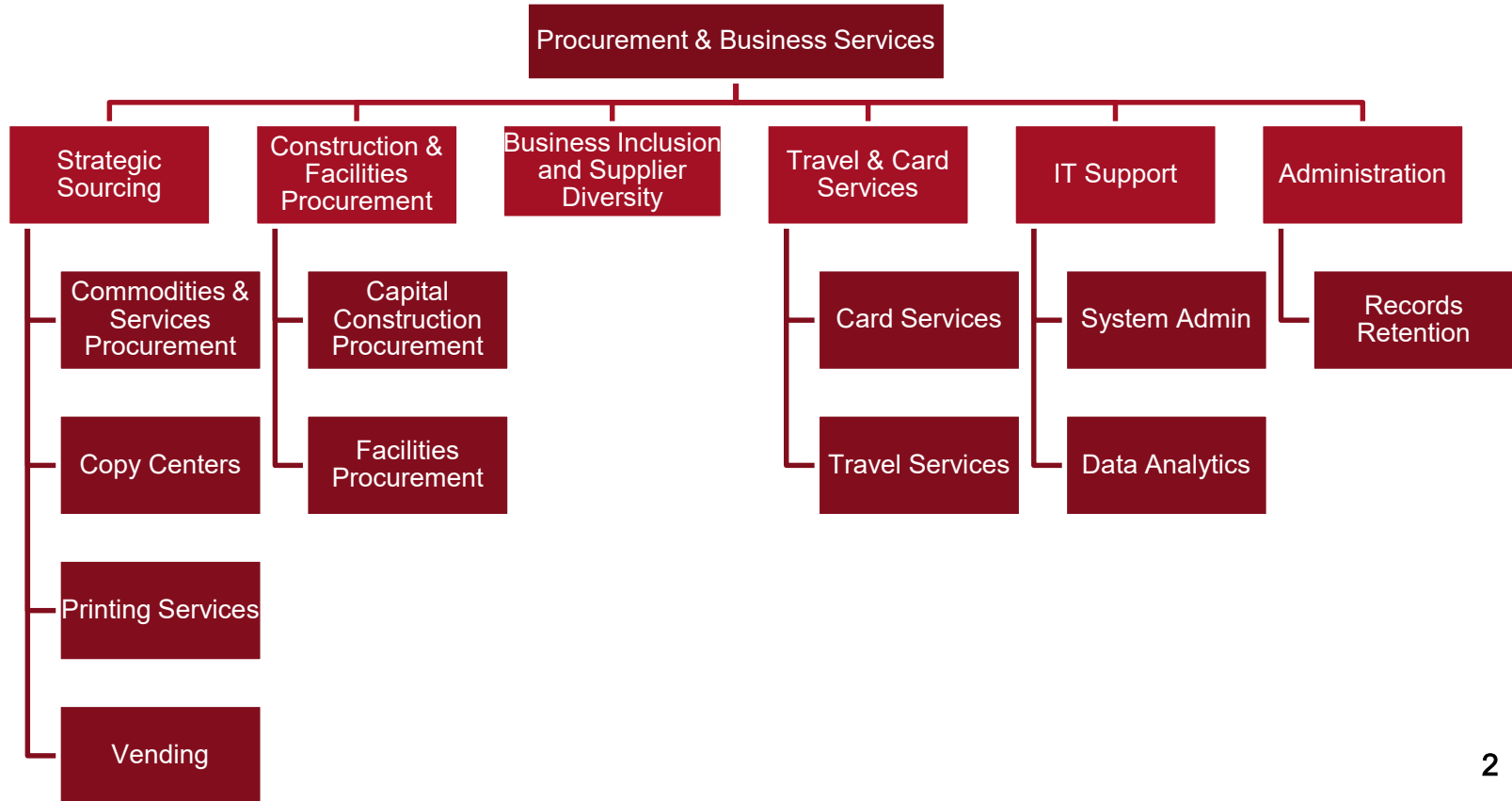


# Procurement at UMD

Overview of the Procurement Function  
10-31-2023



# Procurement & Business Services Who we are



# Procurement at UMD

## Complex Environment

- Procurement at UMD can be a complex process due to being a public institution and the relationships to USM and the State of Maryland

## Compliance

- Procurement ensures compliance with USM Policies and Procedures, applicable Maryland procurement regulations, and applicable Federal requirements

