

UNIVERSITY OF LOUISVILLE PROCUREMENT BASICS

Contract Administration
And
Procurement Services
(CAPS)

Revised 04/2024

UNIVERSITY OF LOUISVILLE®

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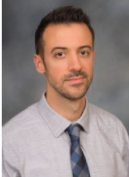
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What we do and who we are...

- Provide and discuss information about KY procurement laws, policies and procedures.
- Provide a better understanding of the procurement process.
- Procurement Staff and Responsibilities can be found on the Procurement Home Web Page at [Procurement Services Staff](#)
- A list of Category Assignments by Contract Administrator can be found at [Contract Administrator Category Assignments](#).
- [Contract Administration and Procurement Services \(CAPS\) Organizational Chart](#)

Purchasing Authority (Statutory)

- KRS [KRS 164A.560](#), allows public institutions of higher education and their affiliated corporations to perform the functions of acquisition of funds, accounting, purchasing and capital construction by regulation.
- The University operates under KRS [164A.555](#) - [164A.840](#) and the Kentucky Model Procurement Code [KRS Chapter 45A](#).
- The Board of Trustees has delegated procurement responsibility to the Chief Procurement Officer by board resolution.
- The Chief Procurement Officer, Director of Procurement Services, and Contract Administrators in Procurement Services are authorized to sign procurement contracts on behalf of the University.
- Department signs as “Recommended By” only and do not have procurement signing authority for the University.

Procurement Services Duties and Responsibilities

- Procurement oversight of all equipment, supplies and services for the University.
- Execution of equipment rental and equipment lease agreements.
- Adherence to state statutes and administrative regulations.
- Decrease procurement risk and liability for the University and its staff and faculty members.
- Practice sound procurement policies resulting in economical procurement under fair and competitive conditions.
- Maintain good working relationship with our vendors so issues of price, delivery and quality can be resolved.

Department Unit Duties and Responsibilities

- Ensure fiscal responsibility for the items purchased for individual area.
- Review all invoices for accuracy and completeness prior to approval for payment. Send invoice to Accounts Payment for processing.
- If a formal contract is in place or a Department Agreement was completed, compare invoice to contract terms to ensure the University is billed accurately. (i.e., hourly rates, phases/milestones, additional fees or expenses, etc.).
- Invoices should be itemized and not submitted as a “lump sum” amount. If a lump sum invoice was provided, follow up with supplier to request an itemized invoice before approving for payment.
- Submit all agreements (Department Agreements) to Procurement Services in a timely manner. Procurement Services will try and prioritize last minute submissions, however department units should be aware that a complete review takes several days and sometimes weeks to complete depending on the complexity of the agreement.

Violation of Purchasing Policy

- Faculty and staff who violate purchasing policies or otherwise act outside of their authority, do so at their own personal risk.
- Purchases made without proper authority may become binding upon the University only upon ratification by the Director of Procurement Services.
- If the purchase is not ratified by the Director of Procurement Services, the obligation remains the personal obligation of the person making the purchase.
- Use of the University tax exempt number is for University purchases only. Tax exempt form can be printed ([Tax Exempt Form](#)), completed and emailed or mailed to vendor.

Procure-to-Pay Guidelines

- The University of Louisville currently has three mechanisms for procuring goods and non-PSC services with a value of less than \$4,500 (ProCard, Purchase Order & Payment Requests). The number of options very often can lead to confusion as to what is the best and proper method to make a purchase. This confusion leads to documents having to be reworked or completely redone utilizing the correct process. The increased use of the University's ProCard program will provide efficiency and a streamlined approach to procuring goods of a relatively low dollar amount for the University.
- [Procure to Pay Guidelines](#)

Contracts

- Definition: A procurement contract is defined as any agreement where we are binding the University to a financial obligation to obtain goods and/or services.
- Contracts can include, but are not limited to, the following:
 - Purchase Order
 - Department Agreement
 - Contract created from the formal bidding process of an Invitation to Bid or Request for Proposal.

