department to make these purchases and no purchase order is required. See **Appendix "C"** for more details on these purchases.

Annual Dollar Value between \$10,000 and \$99,999

A competitive bid process (with three vendors) is required for purchases between \$10,000 and \$99,999. The bid process is managed by the department. Departments are responsible for all required bid

documentation for purchases between \$10,000 and \$99,999. Documentation related to these purchases must be provided to the Purchasing Department, Controller's Office or outside auditor upon request and should be kept on file in the requesting department for this purpose.

Please see **Appendix "D"** for details. See also **Appendix "F"** and **Appendix "G"** for Wellesley College Bid Documentation Forms.

Annual Dollar Value over \$100,000

Competitive bids for purchases over \$100,000 must be obtained via a "Managed Acquisition Process" as directed by the Purchasing Department. The process is designed to better position Wellesley College in the marketplace. The steps involved, and practices employed, in the planning, contracting, implementation, acceptance and follow-on activities of the acquisition of goods and services.

Departmental planning and forecasting is required as the Purchasing Department must schedule the acquisition needs of all Wellesley College departments into the existing Campus Bid Calendar.

The requesting department will bear most of the responsibility for the results from the planning, implementation, and follow-on phases of the acquisition, while the Purchasing Department is most accountable for the results coming out of the contracting and negotiation phases of the acquisition process.

Please see **Appendix "E"** for details.

Appendix "A"

College-Wide Suppliers

Please refer to "Vendor Info" on the Purchasing website and the Wellesley College Marketplace.

Appendix "B"

Common Goods & Services

Certain items are coordinated and ordered by departments outside of the Purchasing Department. Please consult the following chart for a summary:

Item	Responsible Department
Computer equipment and peripherals	Information Services
Software	Information Services
Food supplies / Catering	Dining Services / Wellesley College Club
Scientific equipment and supplies	Science Center
Library book and subscriptions	Clapp Library
Printing	Printing Services
Copy Services / Copiers	The Copy Center
Record Storage	Distribution Center
Event Rental	Special Events
Tent Rental	Special Events
Storage Containers	Facilities Management
Pest Control	Facilities Management
Carpeting / Floor Mats	Facilities Management
Vehicles	Facilities Management
Space management / construction expenditures	Facilities Management
Appliances	Facilities Management

Appendix "C"

Policy for Purchases under the Bid Limit

There are different methods for paying the invoices for purchased goods and services, depending on dollar amount. The Procurement Value Table below shows the various methods for acquiring goods and services with explanations of each category following.

Procurement Value Table

Dollar Value	Petty Cash	ProCard	Direct Pay Invoice	Purchase Order
Less than \$50	recommended	available	not recommended	not available
\$50 to \$999	not available	expected	recommended	not available
\$999 to \$4,999	not available	recommended	recommended	not available
\$5,000 to \$9,999	not available	<i>contact Purchasing</i>	recommended	not recommended

What's Needed at Each Level

Purchases less than \$50

The College gives you two ways to procure items totaling \$50 or less: use your own cash or credit card, then to receive reimbursement:

1. Submit the original sales slip with a petty cash request to the Cashier in the Bursary. The Cashier will give you cash on the spot; or
2. Submit the original sales slip with a check request to the Controller's Office. A check will be sent to you in about five business days.

Alternatively, you can use your ProCard to pay for any item that falls under your SPL (Single Purchase Limit) on your ProCard account.

Purchases between \$50 and \$9,999

The Wellesley College ProCard is the expected form of payment for all departmental orders under \$1,000. For vendors that do not accept credit cards, some will allow you to charge your purchase to a Wellesley account. In these situations, the supplier sends an invoice to the College and a purchase order is not required. Please stamp the invoice with the Wellesley College invoice stamp, authorize with a budget number and forward to the Controller's Office.

Purchase orders are generally not available for purchases under \$5,000. Exceptions are made for suppliers that insist on receiving a purchase order. Please forward the vendor's written request for a PO with your requisition or contact the Purchasing Department in writing.

Although they can create inconvenience and additional work for small dollar purchases, you can use a blanket purchase order if the supplier requires one. Particularly, if you find yourself using a particular supplier many times during the course of the year for small dollar purchases, you may want to create a blanket purchase order (see "Blanket Order" in the Wellesley College Purchase Order Procedures document.). Contact Purchasing to discuss your options.

Appendix “D”

Purchases between than \$10,000 and \$99,999

A competitive bid process (with three vendors) is required for purchases between \$10,000 and \$99,999. These bids are conducted by the department and generally solicited either in writing or by telephone.