## Delegated Actions

- Most procurements are relatively low dollar and handled directly by campus departments

## When Procurement must be involved

- $\geq$  \$25,000
- Any purchase requiring interpretation of terms and conditions
- Any purchase requiring a signed contract or agreement



# What is a Procurement and when is the Procurement Department Involved?

- The Procurement Department must be involved in the following circumstances:
  - $\geq$  \$25,000
  - Sole/single source  $\geq$  \$25,000
  - Any purchase requiring interpretation of regulations, laws or terms and conditions
- A procurement includes all of the steps needed to obtain the materials, equipment, and services required by UMD
- A procurement can be as simple as issuing a purchase order or as complex as a multi-award competitive solicitation
- All procurements must comply with applicable Maryland procurement laws, Federal regulations, and USM Policies
- Most procurements are low dollar and handled at department level by specific individuals who are authorized to make purchases



# Signature Authority

The Procurement Department has authority, delegated by the UMD President in the President's Delegation of Signature Authority

Only certain individuals across campus have the authority to commit on behalf of UMD and this authority is limited

Authority to sign offer letters for new hires, as delegated by Deans, is not the same as authority to enter into contracts



# Signature Authority

Anyone signing a contract who does not have the proper authority may be held personally responsible

Ability to issue Delegated Purchase Orders or to use a Pcard is **not** the same as signature authority

Procurement staff have signature authority that is delegated by the AVP for Procurement and Business Services based on roles

Procurements Exceeding the limit delegated to Procurement staff must be routed for additional approval to a Manager/ Director/AVP/ VP depending on dollar amount