No work is to begin, or goods delivered prior to having a fully executed contract in place or a purchase order issued.

Payment Methods and Thresholds

- Procurement Threshold Requirements:
 - \$1 to \$49,999.99: One quote required
 - \$50,000.000 to \$99,999.99: 3 quotes required - 1 must be from MBE/WBE supplier
 - \$100,000.00 or more: Contact procurement services for formal bid process

- Payment Method Thresholds:
 - Procard: Up to \$4,500
 - Purchase Order: Over \$4,500
 - Payment Request: If purchase has been made already and the invoice needs to be paid.
 - *Payment Requests are NOT to be used to bypass the procurement process. Purchase orders should be used to purchase

3 Quote Process

Diversity, equity and inclusion is of the utmost importance to the university and Procurement Services. With that in mind, we have made a revision to our 3 Quote Process that will provide opportunities for Minority and Women Owned Business Enterprises (MWBE's) to partner with the University of Louisville.

This process outlines departments are required to obtain three quotes on purchases that total between \$50,000 and \$99,999. As of July 1, 2021, departments are to obtain at least one quote from a Minority Owned Business Enterprise (MBE) or Women Owned Business Enterprise (WBE) within the three quotes.

If you are unable to find 3 quotes or one that is MBE/WBE then you must complete the 3-quote form and submit to Procurement prior to purchase.

[3-Quote Process and Form](#)

[MBE/WBE Find a Vendor Resource](#)

Should you have any questions or need any additional assistance, please contact the Procurement Services team at purchase@louisville.edu.

We look forward to launching other initiatives in the future to support supplier diversity and inclusion throughout the Commonwealth of Kentucky.

Department Agreements

- A department agreement is an agreement/contract initiated by the originating department and needed any time there are terms and conditions on the agreement and/or requires an approval signature. Typically for a one-time purchase or term less than a year.
- If term is greater than one year, then total financial commitment should be calculated to determine spend threshold requirements.
 - Example: If agreement is for three years and each year is \$40,000 then the total financial commitment of the agreement is \$120,000. In this example either a sole source justification or formal bid would be required.
- All department agreements should be submitted to the Department Agreement Portal. Instructions for using the Department Agreement Portal can be found on the Purchasing website at [Department Agreement Portal Instructions](#)

Department Agreements

- When a department agreement is needed, it should be completed by Procurement Services **prior** to entering a requisition. The approved agreement should be attached to the requisition.
- If the spend amount is between \$50,000 – 99,999.99 you must attach 3 quotes with your agreement when submitting to the DA Portal.
- If the spend amount is between \$50,000 – 99,999.99 and you are unable to obtain three quotes or obtain one quote that is a Minority or Woman Owned Business, you must complete the 3-Quote form and submit to Procurement prior to purchase.

Software Purchases

- All software purchases should be submitted to the Department Agreement Portal regardless of financial commitment of the agreement.
- Many of the software purchases that are made online require you to agree to the company's terms by utilizing a "click through" agreement. These agreements have terms and conditions that the University may not always be able to abide by.
- Software agreements require additional security reviews by ITS and Information Security as well as negotiation on the terms. No software should be used before these security reviews are completed.

Software Purchases

- If the agreement is for less than \$4,500 and you have chosen the option to pay by ProCard, the agreement will bypass Procurement review. Once the agreement passes ITS and Information Security reviews an email notification is sent to the requester that the purchase is approved. If a signature is required on the agreement, **DO NOT** select the Pay by ProCard option.
- If a vendor will not agree to changes in our terms and conditions, Procurement Services cannot sign the agreement. If a department decides to move forward with the purchase it is a violation of the University Purchasing Policy.