Telephone bid solicitations are generally reserved for purchases of the lowest applicable value and of the least complexity. In order to obtain valid vendor proposals that will most accurately reflect the marketplace, it is recommended that bids be solicited in writing whenever possible.

There are three (2) types of written bid solicitation processes:

1. Request for Quotation (RFQ)

Use the RFQ template for:

- **Commodity items** – “off-the-shelf” catalog products sold by more than one supplier
- One-time purchases of tangible goods
- Bids that **do not** involve substantial “value added” effort on the vendor’s part – such as complicated logistics, installation efforts or vendor instructions.

Do not use the RFQ template to procure or bid services or service contracts.

2. Request for Proposal (RFP)

Use the RFP template for:

- Whenever the vendor is providing a service – as opposed to a commodity
- When a substantial part of a commodity purchase involves “value added” vendor services
- When a Wellesley College defined “scope of work” is involved

Departments are responsible for all required bid documentation for purchases between \$10,000 and \$99,999. Documentation related to these purchases must be provided to the Purchasing Department, Controller’s Office or outside auditor upon request and should be kept on file in the requesting department for this purpose.

The following summarizes the two forms that must be completed:

I. No Bid Justification (Form B)

If a competitive bid was not completed for purchases between \$10,000 and \$99,999, the No Bid Justification (Form B) must be completed with the appropriate department head approval.

Please note that “Preferred Vendors” are not “Sole Source Vendors”. A “sole source” is defined as specific products or services available from **only one** source. The fact that a particular vendor is an excellent fit for Wellesley College does not justify the selection of that vendor as a “sole source” if there are other vendors that provide the same or similar goods and services.

II. Competitive Bid Summary and Justification (Form A)

Once all bids have been reviewed, complete the Competitive Bid Summary and Justification (Form A) prior to notifying the awarded vendor. A justification will be required if the bid is awarded to a vendor that is higher in cost than the lowest bid by either 15% or \$10,000, whichever is lower, and must be approved by the department head.

All purchases greater than \$10,000 (but less than \$100,000) may be direct paid through Accounts Payable with you departmental invoice stamp. The \$10,000 minimum may be reached in one of the following three ways:

1. A single ordered item with a total cost (including freight) equal to or greater than \$10,000
2. More than one item ordered at one time with a total cost (including freight) equal to or greater than \$10,000
3. Multiple purchases to the same vendor against the same budget number that total \$10,000 or more in a fiscal year.

Purchase Orders are not required for purchases between \$10,000 and \$99,999. However, if a purchase order is required by the vendor, please see a step-by-step guide to creating a PO under "Setting Up a Purchase Order" in the Wellesley College Purchase Order Procedures document.

Appendix “E”

Purchases over \$100,000

A competitive bid process (with three vendors) is required for purchases over \$100,000 under a Managed Acquisition Process where the department works collaboratively with the Purchasing Department and other stakeholders. It is important that departments with procurement needs in excess of \$100,000 be in contact with the Purchasing Department at the earliest possible opportunity to help ensure that there is adequate time and resources committed to this bid particularly:

- When the product or service in question is not a “Sole Source”
- When a complex “scope of work” or complicated contract terms are involved
- When the total projected value of the vendor relationship exceeds \$100,000 or more over a three (3) year period.

The Managed Acquisition Process is outlined below:

1. Form Team
 - All Stakeholders (At a minimum, representatives from End User / Requesting Department and Purchasing. Other participants (Finance, IS and Senior Staff) are included as needed.
2. Establish Decision Criteria
 - Decide Results or Resources deal
 - Collect objectives
 - Issue Request for Information (RFI) — if necessary
3. Determine Relationship Architecture
 - Strategic Partnership (Rarely, if ever, exists between vendor and customer)
 - Tactical Alliance
 - Managed Competition
4. Obtain Senior Staff Approval / Advisement of Progress
 - Prioritize College objectives
 - Prepare RFP elements
5. Develop RFP Timeline
 - Customer contract tailored to the deal
 - Include with the Request for Proposal
6. Issue Request for Proposal
7. Conduct Bidders' Conference – if necessary
8. Evaluate Potential Vendors
 - Qualify two or more vendors for the Zone of Consideration
 - Review pricing information last
9. Implement the Zone of Consideration
 - Negotiate with final two bidders / vendors
 - Select vendor(s) after negotiations are complete
10. Develop Contract
 - Original or Vendor contract tailored to the deal
11. Issue Purchase Order
12. Manage the Contract

The \$100,000 may be reached in one of the following four ways:

1. A single ordered item with a total cost (including freight) equal to or greater than \$100,000

2. Multiple purchases to the same vendor against the same budget number that total \$100,000 or more in a fiscal year.
3. Multiple purchases to different vendors for the same (or similar) items / services that total \$100,000 or more in a fiscal year.
4. Multiple purchases to different vendors in the same commodity category where the total purchase for the institution exceeds \$100,000

For a step-by-step guide to creating a PO, see "Setting Up a Purchase Order" in the Wellesley College Purchase Order Procedures document.