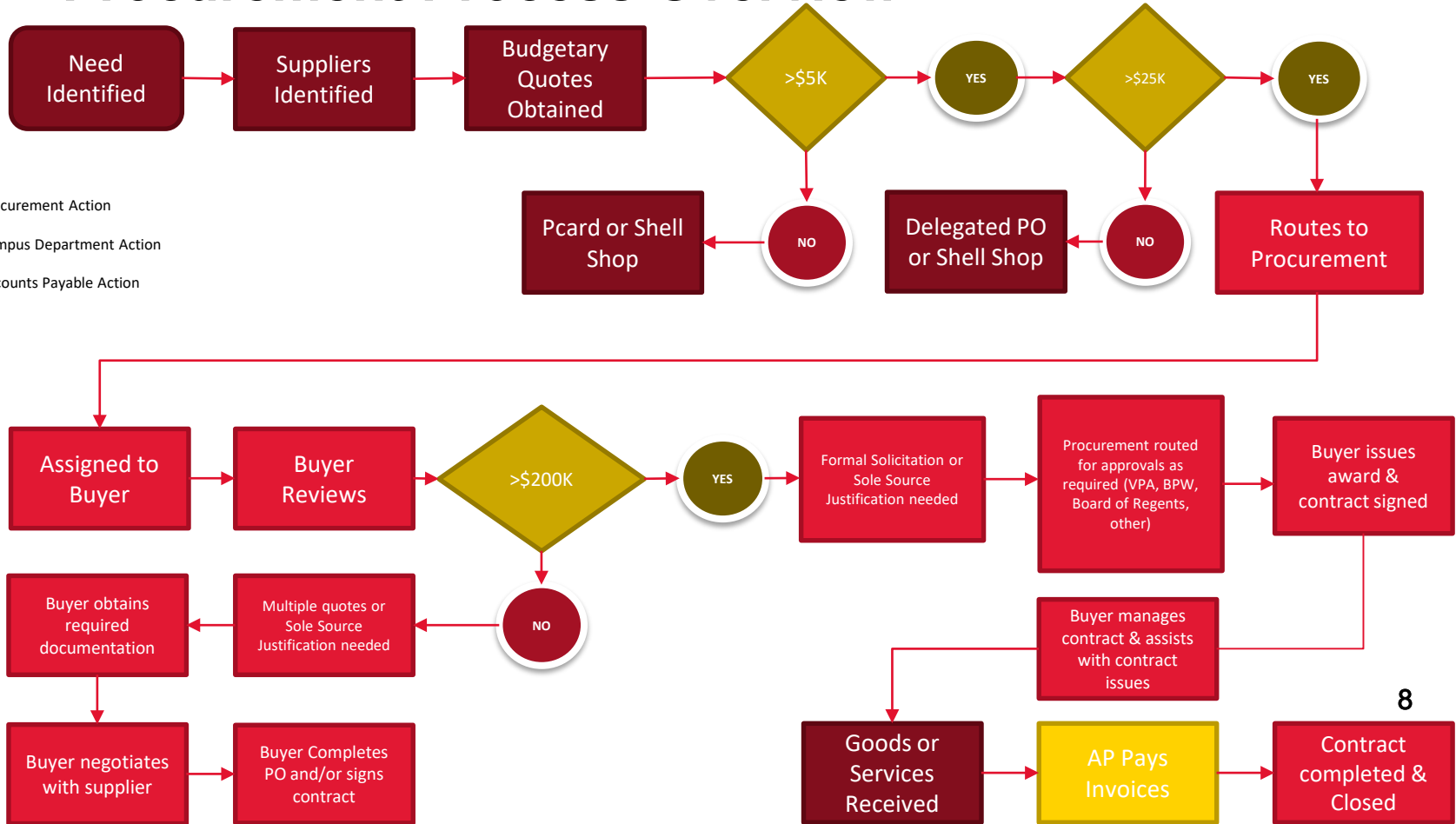
# Commonly used Buying Methods at UMD

- **Pcard transaction** - <\$5,000 consummated by campus department
- **Delegated procurement** - <\$25,000 consummated by the campus department
- **Strategic Contract** procurements - <\$ 50,000 orders reference contract and are issued directly by campus units
- **Competitively Solicited** procurements -  $\geq$ \$25,000, solicitations are issued by Procurement and awarded by Procurement
- **Consortia-based** procurements-any dollar amount,  $\geq$ 25,000 offer opportunity to expedite procurement though not ideal for all situations
- **Single/Sole Source** Procurements
  - $\geq$ \$25,000 requires sole source justification
  - $\geq$ \$200,000 requires UMD VP & CAO approval and USM Vice Chancellor notification
  - $\geq$ \$500,000 requires USM Vice Chancellor approval



# Procurement Process Overview

- Procurement Action
- Campus Department Action
- Accounts Payable Action





# Campus Department Options for Buying without Procurement involvement

- Use Shell Shop which is a catalog management solution in use at UMD. It allows campus departments to shop from catalogs based on UMD Strategic Contracts.
- If the order is  $< \$5K$  and not available through Shell Shop, order the item with
- If the order is  $\geq \$5K < 25K$  issue a requisition in the Kuali Financial System (KFS) which after routing for approvals will automatically become a Delegated PO.



# Campus Department Role in Procurement

- Are the items available from Shell Shop?  
If so, the items are expected to be purchased through Shell Shop from a
- Is the need <\$5K and not available in Shell Shop?  
Order using
- Is the need >\$5K<\$25K and not available from Shell Shop Catalogs?  
Create a KFS Requisition and attach the quotation and other related documentation. If a signature is required or terms require review, attach the contract or terms to the requisition or submit them to [DelegatedProcurement@umd.edu](mailto:DelegatedProcurement@umd.edu)
- Is the need >\$25K?  
Submit a requisition in KFS including a thorough description of the item/services needed. Attach a budgetary quotation if available. Procurement will obtain a final quotation and negotiate all terms and conditions associated with the procurement



# Delegated Procurements

- Delegated Procurement is the most widely used procurement method at UMD
- Campus departments execute these actions either using a Pcard or Delegated PO
- UMD completes approximately 170,000 Pcard actions annually
- Campus departments execute 12,000-15,000 Delegated procurement actions annually
- All delegated procurements that require a signature or with terms that conflict with [UMD Terms and Conditions](#) must be routed to Procurement for review, negotiation and final signature



# Campus Department Role in Procurement

Additional documentation to retain

- Campus departments are to confirm delivery of goods and services prior to approving an invoice. To do this, retain all packing lists and associated documentation demonstrating that UMD received the items/services purchased
- Proof of receipt of goods/services will be requested by Auditors



