



**Procurement Policy Title: Purchasing Policy
POL-PRO-P01**

Official Short Title: Buying Goods and Services

Key Points

- Establishes the principles applicable to buying goods and services
- Distinguishes and defines Procurement Contracts vs. Non-Procurement Contracts (see Glossary)
- Manages external spend by reducing risk and ensuring compliance
- Establishes appropriate business practices when paying and working with suppliers

Why do we have this policy?

To ensure that RMU established the principles applicable to buying goods and services with University funds, to outline the management of Procurement Contracts, external spend and how to work with our suppliers.

Where does this policy apply?

Moon Township Campus
Bayer Center
Island Sports Center

What does this policy say?

Establishes the guidelines for buying goods and services with University funds.

Who in RMU has general obligations under this policy?

The Basics

1. Purpose
2. Scope

All University Employees

3. Roles
4. Responsibilities
5. Policy
6. Communication of Issues

Responsible University Officer:

Sr. VP Business Affairs and Treasurer



Glossary and
Administration

7. Glossary
8. Administration
9. RELATED POLICIES

Contact:
RMU Procurement
Purchasing @rmu.edu



The Basics

1. PURPOSE

This policy establishes the guidelines for buying goods and services from an external supplier with University funds in a timely and cost-effective manner, while mitigating risk, ensuring compliance with the law and other University Policies, and using appropriate business practices.

2. SCOPE

This policy applies to all RMU employees who buy goods and services, including determining the requirements, negotiating the terms of the purchase through a Procurement Contract and/or purchase order (see glossary), selecting suppliers or authorizing payment.

Specific Requirements

3. ROLES

Category Manager/Buyer: An RMU employee with direct responsibilities and reporting structure in the Procurement Department. Buyers are authorized by the University to procure goods and services on behalf of the University and in compliance with all applicable laws and University Procurement Policies. A buyer has specific training not available to other University employees and is equipped with Procurement best practices for procuring goods and services.

Dean/Department Head/VP: An individual who is responsible for the entire departmental budget with the authority to authorize a departmental purchaser.

Departmental Purchaser: An RMU employee who has been designated in writing by a Dean/Department Head or Vice President, to act on behalf of the department as a purchaser. These designated employees must be trained by a member of the RMU Procurement Team in order to enter requisitions in Unit4 to purchase goods and services on behalf of the University. These designated employees will be responsible to comply with all Procurement Policies.

Requisition Reviewer: An RMU employee who has been delegated in writing by the Dean/Department Head or Vice President, to review requisitions on behalf of the department in order to ensure University funds are available for the purchase. This may be a different person than the Departmental Purchaser who has insight into the budget or acts as a budget manager and is not a Dean/Department Head or VP.

Purchasing Administrator: A member of the RMU Procurement team designated as the Purchasing Administrator and responsible to ensure all University employees are in compliance with the University Procurement Policies and procedures, and to raise issues of compliance to senior leadership. RMU Procurement Department employees are the only individual authorized to issue purchase orders on behalf of the University.

4. RESPONSIBILITIES

Senior management of employees who commit RMU funds to external suppliers through purchase orders or Procurement Contracts are responsible for ensuring applicable employees are aware of and comply with University Procurement Policies.



5. POLICY

All University employees authorized to make purchases with University funds are required to do so in accordance with all applicable laws, University bylaws, and the University Procurement Policies. Use of Preferred Suppliers (see Glossary), when available, to purchase good(s) and service(s) is required. When Preferred Suppliers are not available for a particular commodity or service, the University’s competitive bidding requirements as outlined in *POL-PRO-P03* or single/sole source justification requirements as outlined in *POL-PRO-P04* must be followed. Additional policies which are in scope are as cited in Section 9 (Policy of Ethical Practice and the Board of Trustees Conflict of Interest Policy).

The Procurement Department is responsible for the negotiation and development of all Procurement Contracts as they relate to buying goods and services for the University. The guidelines set forth in this policy and below will ensure that employees will comply with this policy.

STEP1:

- **Purchase Requisitions:**

A purchase requisition is **required** for all high risk purchases regardless of cost and all purchases \$20,000.00 or more. The purchase requisition is an internal procedure that begins the procurement and contract negotiation and review process (see flow chart). A purchase requisition must be submitted to the Procurement Department through the [Unit4 system](#) prior to the issuance of a numbered purchase order and **before** a commitment for purchase is made to a supplier.

The electronic purchase requisition serves as a **request for purchase** and contains required information including descriptions of items to be purchased, delivery and budget coding information, and the appropriate spending authorization Grant of Authority approvals.

- **Purchase Authorization Limits**

The following is the purchase requisition Grant of Authority approval structure. For additional information on the Board of Trustees’ involvement, please refer to the University bylaws and Board of Trustees Committee Charters.

Purchase Amount	Grant of Authority Requirement
>= \$1M	Senior Vice President for Business Affairs and Treasurer
< \$1M	Chief Accounting and Financial Planning Officer and Assistant Treasurer
< \$100K	Level 2 Managers: Direct Reports to the President
< \$50K	Level 4 and Level 3 Managers - examples: Vice Presidents not included in Level 2, Deans



< \$25K	Cost Center and Level 5 Managers - examples: Assistant Deans, Associate Deans, Senior Directors, Directors, Department Heads, Managers
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STEP 2:

Preferred Suppliers

The Procurement Department is authorized to negotiate and implement all procurement contracts and all University-wide Procurement Contracts with Preferred Suppliers that will provide the University with the overall best value for purchased goods and services based on competitive pricing, quality, service, favorable terms and conditions, and efficient ordering and payment processes. For a list of current Preferred Suppliers, please view the RMU Procurement website at rmu.edu/purchasing.