The Purchasing Department is responsible for all required bid documentation for purchases over \$100,000. Documentation related to these purchases be kept on file for audit purposes. A purchase order will be generated for these purchases.

The following summarizes the two forms that must be completed:

No Bid Justification (Form B)

If a competitive bid was not completed for purchases over \$100,000, the No Bid Justification (Form B) must be completed with the appropriate department head and Director of Purchasing approval.

Please note that "Preferred Vendors" are not "Sole Source Vendors". A "sole source" is defined as specific products or services available from **only one** source. The fact that a particular vendor is an excellent fit for Wellesley College does not justify the selection of that vendor as a "sole source" if there are other vendors that provide the same or similar goods and services.

Competitive Bid Summary and Justification (Form A)

Once all bids have been reviewed, complete the Competitive Bid Summary and Justification (Form A) prior to notifying the awarded vendor. A justification will be required if the bid is awarded to a vendor that is higher in cost than the lowest bid by either 15% or \$10,000, whichever is lower, and must be approved by the department head, the Director of Purchasing, and the Vice President for Finance.

For a step-by-step guide to creating a PO, see "Setting Up a Purchase Order" in the Wellesley College Purchase Order Procedures document.

Appendix "F"

Competitive Bid Summary and Justification (Bid Form A)

FORM "A"

Wellesley College Purchasing Competitive Bid Summary and Justification

This form is designed to assist faculty and staff in providing information necessary in the processing of requisitions for purchases where competitive bids were obtained as required by the College's Purchasing Policy. No Justification Statement is required if low bidder is selected. Justification is required if the department chooses a vendor that is higher in cost than the lowest bid by 1) 15% difference or 2) \$10,000 – whichever is lower. Requisitions will not be processed without completion of this form. Please complete and forward with requisition to the Purchasing Department. If more space is needed, please attach additional page(s).

Bid Summary (minimum of 3 is required)

<u>Vendor</u>	<u>Annual or Total Committed Cost</u>
_____	_____
_____	_____
_____	_____

Vendor Selected: _____

Cost difference between vendor selected and lowest cost vendor: _____

Percent of cost difference between vendor selected and lowest cost vendor: _____

Please complete the following Justification Statement if vendor selected is higher in cost than the lowest bid by either - 1) 15% or 2) \$10,000 (whichever is lower):

We recommend a vendor that does not have the lowest cost because:

I certify that the above statements are true and correct, and that no other material fact or consideration offered or given has influenced this recommendation.

_____	_____	_____
Print / Type Name	Print / Type Title	Department
_____	_____	_____
Department Authorized Signature	Date	Ext. Number

If vendor selected requires justification in box above, approval required from:

_____	_____
Department Senior Staff	Vice President for Finance and Treasurer

PURCHASING USE ONLY

Reviewed by: _____ Date: _____

Approved by: _____ Date: _____

Appendix "G"

No Bid Justification (Bid Form B)

FORM "B"

Wellesley College Purchasing No Bid Justification

This form is designed to assist faculty and staff in providing information necessary in the processing of requisitions for purchases where competitive bids were not obtained as required by the College's Purchasing Policy. Requisitions will not be processed without completion of this form. Please complete and forward with requisition to the Purchasing Department. If more space is needed, please attach additional page(s).

VENDOR _____ ANNUAL OR TOTAL COMMITMENT COST _____

Check one applicable box (either A,B, or C)

A. A competitive bid was not obtained because the vendor selected is a sole source provider. The vendor qualifies as a sole source provider because:

- vendor is the only authorized distributor for the area
- item is a special research equipment that is manufactured only by this vendor
- vendor is the only servicer for existing equipment or software
- vendor is the only provider for this brand of equipment or software where such brand relates to existing equipment or software

Comment _____

B. A competitive bid was not obtained because the vendor selected is under a group purchasing consortium/contract where such consortium/contract has been approved by the College's Purchasing department.

C. A competitive bid was not obtained even though the item or service may be provided by more than one source because:

I certify that the above statements are true and correct, and that no other material fact or consideration offered or given has influenced this recommendation for a no competitive bid purchase.

Print / Type Name	Print / Type Title	Department
Department Authorized Signature	Date	Ext. Number

If justification C was checked off, approval required from:

Department Senior Staff _____ Vice President for Finance and Treasurer _____

PURCHASING USE ONLY	
Reviewed by: _____	Date: _____
Approved by: _____	Date: _____