

Purchasing Commodities

The acquisition of commodities and services are very similar from the requesting department's point of view. The user enters a requisition, containing the necessary procurement information, in the University's SAP Financial System. The requisition is transmitted electronically for approvals and then received in the Procurement Services Office for further processing.

Departments should follow the same "How to Order" steps when completing a purchase requisition for a supply or equipment purchase.

1. Determine that monies are available in the departmental budget via the proper SAP Budget screens
2. Obtain the necessary vendor information via the proper SAP Vendor information screens
3. Create an online SAP/ESS Purchase Requisition
4. The appropriate electronic signature releases are made
5. The Purchase Requisition arrives in the Procurement Services Office for processing

Purchase Requisitions for the purchase of supplies or equipment need to provide detailed information concerning the commodity that is being requested. The user will need to make sure that their requisition indicates information regarding the manufacturer, size, color, model number and any other specialized information concerning the item to be purchased or any specialized instructions regarding its delivery.

If the purchase requisition is \$5,000 - \$9,999, two (2) quotes are required from two different vendors.

If the purchase requisition is \$10,000 - \$19,700, three (3) formal quotes are required from three different vendors.

This is done to ensure best price is attained. Please be sure to attach ALL quotes to the purchase requisition in SAP/ESS.

All electronic SAP requisitions will automatically be routed to the proper release authority based on the Account Assignment information entered by the user. Each Account Assignment has a hierarchy of electronic approvals that it will automatically go through before being received in the Procurement Service Office for further processing.

Vendor Selection:

The selection of a vendor is generally the user's choice. Detailed vendor information, such as name, address, telephone number, and fax number is available from a variety of sources. If a user is unsure of where to acquire a particular item they are encouraged to contact the Procurement Services Office for assistance.

Bidding:

The State Procurement Code requires that all procurements in excess of \$19,700 must be publicly advertised and competitively solicited. The Procurement Services Office is responsible for the issuance of all formal bids. If a purchase request is greater than \$19,700.00 Commonwealth policy requires that the business opportunity be advertised publicly for no less than 30 days. The Procurement Services Office uses the PASSHE eProcurement System for bidding purposes. We also place notices of all business opportunities on this web page in addition to directly notifying vendors of the opportunity. **Requesting departments are required to submit the name and addresses of at least three vendors with the purchase requisitions that necessitate bidding.**

The department initiating the purchase requisition is informed of the results of the bid. The purchase order is normally awarded to the lowest responsible, responsive bidder, unless the University Procurement Agent waives the award due to extenuating circumstances.

The only exception to the competitive solicitation is the purchase of a unique item/service that would make a vendor a "sole source".

Shipping:

The cost of shipping goods is normally paid by the person buying the item(s) and one of two methods is normally used. These shipping methods, also called FOB, or Freight On Board, are:

1. **FOB Shipper:** FOB Shipper means that the shipper pays the shipping charges initially then bills the requestor for reimbursement on the invoice.
2. **FOB Destination:** FOB Destination means that the shipping charges are included within the price and is not a separate invoiced charge.

Please note when a user enters an SAP Purchase Requisition they should include shipping costs on the requisition, if they are known. If the shipping costs are not already known, the Accounts Payable office will charge the department cost center for any additional shipping costs invoiced.

Delivery:

Vendors are instructed to deliver all items to the Storeroom unless Procurement Services approves an exception to this requirement. Storeroom personnel will deliver the items received according to their campus delivery schedule.