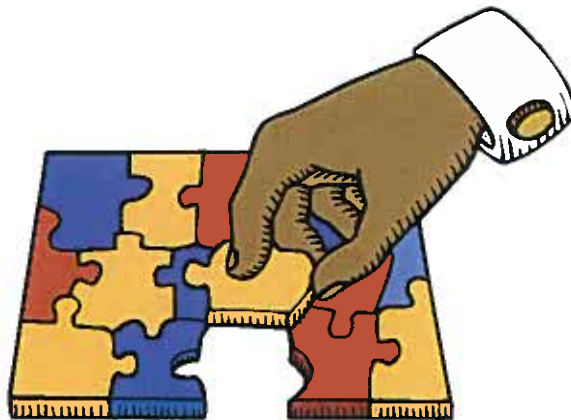


PUTTING ALL THE PIECES TOGETHER—

A Procurement Survival Guide



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Updated: August, 2010



FOR YOUR INFORMATION

This brochure is written to help you procure the commodities and services you need on a timely basis with as few problems as possible. This is not a policy, a law or a procedures publication. Instead, it is a guide to help take the puzzle out of the procurement process.

It is our objective, using the expertise within the department to provide service to help you get what you need, when you need it. The brochure explains the University's approach to purchasing and provides hints on how to take advantage of the services and expertise our purchasing staff can provide.

Please remember that we all have a common mission. By working together we can comply with the rules and regulations governing procurement in the State of Maryland while providing efficient and timely service. Please keep this document handy and use it as a quick reference guide.

Churchill B. Wortherly, Director
Procurement and Property Control



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I. THE PROCUREMENT FUNCTION

Procurement policies and procedures are mandated by the legislature of the State of Maryland. By law, Morgan State University, as an agency of the State, must adhere to specific Policies, Procedures and Regulations. It is the Procurement Department's intent to provide a service within this framework.

The Procurement staff of MSU works for you and, through better communication, can help you understand the procurement process and the rules of the game. We are open to suggestions regarding improvements to the services we offer. While you may not always agree with us, we are certainly committed to helping you.

What is a Purchase Requisition? A Purchase Requisition is a document used within the University to request the purchase of an item of service, supply or commodity. A fully authorized and completed requisition should be an indication that there is need for an item, that there is a source of funds available to purchase it, and that it is a legitimate request. The document should be completed electronically. However, in some cases, a paper document can be used.

What is a BB-4? A BB-4 is a purchase requisition for the purchase of data processing equipment and contractual services. For services, a signed University contract must accompany the BB-4.

What is a Purchase Order? A Purchase Order is a legal document that obligates the University to pay the vendor when the terms of the purchase agreement are filled. The Purchase Order is a document which establishes a contractual relationship between the University and vendors. Please remember that prior to issuing a Purchase Order or contract, we must have on file appropriate documents to establish that the procurement complies with established rules and regulations governing the procurement.

It's "My Money!" There is a perception that budget approval (or grant award) means the funds are free to be spent in any manner guidelines that the department/unit deems appropriate. There's more to it than that.



All monies, regardless of source, must be spent in accordance with established guidelines.

Who Selects the Vendor or Contractor? There is a space on the Purchase Requisition or BB-4 that allows for suggestion of a particular vendor. However, Procurement's buyers are required to evaluate the suggested vendor relative to required sources, such as Maryland Correctional Enterprises—MCE, or better priced sources. If we determine that another vendor offers the University a better arrangement, we are required to use that vendor. The rationale for changing a vendor is mostly related to price, quality, or the law. You should, however, enter a vendor into your requisition.

Competition. We have found that when vendors or contractors compete for our business, the result is better pricing and service for the University. The continuing scarcity of fiscal resources emphasizes the need for price sensitivity which will result in savings whenever possible.

Furniture and Furnishings. State Law requires that MCE be given the first option in the procurement of furniture and furnishings. MCE is a furniture fabrication operation within the State Prison System. MCE catalogs are available online. If MCE cannot meet your needs, your Procurement Department will request MCE issue a waiver and upon approval, using established procurement guidelines, find another source. All waiver requests must be processed by the Procurement Department.