Purchase Exceeds \$100,000 – Formal Bid

- **Purchasing Policy 3.00**

Can be found on the Purchasing Web page at the following address:

[Competitive Sealed Bid \(IB\) Policy](#)

- The University is required by law to solicit formal Invitations to Bid for commodities and services, including construction \geq \$100,000. The \$100,000 threshold for vendor purchases is University wide utilization and not just an individual department.
- Effective July 1, 2024 this amount increased from \$40,000 to \$100,000.
- Procurements are not to be split to evade the formal bid requirement per [KRS 45A.100](#)
 - Example: One project with multiple phases but each phase is under \$100,000. All known phases of the project should be bid at the same time.

Contract Administrators will initiate the appropriate procurement method based on the requirements indicated by the requestor.

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Purchase By Competitive Sealed Bid

- **Purchasing Policy 3.00**

Can be found on the Purchasing Web page at the following address:

[Competitive Sealed Bid \(IB\) Policy](#)

- The University is required by law to solicit formal Invitations to Bid for commodities and services, including construction \geq \$100,000. The \$100,000 threshold for vendor purchases is University wide utilization and not just an individual department.
- An Invitation to Bid is used when:
 - Price is the main consideration
 - Item numbers or technical specifications are known
 - There is no need to negotiate price or terms with the supplier
- Bids have a specific opening time and are publicly opened and read.
- Bids are tabulated and ranked in accordance with applicable evaluation criteria and posted on the website for public view.

Purchase By Competitive Negotiation

- **Purchasing Policy 4.00**

Can be found on the Purchasing Web page at the following address:

[Competitive Negotiation \(RFP\) Policy](#)

Contract Administrators determine in writing that the use of competitive sealed bid is not practical. Some of the reasons:

- Inability to write detailed specifications
 - Price is not the main factor in awarding a contract
 - Need for vendor's expertise to accomplish desired outcome
- Examples: Food Services, Bookstore Services, Insurance
 - A Request for Proposal is the document used to facilitate a competitive negotiation and standard time to allow responses is 30 days.
 - No public bid opening, all responses and negotiations remain confidential until a contract is awarded and fully executed.

Personal Service Contract (PSC)

- It is the policy of the University of Louisville to establish personal services contracts for professional services in accordance with the provisions of KRS 45A.690 - 45A.695.
- **No work is to begin with the contractor until a fully executed contract is in place.**
- Examples of services that must be provided through a personal services contract include but are not limited to consultants, doctors, employee search firms, nurses, lawyers, engineers and architects.
- Commodities, equipment and non-professional services are not to be procured via a personal services contract.
 - [PSC Policy](#)
 - [PSC Forms](#)

Personal Service Contracts

- If a new PSC is needed, contact Procurement Services to start the process and a Contract Administrator will manage the solicitation process.
- Information needed before Procurement Services can post an RFP.
 - Speedtype
 - Minimum of three (3) firms with contact name and email
 - Minimum of three (3) committee members that will evaluate and score proposals
- PSC's must be paid on a purchase order and include the signed PSC Invoice form (if utilizing State Funds). **A PSC should never be paid by Procard.**
- A PSC is only paid by payment request if the contract is expired, and the work was completed prior to the expiration.
- If work was completed by the firm without a valid contract in place, the originating department must submit an Exception to Pay Request, signed by the Department Head, to Procurement Services before any payments will be release to the firm.

Price Contracts

- **Purchasing Policy 22.00**

Can be found on the Procurement Services web page at the following address:

[Procurement Policies](#)

- Price Contracts are established to obtain competitive price and prompt delivery of products used frequently and are awarded as result of competitive bid or negotiations
- Usually established for a period of five (5) years with renewal options.
- It is the policy of Procurement Services to purchase from price contract vendors when products qualify, and prices are consistent with specifications supplied by the ordering department.
- A list of current price contracts can be found on the Purchasing web page located here: [Price Contracts](#)

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Price Contracts



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Price Contracts



Ethics in Purchasing (Gratuities)

- **Purchasing Policy 2.00**

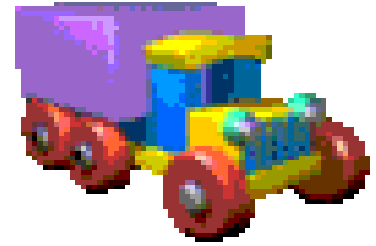
Can be found on the Purchasing Web page at the following address:

[Ethics in Purchasing Policy](#)

- All University staff or faculty that are in a role to purchase goods and services for the University of Louisville, shall not take, receive or offer to take or receive (directly or indirectly) any rebate, percentage of contract, money, (or other things of value) as an inducement (or intended inducement) from any vendor bidding for University purchase contract(s) or otherwise seeking to make sale to the University.
- Procurement Services adheres to the National Association of Educational Procurement (NAEP) Code of Ethics and can be found here: [NAEP ByLaws](#).