Contract Lifecycle Management System (CLM)

RMU Procurement is responsible for submitting all Procurement Contracts for legal review via the CLM (rmu.edu/contracts). Please see the flow chart for details.

Non-Procurement Contracts must be submitted for legal review via the CLM (rmu.edu/contracts) by the employee responsible for the Non-Procurement Contract.

Supplier Diversity Policy

RMU is committed to purchasing goods and services from diverse and underrepresented populations. For more information on how the RMU Procurement Department includes these suppliers see *POL-PRO-P05*.

Supplier Code of Ethics and Conduct

RMU adheres to strong ethical practices during the purchasing process for buying goods and services. For more information please see *POL-PRO-P07*.

Violations

Violations of this Policy will result in appropriate disciplinary measures or other action, up to and including termination.

6. COMMUNICATION OF ISSUES

Questions regarding this policy should be directed to the Procurement Department at purchasing@rmu.edu.

Glossary & Administration

7. GLOSSARY

Contract: An agreement with specific terms and conditions between two or more persons or entities in which there is a promise to do something in return for a valuable benefit known as consideration.

Procurement Contract: A Contract to buy certain goods and/or services for the University from a person or entity. Types of **Procurement Contracts** are typically either fixed-price, cost-reimbursable, or time or materials. Some agreements can include more than one of these payment structures on a single **Procurement Contract**.



Purchase Order: (PO) is an official document issued by a buyer (the University) committing to pay a seller for the sale of specific products or services which indicates types, quantities, and agreed prices to be delivered in the future..

Non-Procurement Contract: A Contract that does not require Procurement's involvement which is revenue-generating or zero-dollar value and does not involve a service provider or a vendor which includes, but is **not** limited to the following: (1) Grants; (2) Affiliation agreements; (3) Scholarships; and (4) Tuition Discount Agreements. Non-Procurement Contracts must still be submitted for legal review via the CLM.

Preferred Supplier: A Preferred Supplier is a supplier that is selected and qualified as such by Procurement with collaboration from the department stakeholders which complies with all of the following criteria:

- Selection via a formal Procurement led sourcing/category strategy or approach specific to the category and under which the supplier is being considered as preferred
- Has been approved and vetted using best in class quality and audit measures to ensure compliance with this and other University Policies
- Has an active, negotiated set of terms and conditions (Procurement Contract) with RMU
- Satisfies risk due diligence requirements
- Satisfies financial due diligence requirements in accordance with supplier qualification

High-Risk Purchase:

- Suppliers with routine access to systems and data.
- Suppliers that are on-site or routinely come on site to perform various functions (including construction)
- Suppliers that transport or routinely transport students or supply transportation vehicles
- Suppliers that have contact with students

- Technology suppliers that are provided restricted access to systems and data. Such access is supervised.



8. ADMINISTRATION

Approval: SVP Business Affairs and Treasurer

Owner: Assistant Director of Procurement

Author: Procurement Department

Approval Date: May 1, 2020

Effective Date: June 1, 2020

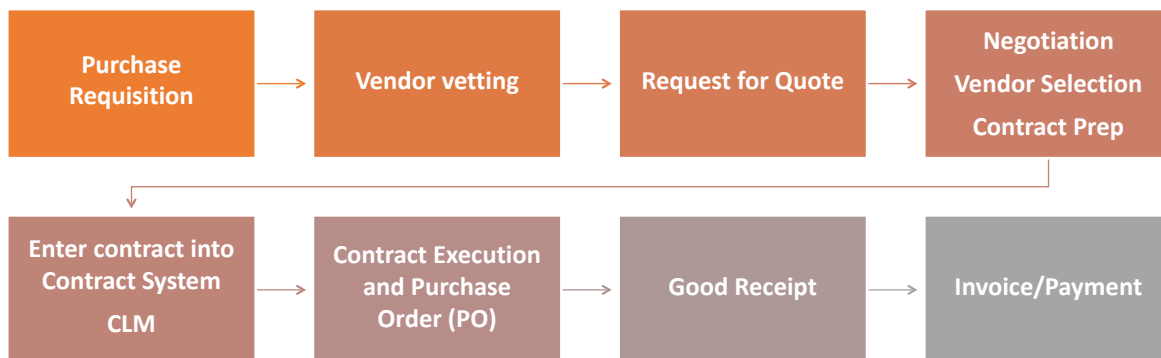
History: Policy updated 2-27-2012
 Policy updated 11-23-2015
 Updated 10-2019 to new standalone policy, new form and language.
 Policy updated 2-17-2022,8-11-22

9. RELATED POLICIES

POL-PRO-P02 RMU PREFERRED SUPPLIER POLICY
 POL-PRO-P03 RMU COMPETITIVE BID POLICY
 POL-PRO-P04 RMU SOLE SOURCE POLICY
 POL-PRO-P05 SUPPLIER DIVERSITY POLICY
 POL-PRO-P06 RMU PURCHASING CARD (P-Card) POLICY
 POL-PRO-P07 RMU SUPPLIER CODE OF ETHICS AND CONDUCT POLICY
 See above policies on the RMU Procurement website: rmu.edu/purchasing

BOARD OF TRUSTEES CONFLICT OF INTEREST POLICY
[POLICY OF ETHICAL PRACTICE](#)

Procure to Pay Flow Chart for Procurement Contracts





Helpful Links:

[Enter a Purchase Requisition \(Unit4\)](#)

Entering a Purchase Requisition – step by step guide