# Policy:

The Procurement/Contracts Department (“Procurement”) has sole authority for issuing purchase orders for supplies, materials, contractual services, and equipment for the College. Individual departments will not enter into purchase contracts or obligate the college for procurement indebtedness except for PCard and on-line office supplies purchases. This policy and procedures apply to all college funds regardless of funding authority. If purchasing with a grant/contract or other restricted funds, the respective Grant/Contract manager’s authorization may be required on the requisition. The college strongly encourages participation from Charles, St. Mary’s, and Calvert businesses, small business enterprises (SBE), minority business enterprises (MBE) and women owned business enterprises (WBE). When procuring goods or services, the purchaser should make every effort to aggregate items/services to obtain the most economical price and facilitate competition among vendors.

College personnel will avoid the appearance of a conflict of interest by not soliciting or accepting gifts, gratuities, or donations from vendors except for promotional items of a nominal value.

Prior to issuing a purchase order, Procurement personnel check the setup of new and recurring vendors against SAM.Gov, eGov Maryland Services and Maryland Board of Public Works to screen vendors for disbarments, suspensions and their standings within the State of Maryland.

The CSM Board of Trustees established the following purchase authorization thresholds for contracts only to facilitate an efficient procurement process while minimizing procurement risk:

|  |  |
| --- | --- |
| Approval by: | Level |
| Board of Trustees | $200,001 and higher |
| President | $50,001+ to $200,000 |
| Vice President of Financial Services | $0 to $50,000 |
| Division Vice President, Associate Vice President | $0 to $5,000 |
| Vice President, CWD | $0 to $11,000\*  \*CSM Course Delivery Agreements only |

# Procurement Methods:

In the absence of any defined college procurement policy, the current edition of the Annotated Code of Maryland and guidance from the Code of Maryland Regulations (COMAR) 21-05-07 Small Procurement Regulations, will prevail. CSM utilizes several purchasing methods to facilitate the efficient procurement of goods and services including: purchase card (Pcard); designated online office supply vendor; and college issued purchase orders. Each method is described below with the associated purchasing thresholds.

# Pcard Purchases:

CSM has established a commercial card account to facilitate purchases within the following limitations:

* Department Managers (Cost Center, Division, Chair): $3,500/transaction, maximum of

$5,000/mo.

* Bookstore: maximum of $300,000/mo.
* PRO: $10,000/transaction; maximum of $75,000/mo.
* IMT: $10,000/transaction; maximum of $75,000/mo.

The employee/cardholder’s card balance is replenished to its assigned credit limit once the cardholder reconciles the prior month’s purchases.

Software & Hardware Purchases:

All software & hardware acquired by the College of Southern Maryland must be purchased through Procurement to ensure the college maintains a complete inventory of all purchased software & hardware, for the purposes of registering, supporting, upgrading and screening for ADA compatibility requirements. Software & hardware may not be purchased through petty cash, direct pay, credit card, department **Pcard**, or expense reimbursement.

All Software and subsequent agreements are approved by the Information Management Team prior to issuing a purchase order. The Software Purchasing Agent will inventory and maintain the master media and any documentation. Any software which is no longer required needs to be reported to the Software Purchasing Agent for disposition.

# Designated Office Supply Vendor:

Authorized department personnel may purchase office supplies directly from approved vendor(s) (Contact Procurement as to who is the current designated supplier for Office Supplies) using the on-line ordering process. This process provides for next day desktop delivery for office supplies (low dollar expendable items). Non-allowable items include fixed assets, furniture, or technology items (software, printers, A/V, etc.). This process enables college employees to minimize shopping time, eliminate stockpiling, and assure the best prices for supplies.

# Purchase Orders:

With the exceptions of Pcard and online Office Supplies purchases, all other procurements of goods and services are made by purchase orders issued by the Procurement Department. A college requisition is required for all purchases of supplies, materials, contracted services, and equipment. Procurement will issue a purchase order based upon the information contained on the requisition and the accompanying quote(s). Procurement will negotiate price, terms, conditions, and delivery for purchases or prospective purchases. Procurement is responsible for maintaining all correspondence pertaining to a purchase order that involves price, terms, conditions, delivery, quantity, descriptions, complaints, etc. The procedures for issuing purchase orders are dependent on the total dollar value of the order (see Purchasing Thresholds below). Whenever possible, items/services should be aggregated to obtain the most economical price and facilitate competition among vendors. Disaggregating items or quantities to circumvent purchasing thresholds violates CSM purchasing policies and is subject to employee disciplinary actions.

# A Blanket Purchase Order:

An aggregate purchase order is a set dollar value not to exceed the bidding policy threshold. It provides the department the ability to secure smaller/multiple buys without having to issue multiple purchase orders to the same vendor. Blanket Orders are typically used, to take advantage of discounts, facilitate order processing, and ensure timely shipments. Such orders are authorized, established, and monitored by Procurement and expire at the end of each Academic year. Blanket POs follow the same purchasing procedures and thresholds as all other PO’s. The ordering department should check with Procurement for any cooperative or piggyback agreements.

Examples could be general contracting, welding, electrical, janitorial services, etc. Blanket POs should not be circumvented by direct payments or PCard purchases.

# Sole Source purchases:

All contracts for any building, improvement, equipment or supplies that are a sole source procurement must be approved by the Board of Trustees, except for the following instances:

* “small procurements,” defined as purchases <$20,000
* the purchase of books or other instructional materials
* emergency repairs

Sole source procurement may be authorized by the Board only if, in the opinion of the Director of Procurement and Contracts the requirements of the College can be satisfied only by a sole source vendor. All sole source approval requests to the Board shall include a written explanation signed by the Director of Procurement explaining why no other source is suitable (Refer to Sole Source Policy PRO-004).

# Purchasing Thresholds:

**Purchases < $20,000:**

Competitive bids are not required. Submit requisitions to Procurement. Include all supporting documents such as quotes, contracts, routing forms, emails or any other pertinent information.

# Purchases $20,001 - $50,000:

Competitive bids are required for purchases in this category unless a piggyback or cooperative agreement is used. A minimum of three (3) informal bids must accompany the requisition to Procurement. Informal bids include online quotes, catalog prices, telephone, email, or fax.

# Purchases > $50,000:

Purchases in this category require formal competitive bidding unless the items are:

1. exempt from competition (e.g. utilities, sole sources, etc.)
2. piggyback an existing Maryland agency contract
3. use a cooperative approved by a state, county or public educational institution

Purchases not meeting the exceptions above require formal bidding and are posted to eMaryland Marketplace. Bids are evaluated for price, timeliness, capability to fulfill the statement of work, quality, delivery time, and prior vendor experience.

All users and Cost Center Managers are required to take the Procurement Basics refresher course annually.

# Reference:

Administrative Services Manual FM2001 PRO-001A Purchasing Procedures 4/7/2021 Procurement Basics Training PowerPoint

# For More Information Contact:

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