GENERAL POLICY

A requisition must be processed and approved before issuing a purchase order or confirmation of an emergency order involving materials or services from an external vendor with a cost exceeding $5,000.

Requisitions should be initiated early enough to allow for routing through Departmental, Divisional, Pre-Audit, and Purchasing offices, and to give the vendor time for handling and delivery. This "lead time" may vary, depending on the cost of the item ordered, from a week to several months, contingent on required approval and the vendor selection process. The Purchasing Department should be consulted for guidance on lead-time for external purchases.

The Purchasing card (see BSPPD #16) is the preferred method for obtaining commodities and services from external vendors for costs not exceeding $5,000 (including freight and tax where applicable). The Low Dollar Order process (see BSPPD #11) should be used when a vendor will not accept the use of the card and requires documentation for the order. If a department employee assigned a Purchasing Card is not available a department may purchase commodities or services of up to $5,000 from vendors and process these transactions as direct charges, coding the vendor invoice for payment.

The processes for obtaining materials/services within the UW System are covered under BSPPD #10 and #14.

TYPES OF REQUISITIONS

INTERNAL REQUISITIONS

See BSPPD # 14

EXTERNAL REQUISITIONS

External requisitions will most often result in the issuance of a purchase order to the selected vendor. It is important to understand that orders can not be placed against an external requisition until an official purchase order has been issued.

1. Running Orders are issued to cover the repetitive procurement of specific commodities or services resulting from contracts that have been bid out by the Department of Administration (DOA), a UW institution, or another state agency. As a result of this competitive bidding process, the price or discount for the items
or services to be purchased is clearly established. Examples of items that can be procured from contract vendors include computers and copy machines. These orders are limited to the type of items listed on the face of the order.

2. **Specific External Requisitions** are needed if another University department cannot provide a commodity or service with a cost exceeding $5,000.

   The ordering department may suggest a vendor who can fill their needs by providing the name and address under the vendor section of the requisition. Required vendor selection procedures may result in the selection of a different vendor (see Appendix A).

3. **Confirming Requisitions** are requisitions submitted with an invoice for materials/services already received.

   Requisitions should be submitted in advance and an official state purchase order produced when materials/services exceeding $5,000 must be ordered from an external vendor. Purchases that are not in compliance with this policy are defined as "illegal purchases" unless they can be shown to be a legitimate emergency purchase. Before departmental staff initiate an emergency procurement occurring during regular business hours an attempt should be made to contact a UWEX Purchasing Agent on how to handle the existing situation. Often a rush purchase order can be FAXED or "walked through" to a vendor.

   If a Purchasing Agent has not been contacted, illegal purchases require a complete justification. If the purchase cannot be approved, the employee may be liable for the cost.

4. **Walk-Through Requisitions** are a mechanism to legally purchase services or items with a cost exceeding $5,000 for which it was not possible to process the requisition using normal time channels. The transaction should involve an unexpected or emergency circumstance that could not be avoided by advanced planning.

   a. Walk-through requisitions are prepared in the usual manner, except that the requisition is hand carried through the administrative review and approval levels to Accounting Services, Room 104 Extension Building. The "due date" should be clearly indicated on the requisition.

   b. Walk-through requisitions do not eliminate the need for any bidding requirements.

5. **Requisition Additions, Decreases, and Cancellations**

   To increase, decrease, or cancel a requisition, prepare a new requisition form. Cross out the preprinted document number and type in the number of the original
requisition. Identify the increase, decrease, or cancellation in the description section. If an increase or decrease, the amount to be added/deducted should be clearly indicated in the top "coding" section. Decrease amounts should be shown in parentheses ($xxx.xx).

SUBSCRIPTIONS, PUBLICATIONS, MEMBERSHIPS AND REGISTRATION FEES

The $5,000 threshold for issuing a purchase order does not apply to subscriptions, publications, memberships and registration fees. The Purchasing card is the preferred method for ordering and paying for subscriptions, publications, memberships and registration fees (see BSPPD #16). The Low Dollar Order process (see BSPPD #11) may also be used to order and process payments for these types of transactions.

PREPARING REQUISITIONS

EXTERNAL REQUISITIONS

1. Coding - Each requisition must have the complete account coding to be assigned the cost of the purchase. This consists of fiscal year, fund, project/grant number (if applicable), organization, program, and account code.

2. Blanket/Running Order Period - Beginning and end dates should be identified.

3. Vendor - Indicate name and address of suggested vendor. It is important to verify that the vendor’s address is correct.

4. Deliver To - Indicate name of responsible person to receive the items, the requesting department, room number, building and address. Include the phone number for the contact person.

5. Description - Include generic name of product, manufacturer, model number size, color, and any other information that further defines the required item.

Reference most recent purchase order number for the same or similar item to aid in prompt processing of your requisition.

Specify special delivery requirements.