# Role of UMD's Procurement Department

Facilitate and manage sourcing, contract negotiation, purchasing, and contract administration	Overall responsibility to ensure an open and competitive process with fair and equitable treatment of all suppliers and contractors	Responsible for achieving best overall value in procurement actions
Compliance with UMD and USM Policies and Procedures, State laws and regulations, and Federal requirements	Mitigate contractual risk and limit liability exposure	Administer Card Programs (VISA/Diner's Club)
Collaborate with others to ensure UMD's needs are met (Office of General Counsel, Division of IT, Controller's Office, etc.)	Source for information and interpretation of regulations	Signature Authority to make external commitments



# Buying methods used by Procurement

- Competitive solicitation
- UMD strategic or master contract/agreement
- State contract
- Extensible USM institution contract
- Consortia based contract - BTAA, E & I, MEEC, Omnia Partners, Sourcewell
- Sole Source
- Preferred Providers - Maryland Correctional Enterprises (MCE), Blind Industries and Services of Maryland (BISM)



# Who decides the Buying Method for actions $\geq$ 25K?

- Procurement methods are determined by Procurement staff based on the item or services being purchased
- Procurement staff will consult with the campus department to determine the appropriate procurement method
- Procurement staff will consider the items or services being procured, available options, time and special needs when deciding on the procurement method



# Strategic Contract Uses and Benefits

- Easy to use through Shell Shop
- Contracted pricing
- Terms and conditions are already negotiated
- Faster speed to delivery of goods or services
- Non-delegated POs against strategic contracts are completed more rapidly as terms are already negotiated





# Consortia Based Agreements and Benefits

- Competitively bid consortia based agreements are often used by Procurement to more rapidly complete purchases
- Procurement staff are familiar with the Consortia based contracts that are best for UMD to work with
- Not all consortia based contracts are equal, some require extensive negotiate of terms and conditions and in some cases terms cannot be negotiated
- Consortia contracts that are often used include E & I Cooperative, BTAA Purchasing Consortium, Sourcewell, and MEEC



# Competitive Solicitations and What to Expect

Procurement staff conduct the solicitation process and are responsible for the outcomes of the process.

Procurement staff determine the appropriate solicitation vehicle to be used to obtain bids though this is discussed with the campus customer.

Procurement staff collaborate with campus customers to prepare the solicitation document.

Solicitations include simple Requests for Quotation to complex multi-step Requests for Proposal.



# Competitive Solicitations and What to Expect

- Campus customers are responsible for providing requirements or the scope of work for the items or services required along with the timeframe during which goods or services will be provided
- Create a requisition to start the process with Procurement. The vendor field can be left blank. The description needs to state that it is for competitive bidding for the goods or services required.
- Attach the requirements document to the requisition for Procurement to review. Procurement can assist in requirements development, if needed.

