

CENTRAL MICHIGAN UNIVERSITY

PURCHASE PROCEDURES AND POLICY

Mission Statement: Dedicated to providing quality customer service, and delivering the best overall value while ensuring an ethical, open and competitive environment.

Purchasing Process / Bidding

As a public institution, we conduct our business in an open and competitive fashion in accordance with regulations established by CMU's Board of Trustees. The following is a brief outline of our regulations regarding the purchasing process that departments and vendors are expected to follow.

\$2,500 to \$24,999	Purchasing will conduct a formal bid process unless specifically exempted. Bids may be written or faxed at the professional judgment of the buyer. An on-line purchase requisition should be submitted to the Purchasing department for processing.
\$25,000 and Over	Purchasing will conduct a formal sealed written bid process unless specifically exempted. Public bid openings are normally held for Request for Quotations. Public bid openings are normally not held for Request for Proposals. An on-line purchase requisition should be submitted to the Purchasing department for processing.
Bid Exemption	Consult the <u>Director of Contracting & Purchasing Services</u> for exemptions on bids.

Buyers Role/Responsibilities:

- The role of the buyer is to review procurement requests and oversee the procurement process from beginning to end. **Our role/responsibilities include:**
- Work with department to establish an obtainable timeline to meet their project's completion deadline.
- Research vendors to determine which can supply the requested items/services.
- Contact additional campus departments/stakeholders for potential impact and to determine what level (if any) involvement is desired by them. Example: PEP, Risk Management Environmental Health and Safety.
- Notify the department requesting the procurement of goods/services of the need to involve additional CMU departments/stakeholders. Also the need to adhere to any applicable product standards, existing contract obligations, and/or university policies as part of the procurement process.
- Arrange for and coordinate demos.

- Work with departments to determine list of qualifying vendors (based on delivery and cost capabilities and financial strength).
- Communicate to A/E Firm CMU procurement requirements. (See “Attachment B”)
- Assist department’s end user with equipment specification cut sheets for particular commodities to determine specific requirements. Ensure that the end user understands the impacts and necessity for providing the justification when specifying equipment/services that may be a sole source and that alternate brands/models must be included if they meet the minimum functional requirements for the specific project.
- Establish a mutually agreeable time frame for the bid process with the end user depending on the project requirements and clearly outline critical points/dates that the department and Purchasing need to adhere to in order to keep the project on schedule. Develop Bids and Requests for Proposals ensuring all specifications received from the end user are included and standard bid terms and conditions per University policies are included. Collaborate with department what selection criteria will be deemed necessary to determine the bid award ensuring the evaluation/award criteria are established prior to bids being released. (Especially for projects that may not require a “low bid” award.) Include total cost of ownership when determining award. **Always** share a copy of the **final** RFP with end-user before sending out. Remind the department of their responsibility for verifying the specifications and quantities requested.
- Communicate the price portion of the proposal will be sent via separate cover and not open until after the non-cost variables are evaluated and weighted.
- Handle all communication with the vendors once the bids have been let out and contact the end user to clarify and answer any questions that need addressing. Issue bid addendums if necessary.
- Summarize the bids and review with the department before bid award.
- Finalize the equipment list to be ordered and process the purchase order.
- Handle any issues communicated by the Project Manager, department etc. after the order is placed with regard to delivery, set up, invoice issues, warranty issues, etc.

Department/End User Responsibilities:

- Contact the appropriate Buyer as soon as possible in the process to explain the project or purpose of the equipment purchase and include the Buyer in any meetings that discussion of equipment purchases will take place.
- Ensure proper approvals from other stakeholders/departments are obtained at the direction of the Buyer.

- Confirm with Buyer who the main contact(s) are for decisions on this purchase.
- Provide all time frames to the Buyer: e.g. when the equipment and/or services are needed.
- Provide specifications for the equipment services including but not limited to quantity, description, make and model number, installation requirements, performance expectations, etc.
- If specific models for equipment need to be determined, provide the buyer with specific requirements so the Buyer has an opportunity to research vendors and provide information on other possible models and/or coordinate demos if necessary.
- To review the final specifications, quantities and vendor list and indicate any changes if necessary prior to bid/RFP release.
- Review vendor responses in relation to the prior agreed upon selection criteria to determine award with the Buyer.
- Submit an on-line purchase requisition so a purchase order can be generated.
- Departments should provide specific requirements, e.g. drawing, engineering, and other expectations.
- See “Attachment A” for PEP expectations.

Time Frames for bids/RFPs:

- Time frames will vary depending on the project but the general time frames for obtaining bids and RFPs once the Buyer has the specifications of the equipment purchase determined are generally as follows:
 - Allow 7-10 days for bid preparation and bid review
 - Allow 5-10 days for bid responses
 - Allow 2-3 days for bid summary and determining award
 - Allow 2-3 days for Purchase Order processing
 - Shipping of equipment will be determined by the vendors in their bid response

The above timeframes are only a general rule of thumb. RFPs may take longer if award criteria are complex, demos are required, special contractual terms are needed. Many times much shorter time frames can be accomplished for individual equipment purchases.

The Buyer should be included in the process as soon as possible to ensure their understanding of the project requirements, timelines and what equipment/services purchases are needed. All of which increases the chances of a successful project and best overall cost to CMU

Once the procurement process begins (bidding, negotiating, scheduling, awarding, contractual matters, etc.) the Buyer shall be the single point of contact with the vendors.