If you have special handling terms such as processing deadlines, note these and highlight in the "description" area.

6. Unit and Total Price - Show unit prices, extended line totals, and the grand total of the requisition.

When discounts are known, they must be indicated. If the discount is related to a specific item, show the discount amount after the item. If the discount is related
to the total purchase, show the discount right before the Total Price (after all items have been described). Do not compute the discount into a unit price.

7. Attachments - If applicable, include relevant drawings, specifications, written vendor quotes, and any correspondence that will assist the Purchasing Agent in ordering the commodities/services.

8. Other Information - The following information can be typed in the "Description" area of the requisition to aid in processing your requisition:
   a. If applicable, include a vendor contact person and phone number.
   b. Previous bid number, contract number, or bulletin number (found on a previous purchase order for like goods/services).
   c. If a verbal vendor quote has been received, include the full name of the contact, the date quoted, and the amount quoted.
   d. Inventory Number if the purchase is being added to existing capital equipment. Type "Add to Tag #XXXX."
   e. If a capital equipment item is to be traded in, note on your requisition its Inventory Number and Manufacturer's Serial Number. This will allow the item to be removed from the capital inventory system.
   f. If a check must be sent with the order, type "Cash With Order" on the requisition and attach documentation to support this requirement.
   g. If you wish Purchasing staff to phone in or fax the purchase order please indicate on the requisition. The vendor contact name and phone or fax number must be provided.

9. Any requests for an addition or reduction to the original requisition require the completion and processing of another requisition form. The original requisition number should be inserted on the revised requisition form.

**ROUTING REQUISITIONS**

After preparation and approval at the department level, requisitions should be routed to the appropriate divisional business office for approval.

After approval by a divisional designee, requisitions are to be sent to Accounting Services, Room 104 Extension Building.

Accounting Services staff pre-audit requisitions and forward to the Purchasing Department.
SPECIAL APPROVALS

The following transactions require special authorizations or approvals prior to purchase:

VEHICLES - Vehicles are purchased only once a year. The Department of Administration Transportation Services coordinates the bid and purchase process for vehicles. Departments are notified when paperwork is due for the vehicle purchase process. Do not miss the deadline dates for submission of paperwork as DOA will not accept late requests. If the request for the purchase of the vehicle is approved, it will take approximately one year from the date that the request for a new vehicle is received until the vehicle is delivered, so advance planning is necessary.

CONTRACTUAL SERVICES - Contractual services are the purchase of services of an intangible nature where no physical product is produced or where the product produced is minor in relation to the personal services provided. Contractual service transactions require Human Resource Office approval, in addition to the regular bidding process. Human Resource Office approval is required to ensure that the transaction is in compliance with bargaining unit contracts. Contractual services $25,000 and over also require the approval of DOA prior to bid release.

LEGAL SERVICES - Contracting for legal services requires DOA and Governor's approval, regardless of amount.

AIRCRAFT RENTAL - A DOA or other state-owned aircraft must be used if available. A non-availability slip must be obtained in advance from DOA Air Services if their aircraft is not available.

GROUP TRAVEL ISSUES

Departments should contact Purchasing staff for assistance in the early planning stages for any group conference, travel, hotel and meal arrangements.

Purchase orders are issued for travel related charges only for large groups attending a common function with a cost exceeding $5,000. Requisitions should be received in the Purchasing Department a minimum of 10 days prior to the event.

Reimbursement for individual travel expenses should be requested by submitting a Travel Expense Report.

Requisitions for group travel should clearly define room, meal and break charges so that it can be determined if costs are within allowable limits. A statement on the requisition that says "estimated costs for meals and breaks on April 18 and 19" is not sufficient. Estimated numbers of persons attending are acceptable, but per person costs for each break and each meal must be defined. The meals to be provided (i.e., breakfast, lunch, and dinner) must be defined as well as when breaks will be provided (i.e., a.m. or p.m.)
break). It is not necessary to provide detail such as "lunches to include roast beef sandwich, potato salad, green beans and cookie" unless you wish to provide such detail. Rather, thirty (30) lunches @ $8.00 each is sufficient. Remember to include any necessary taxes and gratuities in the breakdown.

For group lodging, all incidentals such as phone calls, room service, alcoholic beverages, etc. must be paid by the individual before check out. Hotels are notified of this requirement via the purchase order. It is the departmental group coordinator's responsibility to inform the group members of this requirement and their need to check out of the hotel upon their departure. Also, group coordinators are strongly encouraged to review all bills while on-site at the conference. It is much easier to resolve invoicing problems while on-site than after you've returned to the office.

The use of UW/state facilities for meetings, conferences, and training sessions is strongly encouraged. The use of non-UW/state facilities are allowed if there are no additional costs for AV equipment, meeting rooms, etc or for a fee program involving primarily non-state employees. If there are higher costs, the use of non-UW/state facilities for an event primarily involving state employees is acceptable if it can be documented that suitable local UW/state facilities are not available for the desired dates.

