

NUMBER: BUSA 7.00 (Formerly BUSF 7.00)
SECTION: Business Affairs
SUBJECT: Purchasing
DATE: November 1, 2006
REVISION: November 10, 2016
Policy for: All Campuses
Procedure for: All Campuses
Authorized by: Associate Vice President for Business Affairs
Issued by: Business Affairs - Purchasing

I. Policy

The Purchasing Department has the authority and responsibility for procuring the requirements for all materials, equipment and services within the University System in accordance with the rules and regulations of the South Carolina Consolidated Procurement Code, as mandated by the South Carolina General Assembly, to the dollar limit certified by the South Carolina State Fiscal Accountability Authority.

- A. The Purchasing Department obtains only the official requirements of the University System.
- B. The only persons authorized to procure the requirements of the University are Procurement Officers assigned to the Purchasing Department with the following exceptions:
 - 1. Blanket order purchases that a specific individual(s) is authorized to a specified amount;
 - 2. Purchasing Card for supplies or services with a total value of \$4,999.99 or less (including taxes and shipping);
 - 3. Procurement activity authorized at the departmental or campus level.

Any other expenditure of University funds (including grant funds) shall be considered unauthorized and may become the personal responsibility of the individual making the transaction. Changes to existing Purchase Orders also constitute unauthorized procurements.

- C. Items on State of South Carolina term contracts require mandatory usage by State agencies in accordance with the South Carolina Consolidated Procurement Code.
- D. All agreements obligating the University must be reviewed and approved by the appropriate University official as specified in BTRU 1.04 policy. Additionally, all leases for real property must be reviewed and approved by the Director of Facilities, Planning and Programming.

II. Procedure

The following procedures are explained in greater detail in the Internal Departmental Manual for USC Purchasing Procedures.

A. Lead Time

Departments should anticipate their needs far enough in advance to allow Purchasing time to process requests in compliance with the South Carolina Procurement Code. The following are minimum time allowances:

1. Small purchases not exceeding \$10,000.00 may be accomplished within 1 to 3 days without formal competition if prices are determined to be "fair and reasonable" by the procurement officer. In order to assist in making this determination for these purchases, when departments submit purchase requisitions (or payment requests), they may provide price references: quotes, internet pricing or other references as approved by the procurement official in the Purchasing Department. See policy BUSA 7.01
2. Purchases from \$10,000.00 to \$50,000.00 will require a minimum of 10 to 21 days processing time. The Purchasing department will prepare a formal written solicitation as well as advertise the requirements in the South Carolina Business Opportunities publication.
3. Purchases exceeding \$50,000.00 will require a minimum of 21 to 60 days. The Purchasing department will prepare a formal sealed solicitation for issuance.

Contract awards in excess of \$100,000.00 require an additional ten (10) day Intent to Award Period before a purchase order can be issued.

Please remember that splitting of orders to avoid the above required competitive methodologies is NOT permissible. If a department has a requirement at a certain dollar level, the above appropriate actions are required initially. Splitting orders to avoid these levels causes audit problems and less than cost effective procurement activity.

B. Types of Procurement

1. Competitive

The requirements for goods and services are solicited using non-restrictive specifications via written quotations, sealed bids or proposals within the University's time frame, dollar limitations and the South Carolina Consolidated Procurement Code.

2. Sole Source

This kind of procurement is permissible only when there is a single supplier for the requirement(s). If the department has a valid sole-source requirement, it must request sole-source procurement by completely documenting these reasons with any back-up information that may have to justify the sole-source. Approval must be obtained in writing, through the Director of Purchasing and from the Senior Vice President for Administration and Chief Operating Officer or the Associate Vice President for Business Affairs. prior to any commitment being made. If there is any reasonable doubt, competition will be attempted by the Purchasing Department.

3. Emergency Procurements

These procurements are performed when a situation or condition occurs which "creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures or fire loss". The existence of such conditions must create an immediate and serious need for supplies, services or construction that cannot be met through normal procurement methods and the lack of would seriously threaten:

- a. the functioning of State Government;
- b. the preservation or protection of property; or
- c. the health or safety of any person . . ."

In all cases, written documentation explaining the situation must be provided to the Director of Purchasing who will obtain approval from the Senior Vice President for Administration and Chief Operating Officer or the Associate Vice President for Business Affairs. Additionally, the Code requires that "competition as is practical, be obtained" during emergency procurements.

C. Purchase Requisition

- 1. Fill in the Purchase Requisition form and attach complete, accurate and non-restrictive descriptions and specifications to allow competitive solicitation by the Purchasing Department.
- 2. Gather all required information before forwarding through the appropriate channels to Purchasing.

3. Any requirement acquired on grant funds must have the approval of Contract and Grant Accounting before processing by Purchasing.

D. Payment Requests

This PeopleSoft function is designed for the processing of payments which would be impractical to handle via a purchase order. The Payment Request is routed directly to the Controller's Office. See policy BUSA 7.01.

*Note: When using the Payment Request method, all requests for student/employee reimbursements must be reasonable, appropriate and justifiable and for official university use. Students/employees must certify that no other official university payment method could be used to procure the items or services for which they are seeking reimbursement.

- E. The Purchasing Card is a Visa credit card issued by a financial institution selected by the State Procurement Office through a competitive process. It is a purchasing tool which offers an effective method for purchasing and paying for supplies with a total value of \$4,999.99 or less.

With the approval of the department head, a purchasing card will be issued to an individual (there are no department cards) who must be a University employee. Each card will have a default University account number and class code. Each card has set parameters as to monthly credit availability of \$10,000.00 and single transaction amount (\$4,999.99). There is a departmental liaison assigned to each credit card with authority to change the account charged if necessary. Software is provided to the liaison to process all changes as well as monitoring expenditures. Training is required for both the cardholder and departmental liaison prior to receiving a purchasing card.

All documentation of purchases (sales slips, receipts, packing lists, etc.) and monthly statements must be reconciled and maintained for internal and external audit. The Purchasing Department will pay the purchasing card charges each month and, by electronic upload, all charges will be made against the accounts specified by the liaison for each card.

F. Unauthorized Procurements

All commitments for goods and services other than those outlined in Section IB must have the prior approval of the Purchasing Department. Those that do not may be considered unauthorized procurements.

If a change in the quantity or dollar amount of an existing Purchase Order is required, it must be approved by the processing procurement officer before the change is made. Corrective action for ratifying an unauthorized procurement is to request in writing through the Senior Vice President for Administration and Chief Operating Officer and the Associate Vice President for Business Affairs, that the President of the University approve the unauthorized transaction based on the written documentation provided. In

cases where this approval is not granted, it will become the personal responsibility of the individual who made the transaction.

G. Contracts and Leases

Departments must obtain approval from the Secretary to the Board of Trustees for contract agreements and approval from the Director of Facilities, Planning and Programming for leases before forwarding contracts or leases for processing (see BTRU 1.04).

H. Blanket Orders

A department may request blanket orders when it makes numerous, repeated small orders from the same vendor. The order will have a daily and fiscal year limit, and the requesting department must monitor these expenditures. See BUSA 7.01 for details

I. Demonstration of Equipment and/or Instrumentation

Should any department foresee the need to have any on-campus demonstration of any equipment and/or services, it should be coordinated through the Purchasing Department prior to the demonstration.

III. Related Policies

BUSA 7.01/FINA 2.14 Acquisition and Payment of Goods and Services

IV. Reason(s) for the policy change:

Policy revised due to departmental reorganization, to ensure compliance with the South Carolina Procurement Code, to reflect increases in transaction amounts, and to document/clarify policy changes.