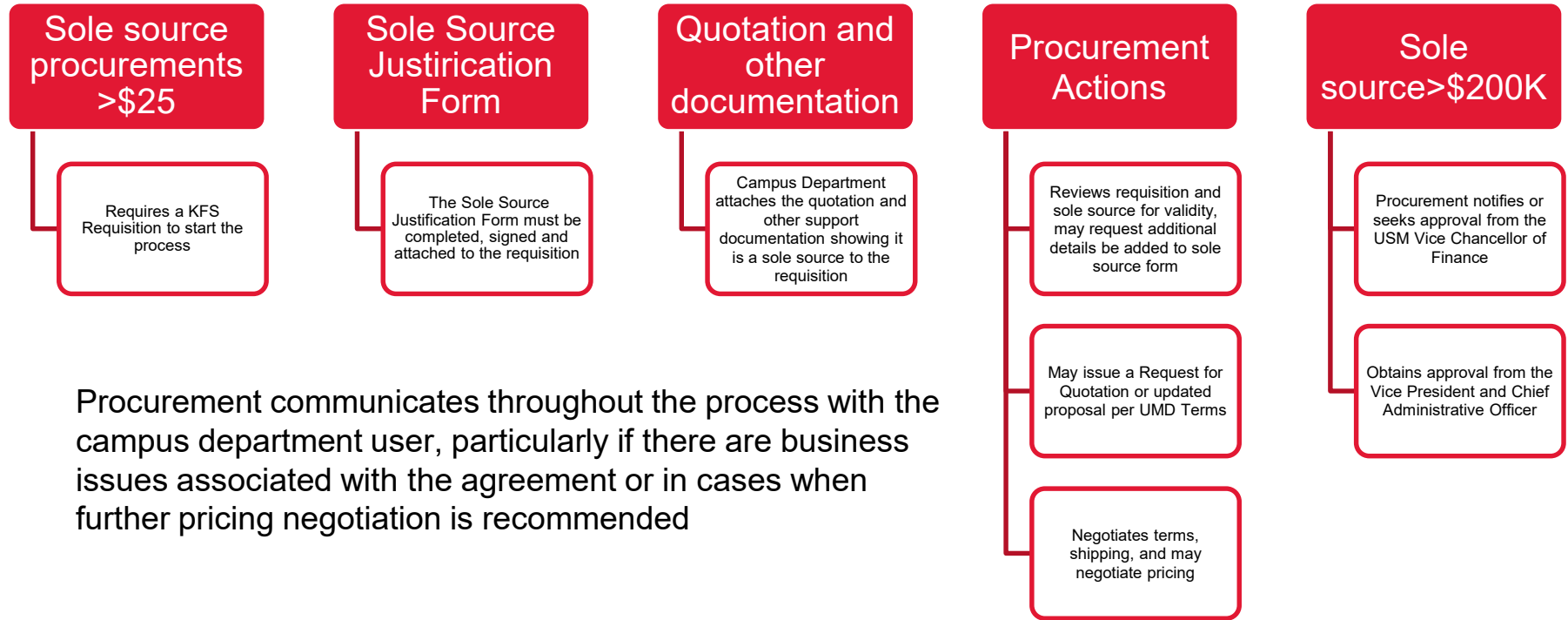


# Competitive Solicitations and What to Expect

- Simple competitive solicitations that are less than \$200K can be completed in 10-30 days once Procurement has clear requirements.
- Complex Requests for Proposal (RFP) typically takes 90-180 days to complete starting with RFP development through final award. If Board of Regents or Board of Public Works approval is needed additional time may be needed.
- Time to complete is highly dependent on collaboration and communication.



# Sole Source Procurements



Procurement communicates throughout the process with the campus department user, particularly if there are business issues associated with the agreement or in cases when further pricing negotiation is recommended



# Policies, Regulations, and Laws Governing Procurement at UMD

Portions of State of Maryland COMAR Title 21

[USM Procurement Policies and Procedures](#)

UMD Policies:

VIII- 3.10

VIII- 3.10(A)

VIII- 3.10(B)

VIII- 3.10(C)

VIII- 3.20

VIII- 22.0

Federal Uniform Guidance and FAR/DFAR for Federally funded activities

President's letter of signature delegation



# Additional Approvals Beyond Procurement and obtained by Procurement

- All Sole Source procurements  $\geq$  \$200,000 require the approval of the Vice President and Chief Administrative Officer
- All Sole Source procurements  $\geq$  \$500,000 also require approval from the USM Vice Chancellor of Finance
- Procurement  $\geq$  \$5 million require the approval of the Vice President and Chief Administrative Officer
- Procurement  $\geq$  \$5 million, for the base contract period, require Board of Regents approval
- Specific procurements  $\geq$  \$1 million require approval by the State of Maryland Board of Public Works (BPW)



# Additional Approvals Beyond Procurement

## Board of Public Works (BPW) Approvals

- BPW is unique to Maryland and is intended to provide transparency to the public related to the actions of State agencies
- BPW consists of the State Governor, Treasurer, and Comptroller
- Reviews and has authority to approve all
- Capital improvements >\$1M
- Contracts involving services that are >\$1M during the expected life of the contract (including all options), that are not physical infrastructure maintenance activities
- All contract modifications for approved procurements
- All MCCBL/Go bond funded items regardless of dollar amount
- A number of categories are excluded from BPW review and approval





# Additional Approvals Beyond Procurement

## Board of Regents (BOR) approvals

- BOR approval is required any time a contract is  $\geq$  \$5M for the **base period** of the contract
- BOR approval attaches to all contract types
- Construction activities are approved separately as part of the Capital Plan
- BOR approvals must be planned well in advance
- Campus departments will be informed at the onset of procurement if BOR approval will be required
- BOR agenda items are routed to the AVP of Procurement and Business Services, then to the VP and Chief Administrative Officer for review and submittal to the USM Office



**FEARLESSLY  
FORWARD**

