

## BASIC PURCHASING

### A. Overview

1. The Purchasing department, in accordance with Georgia law and the Board of Regents' Business Procedures Manual, is to obtain competitive pricing on institutional purchases in excess of \$5,000. Purchases shall be awarded to the lowest responsible bidder within considerations of quality, conformity to specifications, discounts, delivery, price or that, which is the best value to the institution. Any variance to this procedure will occur only under certain circumstances and in accordance with state laws and regulations.
2. **Important:** It is against MCG policy to split purchases into smaller units to circumvent the \$5,000 threshold requiring competitive solicitations (RFQ, RFP). End users are not to make purchases with the intent to circumvent the \$5,000 threshold requirement. Reference is made to the Official Code of Georgia, Sections 50-5-50 through 50-5-81, which govern purchasing for the State of Georgia.
3. **Definition of "Split Purchase":** A split purchase occurs when the total cost of a single item or multiple items from one source, is more than \$5,000 and the purchase is broken up into multiple transactions with the express purpose of circumventing the \$5,000 threshold.
4. If one can ANTICIPATE (i.e. know in advance) a need to make a purchase greater than \$4,999.99, one will need to contact Purchasing for further guidance as soon as possible after the need is realized.
5. **Example of a "Split Purchase":** A department knows it has a repetitive need for \$2,000 worth of the same product every month for a year (therefore actually anticipating a need for \$24,000 worth of products) which exceeds the \$5,000 threshold. Under such circumstances, contact the Buyer in Purchasing Services (706-721-2216) for guidance and/or to establish a contract.
6. Statewide and agency contracts are mandatory for those items furnished by the contract vendor.
7. Frequent delays in the production and distribution of certain goods by manufacturers and vendors (furniture and equipment) demand that requisitions be initiated at least 30 to 120 days in advance of date wanted. Failure to plan for future needs is not deemed as an adequate reason to procure goods or services on an emergency basis. Justification of any emergency needs must be completely and clearly stated in the Header Comments filled of the REQ.
8. No department or individual at the institution has the authority to solicit goods or services without the consent of Purchasing and the issue of a Purchase Order. No employee, for him or for any business in which he or any member of his family has a substantial interest (25% or more), can transact any business with the agency of his employment.

## **B. Areas of Responsibility / Order of Operations**

### **To make a purchase the department must:**

- Enter on-line requisitions (REQ)
- Review Account & category codes, descriptions, chart fields, vendor and buyer names and profile ids, if equipment
- Process, edit and budget checking programs (if errors, contact the appropriate person in budget office for resolution)
- Process approval program is appropriate
- Fax any and all attachments referencing the REQ required per the type purchase
- Receive direct delivery of goods and services (notifying Receiving of the need for a RECEIPT in the system: Po number, line number(s), quantity per line)

### **Special Approval Departments**

- (IT and sponsor funded equipment, radioactive material, employment ads, and live animals)
- Run custom queries to view available REQs
- Review request for compliance
- Change REQ status to Approved to make a note in the Header Comments
- Notify requestor if REQ has a problem or is denied

### **Purchasing**

- Run two custom queries – non-equipment and equipment for available REQs for sourcing (the REQ must contain a buyer and vendor name, be budget checked and approved before Purchasing can process it).
- Review the equipment list for completeness and compliance to IT, SPA and Asset requirements
- Review non-equipment list for completeness; catalog #, specifications, size, etc.
- Notify requestor if REQ requires a change order, cancellation or deletion
- Prioritize purchase orders by date and process
- Identify Rush/Over Night orders (departments are required to notify the buyer via e-mail with the REQ number)
- Process PO per standard Purchasing practices

### **Purchases or functions (see individual procedures)**

- Advertisements
- Change Order, Returns & Replacements
- Equipment Purchases
- P-card
- Repairs
- Request for Quote (RFQ), Request for Information (RFI), Request for Proposal (RFP)
- Service Contracts
- Special Approval Commodities
- Used Equipment/Trade-Ins

### **On-Campus Services – Process IDR**

- Audio/Visual services and repairs – Electronic Maintenance
- Film processing – medical Photography
- Graphics/Design work – Medical Illustration
- Signage and Building Maintenance – Facilities Management
- Photocopying and service – Copy Services
- Printing jobs – Printing Services

### **Improper Purchases**

- Holiday decorations
- Awards, gifts, invitations
- Flowers and cards
- Novelties for give away
- Personal employee moving fees
- Personnel agency fees or Retail store memberships

### **C. Required P-Card Purchases**

See detailed purchasing processes at

<http://www.mcg.edu/supply/purchasing/documents/HowToPurchase.pdf>

### **D. Sales Tax Exemption and Finance charges**

MCG has Sales Tax exemption status and does not pay finance charges

### **E. Electronic Requisition (REQ)**

Some transactions will not show on reports until after nightly posting has run. The issuance of a PO, once it is Budget Checked (BC), Approved and Distributed is in real time and can be cross-referenced to the REQ through the Inquire panel. REQs must be Approved, BC and Posted before they can be canceled.

- ❖ REQ Form
  - Category, Long Description, Qty, Unit of Measure, Unit Price, Due Date
  - Ship To – only change if item or service is to be delivered directly to the requester/area
- ❖ Line Detail
  - Buyer, Vendor, Vendor Catalog
  - Equipment for \$1,000 to \$4,999 must be assigned to a Small Value Property (SVP). Equipment \$5,000 and over must be assigned to an appropriate capital profile with useful life
- ❖ Schedule
  - Account code, Fund, Department ID, Program, Class, Project/Grant if appropriate
  - Distributed By – Change to AMT is 1 ea/job with multiple payments
- ❖ Header Comments

- Special notes & Instructions, References, New vendor information, Additional description
- ❖ Default
  - Use only for multiple line request (must be completed first before any other panel is used)