Processing. The Procurement Department is responsible for processing purchase orders. Generally, your requisition for \$5,000 or less, is processed within four working days from the time received. Please check with your department's approving authority and the Comptroller's Office before calling the Procurement Department to ask about the status of your requisition or BB-4. Please have the "R" number which is assigned to the Purchase Requisition, the "V" number which is assigned to the BB-4, or a P.O. number for reference when inquiring about the status of a transaction.



Emergencies. An “emergency” procurement reflects a sudden and unexpected occurrence or condition which agency management reasonably could not foresee, and requires an immediate action to avoid or to mitigate serious damage to public health, safety, or welfare. An “**emergency**” is not a circumstance which results when goods or services are seriously needed because someone forgot to make the request sooner, or the price is about to go up or the funding source will soon expire. What qualifies as an emergency is legally defined—it is a **matter of law**. When there is legitimate emergency, all necessary procurement resources will be dedicated to resolve that situation as quickly as possible.

Sole Source. A sole source is a determination by the Procurement Officer that only one vendor can provide the commodity or service needed. Its use is governed by **procurement law** and such purchases are regularly scrutinized to ensure compliance. When only one source exists which meets the requirements, a letter of Sole Source Justification must accompany the requisition. Final determination of a sole source request is made by the Procurement Officer.

Bad News. Occasional complaints received are: Why does it take so long to process a requisition: Why can't we use my vendor or contractor? Why are there so many levels of approval? Why does the Board of Public Works get involved? We acknowledge that there could be some credence to these complaints. However, we want to assure you that we are working to resolve as many of these issues as we can, but must do so within a framework of rules. We are charged as gatekeeper of those rules. Let's work together to get things done within the framework. However, if ever you feel that you have a complaint that is not being addressed at any level within the department, please contact the Director of Procurement on extension 3074.



Gratuities. Staff members and employees must avoid accepting gratuities of any kind from vendors, whether merchandise, cash, or services for the performance of their duties, either past or anticipated.

Code of Ethics. Your staff in the Procurement Department subscribes to the Code of Ethics promulgated by the National Association of Education Buyers (NAEB) and the National Institute of Governmental Purchasing (NIGP), which, among other things, calls for us to foster fair, ethical and legal trade practices and to give first consideration to the objective and policies of our institution.

When You Have Problems. Occasionally, there are problems with vendors, contractors, deliveries, pricing, warranties, etc. When you have these types of problems, please do not hesitate to contact the Procurement Department so we may intercede on your behalf. Be prepared to provide us with as much detail as possible; including the name of the vendor or contractor, phone number and point of contact, Purchase Order number or BB-4 or Requisition number, and description of the problem, etc.

Food Procurement. Food services in support of University functions shall be furnished by the University's food service contractor. Catering and other support from the food service contractor shall be paid through processing of a Purchase Requisition. The nature of the event should be noted on the requisition. (Food should not be procured from funds in your budget except through special arrangements from your divisional VP.)

Printing Procurement. The Morgan State University Print Shop is equipped to produce high-volume printing of many types including books, booklets, brochures, stationery, announcements, annual reports, bulletins, business cards, calendars, forms, certificates, envelopes, newsletters, note



cards and pads, programs, tickets, and transparencies. Departments sending work to the University Print Shop must place their orders using a Printing Request Form, not a requisition. Information on cost estimate, schedules, etc. must be provided with the form. When the Print Shop determines that a printing order should be done by an outside printer, a Purchase Requisition must be prepared and the specifications and samples must accompany the requisition. The Procurement Department will arrange to procure these printing services from outside sources. The Morgan State University Print Shop must always be given first opportunity to perform printing orders, and must endorse all requests for off-campus printing services.

Returns to Vendors. Departments are not authorized to return goods directly to vendors which have been procured by means of a Purchase Order or Special Procurement Card. These returns must be processed through the Procurement Department. Adherence to this procedure will permit the Procurement Department to document properly returned goods and assure credit to the appropriate accounts. All claims of freight damage must be immediately reported to the Procurement Department. Remember, most vendors require that claims be made within specific timetables. Therefore, it is important that your Procurement Department be promptly notified of such claims.



II. WHAT YOU CAN EXPECT FROM YOUR PROCUREMENT DEPARTMENT

Prompt Action. We place orders for less than \$5,000 within two working days of receipt of requisition.