All costs MUST be within state travel guidelines if the group involves primarily University/State employees.

Meetings attended primarily by non-employees require a competitive bid process (quotes from at least three facilities) if the package of meal, break or lodging and meeting room costs exceed state travel maximums.

**MAJOR AND COMPLEX PURCHASES**

Contact the Purchasing Department staff early in the acquisition stages for assistance on the bidding process. Although we should not compromise the needs of the program in order to accommodate vendors who cannot meet required specifications, specifications should be written in a manner so that multiple vendors are given a fair opportunity to be considered in the acquisition process. Situations where the department has essentially committed to contract with a vendor before the bidding process may create tense, stressful, and embarrassing situations for all parties involved.

The Department of Administration requires that specifications be written on a generic basis rather than using "brand name" specifications.

Through the bidding process, the Purchasing Department includes requirements that are crucial considerations for both the initial purchase and life cycle use of the equipment acquired. These include:

1. delivery and installation of the equipment;
2. interaction with other vendors in a multi-vendor transaction;
3. technical documentation and instructions;
4. financial stability of the vendor;
5. expected performance standards;
6. technical consultation ability and rates;
7. training on use of the equipment;
8. support and upgrades;
9. repairs and maintenance;
10. compatibility and integration with other equipment;
11. pricing and availability of equipment options, expansions and upgrades;
12. references of current users in similar environments;
13. financing options and considerations.

See Appendix A (at end of the document) for bidding requirements.

**SIGNING CONTRACTS**

Contracts to procure commodities/services on behalf of UW-Extension must be signed by authorized Purchasing Department staff.

The unauthorized signing of contracts may pose personal liability to the employee signing the contract since they are not acting within the scope of their employment.

Many contracts require a modification of certain clauses in the contract. These may include: (1) hold harmless and indemnification clauses; (2) provisions for payment of taxes; (3) late fees and interest clauses; and (4) payment of legal fees in the event of contract disputes.
The Wisconsin Department of Administration (DOA) has established competitive bidding requirements that must be followed by UW Purchasing offices. Only the UWEX Purchasing Department staff are authorized to sign contracts obligating UWEX for purchases and to make purchases exceeding $5,000. Current bidding requirements are as follows:

**PURCHASES UNDER $5,000** The purchasing card is the preferred method for obtaining materials and services of up to $5,000 (see BSPPD #16). The low dollar order (LDO) process (see BSPPD #11) should be used when the vendor will not accept a purchasing card and requires documentation supporting the procurement. In instances when the purchasing card is not available, the department may obtain goods or services for up to $5,000 and direct code the invoice utilizing the direct charge process (a confirming LDO is not required).

**PURCHASES BETWEEN $5,000-$24,999.99** A purchase order is issued after obtaining a minimum of three quotes. The low bidder must confirm their quote in writing. Although it is the responsibility of the Purchasing Department to obtain these quotes, if a department has already received written quotes from one or more vendors, processing will be expedited if the quotes are attached to the requisition. Only the Purchasing Department may authorize the actual purchase.

**PURCHASES $25,000 & Over** involve a structured, formal process that requires considerable advance planning and interaction between Purchasing and the department for which the purchase is being made. Purchasing staff involvement should begin early in the planning stage of the project. Purchases $25,000 and over cannot be designated as a "sole source" non-biddable transaction without obtaining a waiver from the State Department of Administration (DOA). A DOA waiver is generally a difficult, time-consuming process that has no assurance of eventual approval. It is therefore recommended that this be avoided and the bid process be used to select an appropriate vendor. Procedures that must be followed for purchases $25,000 and over vary slightly between commodity and service purchases as follows:

**Purchases of Commodities** The Purchasing Department obtains quotes through the official sealed bid process. This process requires publication of the request for bids for two consecutive weeks in the Official State Newspaper and on the State of Wisconsin WEB site (vendornet.state.wi.us). Bids may not be opened until one week after the last publication date. Only after all of the above procedures have been completed can the purchase order be issued. This process requires approximately six weeks.

**Purchase of Competitive Services** Purchases of competitive services require UW System and DOA approval before soliciting bids through the Official Sealed Bid Process as described above. Furthermore, the Purchasing Department through the Human Resources Office must notify any appropriate Wisconsin State Employees Union of the University's intention to contract out services. This entire process takes a minimum of eight weeks.
Purchase of Non-Competitive Personal Services - Purchases of personal services that require special talents whose performance is not quantitative are considered non-competitive services. The uniqueness of the talent or its availability in a specific location or circumstance preclude the opportunity of competitive bidding. UW System Financial and Administrative Policy Paper (FPPP 31) defines these services as "Academic Support Services." Examples of these service providers are writers, actors, musicians, composers, freelance producers, program hosts, speakers and instructors. See BSPPD #3 for further information.