University Policies and Procedures

08-03.00 - PROCUREMENT POLICY

Purpose

Towson University has established these policies and procedures pursuant to the USM Procurement Policies and Procedures, http://www.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionVIII/VIII300.html. The President of Towson University has delegated to the Procurement Director the authority to implement and to delegate, as appropriate, authority to implement the procurement policies and procedures. Upon recommendation from the Procurement Director, the President, or his designee, may, from time to time, amend these policies and procedures in order that they may remain consistent with current best methods and business practices. (See also Policies 08-03.03 – Restricted and/or Prohibited Purchases and 08-03.02 – Use of Available Contracts.)

Procurement Policy - General

All purchases of goods and services, unless specifically excluded pursuant to the USM Procurement Policies and Procedures, are to be made in accordance with these Towson University Procurement Policies and Procedures. The Towson University Procurement Director will make the final determination of exclusion, pursuant to these policies.

I. Procurement Methods

A. Delegated Purchases:

The procurement of goods and services costing less than $5,000 is delegated directly to Towson University faculty and staff, provided a written agreement (including “shrink-wrap” and “click wrap” licenses) is not required by the vendor. The preferred method of payment is the procurement card, in accordance with the policies and procedures set forth in the University’s Corporate Procurement Card Program, http://www.towson.edu/procurement/procurementcard/index.html. In all cases, competition shall be sought to the extent practicable and all purchases are to be made in accordance with sound business practices.

B. All procurement card purchases must be in accordance with the University’s Procurement Policies and Procedures. The University System of Maryland and the Towson University Procurement Department will from time to time establish blanket contracts for various goods and services. These contracts must be used by the campus community. Exceptions may be granted on a case-by-case basis if necessary.
the best interests of the University and approved by the Procurement Director. See also 8-3.02 – Use of Available Contracts.

C. Simplified Procurements:

The procurement of goods and services costing between $5,000 and $100,000 must be administered by the Procurement Department. There shall be competition to the extent practical, considering such factors as the availability of vendors, dollar value of the procurement, cost of administering the procurement, delivery time, and sound business judgment and practices. If using other factors in addition to price to award a contract, the Procurement Director is to ensure quotations or offers can be evaluated in an efficient and minimally burdensome fashion and in a manner representative of sound business practices. Formal evaluation plans and establishing a competitive range, conducting discussions, and scoring quotations or offers are not required. Purchase orders must be issued for all simplified procurement transactions if they exceed $4,999.

D. Sole Source and Single Bids:

If competition cannot be obtained and the purchase exceeds $4,999, a requisition must be submitted to the Procurement Department, accompanied by a Sole Source Justification form, a copy of which can be found on the Procurement Department website at http://www.towson.edu/procurement/procurementcard/index.html. Justification must be based on unique technical or performance characteristics or compatibility requirements. The justification must set forth the particular requirements, why the requirements are essential, and how the requestor knows these goods or services are not available from another source. The justification must be signed by the requestor and the buyer and then approved by the Procurement Director.

In certain cases, sole source awards are to be reported to the USM Vice Chancellor. Orders exceeding certain limits must receive approval of the Board of Public Works and/or the USM Board of Regents, USM Procurement Policies & Procedures Section V - Procurement Methods, D - Sole Source Procurements, http://www.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionVIII/VIII300.html.

E. Emergency Procurements:

Emergency procurements are an option when a sudden and unexpected occurrence or condition which agency management reasonably could not foresee that requires an action to avoid or to mitigate serious damage to public health, safety, or welfare. The Procurement Director must approve all emergency procurements. Once an emergency situation has been approved, departments may procure the goods or services necessary to resolve the emergency without competitive bidding. However, when practicable, competition shall be sought.
The Procurement Director shall be contacted as soon as possible once an emergency has been identified. When the transaction exceeds $4,999, a requisition shall be immediately submitted to the Procurement Department, accompanied by a written justification for the emergency. The requestor must comment on whether the price is fair and reasonable. A purchase order shall be issued for all emergency procurements. Failure to meet deadlines and/or poor planning is not considered an emergency.

F. Formal Procurements:

Orders Exceeding $100,000 require a formal procurement process. Formal procurement methods are comprised of the following:

- Competitive Sealed Bid
- Competitive Request for Proposal
- Multi-Step Sealed Bid

The decisions regarding which procurement method is used rests solely with the Procurement Department. All formal procurements must be administered by the Procurement Department.

II. Mandatory Preference Purchases

Towson University, to the maximum extent practicable, shall purchase goods and services in accordance with Title 14, Subtitle 1 of the State Finance and Procurement Article of the Annotated Code of Maryland. Preferred providers include and are listed in order of priority:

- State Use Industries
- Blind Industries and Services of Maryland
- Certified sheltered workshops

The Procurement Director shall determine the need for preference purchases.

III. Minority Business Enterprise

Towson University shall afford Minority Business Enterprises (MBEs), certified by the Maryland Department of Transportation (MDOT), the opportunity to participate in all procurements. A vendor may obtain MBE participation either directly as the prime or indirectly through subcontracting opportunities. The University will attempt to achieve the result that a minimum of twenty-five percent (25%) of the total dollar value is made either directly or indirectly from Maryland certified MBEs. The Towson University MBE Liaison, a member of the Towson University Procurement Department, shall oversee the University’s MBE program.

IV. Small Business Procurement Contracts – Reserve Preference
In accordance with Senate Bill 904 entitled “Procurement-Small Business Procurement Contracts-Reserve Preference”, Towson University will reserve 10 percent of all procurements for bid solely by small businesses. The Department of General Services will maintain the directory of qualified small businesses.

IV. Unauthorized Commitments/Confirming Orders

A. It is a violation of Towson University Procurement Policies and Procedures to purchase goods or services exceeding the delegated spending authority without first receiving a purchase order, issued by the Procurement Department. Invoices exceeding $4,999 will not be paid without a purchase order.

B. All requisitions for “confirming orders” or requisitions submitted in violation of this policy, must be forwarded to the Procurement Department as soon as is practical with a full justification explaining the reason for circumventing the University’s Procurement Policies and Procedures. Individuals violating this policy may be held personally responsible for any and all payments related to such purchases.

V. Contract Execution

A. Only the Procurement Director or other duly authorized representative, may, on behalf of Towson University, enter into a contract, which falls within the scope of the USM Procurement Policies and Procedures, also see 8-3.01 – Contract Execution Policy.

B. The University shall be the final signatory in the execution of contract documents. Therefore, the contract shall be first signed by the appropriate representative(s) of the contractor with the authority to bind the firm to the terms of the contract after which the Procurement Director, or designee, shall sign on behalf of the University.

C. Departments at Towson University may procure goods and services up to $4,999, provided no written contract is required and provided no deposit is required. The Procurement Director or designee must execute all contracts exceeding $4,999.

D. Any procurement requiring a deposit or contract, no matter what the dollar amount, must be administered by Towson University’s Procurement Director, or designee.

VI. Contract Administration

The Towson University Contract Administration Program ensures that the contract is performed fully in compliance with all contractual terms and conditions. The University’s Procurement Director is responsible for ensuring satisfactory performance through quality assurance programs, monitoring/evaluating performance and progress,
monitoring contract inspections and required documentation, managing discrepancies or
deficiencies, resolving disputes, approving payments and final contract closeout. The
Contract Administrator will work closely with each department to ensure full contract
compliance and will monitor all vendor performance documentation.

Responsibility: Procurement Department
Authorization:
Date: 3/15/05
Effective Date: 3/15/05