Purchase of Office Supplies

- **Purchasing Policy 7.00**
Can be found on the Procurement Services web page at the following address:
[Office Supply Policy](#)
- Staples is the primary office supply vendor for the University. All office supplies should be purchased from Staples unless provided an exception by Procurement Services.
- A Staples [Welcome Guide](#) is available. This guide contains useful information on how to process orders, returns, etc.
- Order placement – <https://www.staplesadvantage.com/sahome>
- Our Staples representatives:
 - Customer Service: Judyann Veith
 - judyann.veith@Staples.com
 - 407-475-4221
 - Key Account Manager – Dan Morrow
 - dan.morrow@Staples.com
 - 901-210-8638



Moving Expense Procedure

- **Purchasing Policy 38.00**

Can be found on the Purchasing Web page at the following address:

[Moving Expense Procedure](#)

- University has established a contract with Allied Van Lines/
Berger Transfer Storage Inc. that must be used.
- Departments must complete an authorization to move form found at:
[Authorization to Move Form](#) to initiate the process.
- Payments are made by Procurement Services, unless a self-move, and
reallocated back to the authorizing department.

Federal Debarment

- Prior to contract award, Procurement Services shall ensure that the successful vendor is not debarred from doing business with federal agencies. Sanction checks will be performed on all new contracts for vendors and at renewal times also.
- Sole source purchases, and departmental agreements >\$25,000 will require a sanction check.

Purchasing Forms

- Forms can be found on the Purchasing Web page at the following address:

[Purchasing Forms](#)

- Examples:

- [Application for Master Lease Form](#)
- [Authorization to Move Form \(Employee and Office/Lab\)](#)
- [Request to Purchase Motor Vehicle Form](#)
- [3-Quote Form](#)
- [Single/Sole Source Justification Form](#)
- [Resident Bidder Claim Form](#)
- [Construction Invoice Form](#)
- [Construction Change Order Form](#)
- [Information Security Risk Assessment Form](#)
- [Purchase Order Liquidation Request Form](#)
- [Request to Lease Space Form](#)

FAQ's

A vendor gave me a written agreement to sign. Who can sign this agreement with the vendor?

Departments do not have authority to sign written agreements with vendors. Only a Procurement Services representative has the authority to review and sign a written vendor agreement. In addition to containing terms which are not legal for a state agency to agree, the liability can be tremendous. Failure to obtain proper review can leave the signatory at personal liability. In addition, usually the existence of a vendor agreement will require the PeopleSoft requisition process. Departments should review the agreement and if they agree with the "vendor performance" portion of the agreement they should sign the agreement below the University signature line as "Recommended by" and forward that to Procurement Services via the [OnBase Department Agreement Portal](#).

Is it ok to obtain goods and services prior to obtaining a Purchase Order?

Departments should always obtain a Purchase Order for Goods or Services **prior** to receiving such. Obtaining Goods and Services without the issuance of an official UofL Purchase Order may place the University/Department in direct violation of State Procurement Laws. Additionally, the individual placing any order without a Purchase Order may also be held personally responsible for payment of that transaction.

Where do I send invoices? How can I check on the status of an invoice?

All invoices for the academic campus are handled by and should be sent to UofL Controllers Office, Service Complex Building. All original invoices should be sent directly to them.

How do I know which contract administrator handles which commodities/services?

A listing of the Procurement Services Staff and Staff Category Assignments can be found at [Category Listing by Contact Administrator](#).