Follow-Up. We often follow-up certain purchase orders when we think they will need special attention. Feel free to request special follow-up.

Negotiations. We can conduct or assist with vendor selection, price negotiation and special delivery of the items. We can help obtain price and delivery information for all of your needs.

Vendor I.D. and Product Information. The Procurement Department can provide a list of suppliers and have available for your use catalogs, flyers, cut sheets, etc. Vendors' listings of supplies and services can also be accessed via their respective websites.

Teamwork. We believe that if we work as a team, we can get the right supplies and services, in a timely manner.

Lead Times. Purchasing takes time, as with any administrative process. See page 11 for details of lead times, approvals, and publication requirements.



III. SOME DOs, SOME DON'Ts, SOME "BE CAREFULs"

DOs:

DO ask our help in adequate time to allow us to do a quality job for you.

DO consult us as far as you can in advance of a major procurement. Give us adequate time to give you some advice or offer help. We may be able to save you steps and money or prevent later problems.

DO phone the Procurement Department (without hesitation) for assistance, advice, etc.; and let us know if you would like to be consulted on specific procurement matters.

DO forward, concurrently with your purchase requisition or BB-4, copies of any pertinent supporting or explanatory documents. Information about the source and price will help us, and often prevent processing delays and duplication of effort.

DO set a meaningful and realistic "delivery date" on the requisition. Use a specific date rather than "ASAP", "NOW", "RUSH", etc.

DO notify us immediately upon noting shortages or damage to received goods.

DO be specific when completing purchase requisitions. Part numbers and exact sizes, units of measures, quantities, colors, etc. are important. If there are some questions about what you want, talk it over with us.

DO show the department contact person and extension on the requisition, in the print text area of document text, so we can contact you if we have questions. Also, include in this area any special information for the vendor or the Procurement Office. Provide as much background as necessary on the BB-4 or Requisition.



DO be precise and detailed on your purchase requisition so that we know exactly what you want, and be very precise in the development of the scope of work for the execution of a contract.

DO feel that you are an important part of the procurement process. Procurement is a “cooperative venture” at MSU.

DON'Ts:


DON'T disclose the details of a procurement to an unsuccessful bidder. The process for answering questions unsuccessful bidders may have is called a “debriefing” and must be conducted following a specified format. This is often a ticklish matter; and since we are charged with handling relations with unsuccessful bidders, we always try to handle contacts in the most professional manner possible. If you are pressed by an unsuccessful bidder, we suggest you turn the matter over to us.

DON'T play one supplier against the other, disclosing one’s price and inviting the other to beat it. This is called “bid shopping” and is considered unethical. Also, “bid shopping” only works once. This will typically alienate good suppliers and destroy old and valuable sources.

DON'T wait until you’re in trouble to contact us. Give us an early chance to get involved with your procurement needs.

DON'T exceed your authority as delegated to you within the Procurement policies and procedures of the University.

DON'T accept demonstration equipment from vendors without advising us. We can help protect you from later problems if we know in advance. Theft, damage, warranties, and liability issues are always concerns that need to be addressed in writing when using demonstration equipment.



DON'T request from any vendor any goods and/or services without first obtaining a purchase order from the Procurement Department.

DON'T sign any contracts or agreements. You can become personally liable. Only the President and the Vice President for Finance and Management are authorized to sign contracts. All procurement and procurement-related contracts must be reviewed for legal form and sufficiency by the appropriate authority before being signed.

BE CAREFULS:

BE CAREFUL about going out on a limb without contacting Procurement. If specifications, price, or delivery have to be negotiated with a supplier, be sure to involve your Procurement Department before initiating the process.

BE CAREFUL when writing specifications, and be even more careful when reviewing specifications which have been written by others. There are different kinds of specifications, and they drastically affect the procurement risk and competition. Whenever you want to buy a non-off-the-shelf item, contact us early.

BE CAREFUL about referencing a vendor's proposal on your requisition because it seems easier than writing the whole description out. Vendor's proposals almost always contain terms and conditions which conflict with ours, and naturally they always favor the vendor.



IV. CORPORATE PURCHASING CARD. On July 1, 1998 it became mandatory in the State of Maryland for all purchases of \$2500 or less to be made using a Corporate Purchasing Card. At present, state agencies such as Morgan State University can make purchases of up to \$5000 on the corporate purchase card.

