

2.16 Limited Value Purchase Order

The Limited Value Purchase Order provides an expeditious means for university departments to obtain goods/services that cost \$5,000 or less, including shipping, without processing a “College Requisition”. This small purchase order procedure authorizes departments to prepare an on-line Limited Value Requisition/Limited Value Purchase Order (LVPO) PRIOR to procuring goods/services directly from outside vendors within the stipulated \$5,000 limit and in accordance with the procedures outlined below and the LV Requisition Manual located at <http://web.uri.edu/purchasing/files/PeopleSoftPurchasingLVRequisition2-15-12.pdf> Request for goods/services costing more than \$5,000, or that are not allowed, will continue to be submitted to the University Purchasing Department on a “College Requisition”.

Departments have independent control and responsibility over the use and issuance of the Limited Value Purchase orders. Individuals who are designated as signature authorities are responsible for approving orders, ensuring that sufficient funds are available and adhering to policies and procedures.

Limited Value Purchase Orders are valid to a maximum of \$5,000. The \$5,000 maximum includes all costs relating to a purchase such as freight, shipping and handling, installation charges, etc.

Limited Value Purchase Orders are restricted to single, one-time purchase and delivery situations. They cannot be used for procurements requiring multiple delivery, multiple billings or blanket purchases.

Examples of other purchases that are not allowed to be processed on Limited Value Purchase Orders:

- Purchases from URI Internal Vendors are made via an Internal Vendor Requisition <http://web.uri.edu/purchasing/files/PeopleSoftPurchasingIVRequisition2-15-12.pdf> for one time delivery/one-time payment situations.
Blanket purchases from Internal Vendors are processed as an on-line college requisition.
<http://web.uri.edu/purchasing/files/PeopleSoft-Purchasing-CR-Requisition-Blanket-1-20-2015.pdf>
- Purchases from Central Pharmacy are processed on BM-62 form
- Architects, Engineers and Consultants
- Reimbursements to individuals
- Personal items such as gifts, awards, flowers, alcoholic beverages, coffee pots, etc.
- Travel and entertainment related expenses
- Controlled substances that require special licensing, ex. Pure alcohol
- Construction/Renovation and Trades (i.e.: plumbing, electrical, etc) except where directly related to the department mission, i.e.: Capital Projects and Facilities Services only.

When using Fund 110, 126 and 500 (except State Grants):

Purchases up to \$5,000 – No quotations are required. However, it is the responsibility of the department/responsible person to ensure that all purchases are within the stipulated limit, including shipping and handling, etc. Note: The above procedure shall not apply to purchases funded in part or with state funds.

When using Non-Research Funds:

Purchases up to \$500 – For general procurements up to \$500 quotations are not required, however, they are encouraged.

Purchases of \$501 to \$2,500 – For general procurements from \$501 to \$2,500 per transaction three (3) telephone quotes must be obtained. Please keep in mind that, although it may seem faster to obtain telephone quotes, sometimes written solicitations are better because they are clearer to the vendors and will improve your chances of obtaining what you want and may eliminate any billing discrepancies later. The telephone quote form is located on the Purchasing web site under Forms at <http://web.uri.edu/purchasing/>.

Purchases of \$2,501 - \$5,000 – For general procurements from \$2,501 to \$5,000 per transaction, at least three (3) written quotes must be obtained through normal mail, personal delivery, e-mail, fax or web quote prior to procurement.

It is important that the person obtaining the quotes set a deadline by which all written quotes must be received or the process may not have closure. This also ensures that vendors have an equal opportunity to participate. Whenever possible, one of three quotes must be obtained from a certified Minority or Woman-owned Business Enterprise (MBE/WBE). Visit www.mbe.ri.gov and use the Directory search to find MBE/WBE vendors for the applicable commodity. The Request for Quote form is located on the Purchasing web site under Forms at <http://web.uri.edu/purchasing/>.

Attach all quotes and/or documentation must be attached to the on-line Limited Value Requisition.

Before obtaining quotes, the following information should be considered:

Master Price Agreements

The State Division of Purchases has established Master Price Agreements (MPA's) for certain commodities and services. Departments are encouraged to utilize MPA's whenever possible as this will eliminate, for the most part, the need for competitive quotes. However, there are certain multi-vendor MPA's that require state agencies to utilize the firm with the lowest hourly rate or obtain quotes/estimates for the work from three firms listed.

For a complete listing of MPA's please visit <http://www.purchasing.ri.gov/MPA/MPASearch.aspx> . Click the "search" button for an alphabetical listing of all MPA's or narrow your search by entering limited criteria, i.e.: MPA description, etc. MPA's can be viewed by selecting the MPA Number and then the Award Number or when available, the entire award may be viewed by selecting View under the Analysis Info column.

