

## **Procurement and Sourcing Services**

**Effective Date:** July 31, 2002

Last Update/Revision: January 30, 2012

**Initiating Department: Procurement and Sourcing Services** 

**Responsible Department: Procurement and Sourcing Services** 

**Authorizing Person:** VP for Finance and Treasurer

**Policy Number:** P1500

**Policy Name: Purchase Order Requisition** 

To establish guidance for the purchase of goods and/or equipment and services. Purpose:

Policy: The purchase order is designed as a contract between the University and the vendor. Using a purchase order to initiate every purchase provides the means to ensure that each transaction is covered by a proper contract. A contract details commodities, prices, and terms and conditions specifying each party's rights and obligations. It is therefore important to include as much information as possible on the <u>purchase order requisition</u> because this document is used to create the purchase order.

> Completion of a purchase order requisition is required for all University purchases, with the limited exceptions subject to the alternatives below:

Direct Payment Request (formerly Check Request) - This document is very limited in scope and is used to issue payment to a vendor.

Expense Report/Reimbursement Request (form pending)

Travel Advance/Prepaid Expense Request (form pending)

Inter-Departmental Orders (IDO)

- Catering Please contact your campus Aramark office for appropriate form.
  - **Office Services**
- Marketing Services Please contact the Marketing Services Department for the appropriate form to order:
  - Advertising
  - **Publications** 0
  - **Business Cards**

This Policy Applies to: All Departments.

Procedure: ı. General

Following are the procedures to be followed when submitting a request for purchase of

materials, supplies, services, etc.

The <u>purchase order requisition</u> is designed to contain all necessary information and signatures required to process the procurement within the University. Completion of the purchase requisition by the requisitioning department helps create the formal purchase order that will become the contractual commitment between the supplier and company.

A fully completed purchase order requisition form is to be forwarded to Procurement and Sourcing Services for processing all transactions.

## **II.** Instructions for completing a requisition form:

A. <u>Due Date</u> - Specify the date items requested are needed. Avoid the use of the term ASAP (as soon as possible). Always state or estimate the specific preferred date on which the service or goods should be delivered. This data enables Procurement and Sourcing Services to determine priorities for delivery requirements. Always allocate as much lead-time as practical by determining your needs as far as possible in advance. This gives Procurement and Sourcing Services time to solicit competitive bids in the best and most efficient manner for the University.

Services/Maintenance Contracts and Projects – specify the expected date that the contract or project will end. Date Required refers to the Due Date field in PeopleSoft and is one of the 11 criteria the system uses for the purchase order close process. This process is performed each month. Due dates that are not completed correctly will cause the purchase order to close prematurely. Purchase orders that will be in effect for the entire fiscal year should have an August 31st due date.

Enter "Emergency" or "Rush" in the requisition delivery date block only when departmental needs require prompt action or priority of purchase.

Be aware that Procurement and Sourcing Services will need to verify pricing and, in some cases, obtain competitive quotes prior to processing the order. If an item is an emergency, the requisitioning department should obtain at least one quote and forward it to PSS with the requisition.

The requisition's originator is responsible for requesting materials in sufficient time to allow Procurement and Sourcing Services to transact and arrange for material shipments in the most cost-efficient means possible.

- B. <u>Ship To</u> Specific location to which shipment is to be delivered, including campus, building, room, phone number and name of person who will be receiving the item.
- C. <u>Ship Via</u> -Transportation or freight carrier, to be determined by Procurement and Sourcing Services.
- D. <u>Special Shipping Instructions</u> Indicate all special shipping instructions such as staggered deliveries, deliveries to various locations, or special delivery needs such as "truck with lift-gate"
- E. <u>F.O.B.</u> Specific "free on board" delivery point up to which vendor assumes shipping and handling expenses, as quoted in the agreed purchase price.

## F.O.B. terms include:

- 1. F.O.B. destination
- 2. F.O.B. shipping point, freight prepaid and allowed.
- 3. F.O.B. shipping point, freight allowed
- 4. F.O.B. shipping point, freight prepaid and charged
- 5. F.O.B. shipping point

Large freight shipments should be carefully examined to determine the most efficient mode of transportation.