FAQ's

I found a lower priced item on the internet. Since it's cheaper is it ok for me to order?

Contracting structure for good and services purchased by the University can range from very restrictive to having some flexibility depending on the individual commodity. In general, departments should utilize the University's contracted vendors for purchases. Contact the appropriate Procurement Services staff person at purchase@louisville.edu if you have a question about purchasing a specific product from a non-contracted vendor.

What is a PSC? How do I determine if I need to use one? Are there Forms for this?

Under the Kentucky Model Procurement Code, a personal service contract is an agreement whereby an individual, firm, partnership, or corporation is to perform certain services requiring professional skill or professional judgment for a specified period, at an agreed upon price. Personal service contracts are governed by the state, require additional approvals, and have no solicitation threshold. Common services associated with PSC's include attorneys, design, architectural firms, consulting, licensed professionals, etc.

More information about PSC's can be found on the Procurement Services website under [Personal Services Contract](#).

I need to hire a consultant. What should I do?

See answer above regarding PSC's.

What items am I required to order from the Stockroom?

[Purchasing Policy 8.00](#) : The Department of Procurement Services shall identify items of common usage throughout the University to facilitate quantity buying. Where economically practical, such items may be carried in inventory in the Stockroom for the purpose of providing a ready supply of such items to using departments. The Stockroom is the designated source from which all budgetary units are required to purchase supplies such as paper products, maintenance supplies, and other miscellaneous supplies. **Items available at the Stockroom must not be purchased from any other source.** A list of Stockroom items can be found at [Stockroom Catalog](#).

FAQ's

Where can I find a sales tax exemption certificate?

A Sales Tax Exemption Certificate can be found at [Kentucky Sales and Use Tax Exemption Form](#).

What is the procedure for leasing equipment?

As stated in [Purchasing Policy 32.00 Long Term Lease Equipment](#): The University of Louisville currently has a financial institution with an established Master Lease to finance equipment over time. The master leases do not preclude the need to solicit competitive bids in order to establish the cost to be financed, if items are not covered by an already established contract. See [Long-Term Lease Equipment Procedures](#).

What can I buy and not buy with my ProCard?

A full listing of Suggested ProCard Uses and Limitations can be found at: [Procard Suggested Uses](#)

My department is in the process of hiring an employee and we want to pay for their move to Louisville. What do I do?

A complete guide to moving an Individual/Office to the University can be found under [Purchasing Procedure 38.00](#).

Is it true that printing may only be performed in-house by IT Print or under a contract that has been signed by the Governor of the Commonwealth?

Yes. All printing requests, regardless of sourcing funds, must be routed through Canon, who has first right of refusal. Canon decides if a job will be done in-house or sent to a vendor under contract. Under no circumstances may printing be procured without competitive bidding, contracting, and the Governor's signature. Additional information may be found under Purchasing Policy 40.00.

FAQ's

I have a budget error on a requisition/purchase order. Who can help me resolve this?

Listed below are a few reasons why your requisition would have a budget error.

1. No Budget Exists
2. Budget date out of bounds
3. Document Tolerance.

In all instances notify your UBM first and if it is on a grant contact Grants Management.

Where can I find a copy of the bid that was sent out for my department?

All Bids/RFPs issued and announced Awards can be found at: [BIDS/RFPs](#)

Where can I find a list of contracts available for use through Purchasing?

A full listing of current contracts can be found at [CONTRACTS](#). This can be searched by Vendor Name or Commodity Type. Contact us if you can't find a contract you are looking for.

How can I get a new vendor added to Peoplesoft?

A new Supplier is added via the Supplier OnBoarding system, accessed from the Controller's Office Accounting Operations website. Click on Supplier OnBoarding link below and log-in with your University user ID and password. Enter the name of the individual or company and their email address. The Supplier will then receive an email with detailed instructions about the registration process. Vendor issues are handled in the Controller's Office and not Procurement Services.

[Supplier Onboarding](#)