There are several advantages to this innovation in State Purchasing:

- It is faster and easier for the user.
- It requires less paper work and reduces cost.
- Formal bids are not required but you must have quotes.
- Provides cost savings through consolidated payments.
- Reduces the use of Petty Cash and Purchase Requisitions.
- Vendors are paid in three days instead of 30 days.

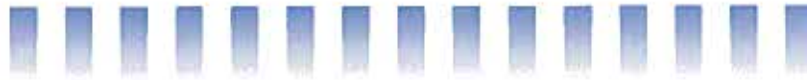
Corporate purchasing controls have been implemented by the State of Maryland. These include:

- Single purchase limits
- Credit limits
- Access limited to authorized categories of merchants

Corporate Purchasing Card application can be obtained from the Procurement Card Program Administrator (PCPA) located in the Montebello Complex, Room C-115, Ext. 4565. All requests require the approval of the card holder's supervisor. Additional information on Policies and Procedures for Purchasing Card use can be obtained from the PCPA.



<u>Solicitations</u>	<u>Solicitation Method</u>	<u>Processing Time</u>
A. Purchases \$2,500 or less	Requestor obtains competitive quotes (may be telephonic). Copies of quotes must be kept by purchaser.	Use of Corporate Purchasing Card
B. Purchase \$2,501 to \$5,000 (excluding furniture, DP equipment, service agreements)	Requestor must obtain a minimum of 2 written quotes. Copies of quotes must accompany the Requisition	Use of Corporate Purchasing Card 2 days (If the Requisition has to be used).
NOTE: Solicitations defined in A and B above can be processed by individual departments. However, the Purchase Order must be issued by the Procurement Department if the requisition has to be the transaction method. Procurement personnel remain available at all times to provide assistance, if needed.		
C. Purchase \$5,001 to \$10,000	Must be processed by the Procurement Dept. If applicable, specs or scope of work should be provided by requestor.	10 days (posted on Bid Board not less than 3 days)
D. Purchases estimated \$10,001 to \$24,999	Same as above	20 to 30 days (posted on Bid Board not less than 10 days)
E. Purchases in excess of \$25,000	Same as above	45 to 60 days (advertise in [eMM] eMarylandMarketplace for 20 days).



NOTE: Purchasing time begins when a purchasing request is received in the Procurement Department. Copies of quotes must accompany procurement documents. Items will not be processed if they do not include the required copies of the quotes.

All furniture requests must be processed by the Procurement Department. If you have questions regarding the procurement process, please contact us at extension 3074.

All purchases less than \$5,000 MUST be made using the University's Credit Card. Occasionally vendors do not accept credit cards, in these cases, the requesting department must note this on the requisition form in the print text section of the document text area in Self-Service or Native Banner.



V. MINORITY BUSINESS ENTERPRISE POLICIES

Effective July 1, 2001, the State's Minority Business Enterprise ("MBE") participation procurement goal was increased by the Legislature from 14% to 25%. This goal shall include purchases made with the VISA procurement card and requisitioned purchases through the Procurement Department for goods and services.

It is the Procurement Department's responsibility to institute practices and processes to assure that the University utilizes certified MBEs at each available opportunity. The end results of the process is a year end report that summarizes the University's performance. It includes a summary of expenditures by classification of procurements. The success of this report is evaluated on the aggregate percentage of purchases placed with certified MBE firms.

The Procurement Department is also responsible for providing Outreach efforts to MBEs to advise of procurement opportunities with the University. Procurement will host annual Vendor Fairs to afford vendors the opportunity to introduce their company, key representatives, products and services to the University community. The Fair would also showcase MBE vendors.

The Maryland Department of Transportation (MDOT) is responsible for certifying and decertifying Minority Business Enterprises and maintaining a database of those firms certified. This database can be accessed at <http://mbe.mdot.state.md.us/directory/>



To access this database:

- Go to the website: <http://mbe.mdot.state.md.us/directory/>
- Proceed through the website per the stated instructions
- At "Custom Search" select the criteria by which you would want to search the database. Click "Next"
- Enter your search criteria. Click "Next"

The University's MBE Officer can be reached at ext. 3074 to provide assistance or any additional information about the MBE program.

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