- F. <u>Terms</u> Specific agreed payment terms. Procurement and Sourcing Services shall determine prompt payment discount prior to award, if any. Block must be coded with one of the following codes:
  - 1. Net 30 days
  - 2. Payable first of the month
  - 3. Net 10 days
  - 4. 2% 10 days
  - 5. 1% 10 days
- G. <u>Accounting</u> The requisitioning department must include the proper 18-digit chart field string to ensure distribution of costs to proper cost center.
- H. <u>Purchase Order Number</u> assigned by the PeopleSoft ERP financial system.
- Vendor Number Specific number assigned by the PeopleSoft ERP system to identify a specific vendor. Procurement and Sourcing Services or requisitioning department is responsible for inserting the vendor number.
- J. <u>Vendor</u> Name and address of supplier. Provide as much information as possible including phone, fax, email and contact.
- K. <u>Suggested Vendor</u> The requestor's recommended or known source. The requisitioning department must include the address with the vendor name. The PeopleSoft ERP system has one vendor number for each vendor, however; multiple addresses may be on file for each vendor. Therefore, the requisitioning department is responsible for telling Procurement and Sourcing Services the correct address to which the order should be sent.
- L. Quantity Ordered Specific number of units to be purchased and delivered.
- M. <u>Unit of Purchase</u> The specific measure of unit criteria is important and should be entered for each item ordered. Please acquaint yourself with the way each vendor packs their product. If you want "12" items and the vendor offers the item in packs of "6" then you'll need to order "2" packs.

Symbol Definition Symbol Definition

Bar	Barrel	M	Thousand
Btl	Bottle	Mo	Month
Bg	Bag	Oz	Ounce
Bx	Box	MF	Per1000ft
С	Hundred	Pc	Piece
Cd	Card	Pd	Pad
CF	Cubic Ft	Pk	Package
Ci	Cubic In	Pr	Pair
Cs	Case	Pt	Pint
Cw	Hundred Wt	Qt	Quart
Су	Cubic Yd	RI	Roll
Dm	Dram	Rm	Ream
Dz	Doze	Sf	Square Foot
Ea	Each	Si	Square Inch
Ft	Foot	Sp	Spool
Ga	Gallon	St	Set
Gr	Gram	Sy	Square Yard
Gr	Gross	Tu	Tube
Hf	Hundred Ft	Tn	Ton
In	Inch	Un	Unit
Kg	Kilogram	Wk	Week
Lg	Leng	Yd	Yard
Lf	Linear Ft	Yr	Year

N. <u>Part Number/Description</u> – Specific description of items ordered, including model numbers, amps, voltage, horsepower, brand, size, catalog reference, color, equivalent substitute data, dimensions, etc. <u>Do Not Generalize!</u> Use specific descriptions. If an equivalent or substitute is allowable, specify (i.e. "or equal") after applicable commodity description.

- O. <u>Estimated Delivery Date</u> Negotiated delivery date by which vendor will perform.
- P. <u>List/Discount</u> List price and discount allowed. Departments are encouraged to attach quotations from the vendor to facilitate the processing of the order.
   Requisitions that arrive in Procurement and Sourcing Services without quotations must have the pricing verified.
- Q. <u>Net Unit Price</u> Price agreed to between department and vendor.
- R. <u>Total Billed Price</u> Actual extended value.
- S. Submitted By Name of individual submitting the requisition.
- T. Approved By Signature of individual authorized to approve expenditure of funds.
- U. Remarks Special Notes: Indicate pertinent details of request, i.e., "to be installed on plant boiler", model number, serial number; "to replace worn unit"; spare unit; cleaning; FDA, sole source; etc. Communicate any information that will assist Procurement and Sourcing Services and possible vendors to determine the nature of the material and scope of service requested. Special shipping instructions, i.e., ship air, rail, tailgate, etc.
- V. Requisition/Purchase Order Distribution Purchase orders will be distributed to the department noted on the "ship to". It is the responsibility of the department that is listed in the "ship to" to receive and review the adequacy of the items ordered. Two copies of the purchase order will be distributed to the requisitioning department. One copy of the purchase order will be stamped "Receiving Report" in red. This is the copy that must be returned to the Accounts Payable Department to authorize payment to the vendor. The other copy is the department copy.

Exceptions: None

Forms: Purchase Order Requisition
Direct Payment Request