Correctional Industries Products and Services

In accordance with Rhode Island General Law 13-7.8 departments are required to purchase goods/services similar to those produced in the adult correctional institutions from Correctional Industries unless the goods/services are needed immediately and are not on hand, or the goods/services can be purchased at a price less than the quote received from Correctional Industries. Copies of a catalog and help in using Correctional Industries can be obtained by calling 401-462-2124.

Internal Vendors

Internal Vendors such as URI Printing Services, Dining Services, Central Stores, etc. should be utilized before seeking like goods/services from outside vendors and are processed via an Internal Vendor Requisition <http://web.uri.edu/purchasing/files/PeopleSoftPurchasingIVRequisition2-15-12.pdf> for one time delivery/one-time payment situations. Blanket purchases from Internal Vendors are processed as an on-line college requisition. <http://web.uri.edu/purchasing/files/PeopleSoft-Purchasing-CR-Requisition-Blanket-1-20-2015.pdf>

For purchases not covered by a Master Price Agreement, unavailable from Correctional Industries or URI Internal Vendors, the following tools are available to assist in locating vendors who may be able to provide a quote.

Sources/Suppliers

Departments are encouraged to solicit quotations from vendors who are registered with the University of Rhode Island, if no vendors have indicated an interest in supplying what your department requires, other sources may be considered.

Vendors that are registered with the University of Rhode Island Purchasing Department are registered for specific commodities. Therefore, you will need to locate the specific commodity code by visiting our web site at <http://web.uri.edu/purchasing/> click on the Vendor Reference List Instructions located under Department Resources - <http://web.uri.edu/purchasing/files/Commodity-Code-Navigation-in-PeopleSoft-2-2015.pdf>

In accordance with Title 37 Chapter 14.1 of the Rhode Island General Laws, the State reserves the right to apply additional consideration to offers, and to direct awards to bidders other than the responsive bidder representing the lowest price where the price offer is determined to be within a competitive range (not to exceed 5% higher than the lowest response price offer) when the firm making the offer has been Certified by the Minority Business Enterprise Program.

Please note that these queries should be generated as needed because vendors are added, deleted and changed as required.

When ordering from a vendor that is not in Peoplesoft, it is the responsibility of the ordering department to obtain a completed and signed W9 form and forward to General Accounting. The W9 form is located on the Purchasing web site under Forms at <http://web.uri.edu/purchasing/>.

Local Vendors

It is the State's policy to solicit small purchases from local vendors whenever possible, therefore, please make every attempt to solicit quotes from RI firms.

Award

State Purchasing law requires that contracts be awarded based on the lowest price offered by a responsive and responsible supplier. A responsive supplier is one, which offers a price for exactly what was requested or an acceptable alternative. A responsible supplier is harder to define. Generally this term refers to financial stability, dependability, honesty and integrity.

Award to Other than Low Bidder

When awarding to other than the low bidder, the record shall include a statement explaining the basis for the decision. Any such rationale must contain objective criteria, e.g., item offered did not meet specifications or brand and model requirements, item offered was not equivalent of what was requested.

Single, Sole or Proprietary Source Purchases

Purchases that are considered Single, Sole or Proprietary Sources must be documented and attached to the on-line Limited Value Requisition for auditing purposes. The single/sole/proprietary source justification forms and instructions are located on the Purchasing web site under Forms at www.uri.edu/purchasing.

Contracts

Vendor contracts and/or agreements that require a signature from the University must first be reviewed by URI Legal Counsel and signed by a URI authorized signature. Authorized agents consist of the President, Provost, Vice President for Business Administration, Assistant Vice President for Business Services, Vice President Research & Economic Development, Controller and the Director of Budget and Financial Planning.

Additional Requirements

Insurance – All construction contractors, independent tradesmen, or firms providing any type of maintenance, repair, installation or other type of service to be performed on URI premises, buildings, or grounds are required to purchase and maintain coverage with a company or companies licensed to do business in the state. Therefore, departments requiring any type of services that will be performed as indicated above are responsible for obtaining an insurance certificate in compliance with provisions of Section 12.31 Insurance, (page 87) of the [Board of Governors for Higher Education Procurement Regulations](#). Insurance certificates are required for comprehensive general liability, automobile liability, and workers' compensation and must be submitted by the successful bidder(s) to the user department prior to award. The insurance certificate must name the University of Rhode Island, the Rhode Island Board of Education and the State of Rhode Island as additional insured. Departments are required to submit a copy of the insurance certificate along with a copy of the LVPO to the URI Risk Manager.

The following additional requirements relate to construction/renovations/trades in addition to insurance certificates

Licenses – Vendor (owner of company) is responsible to comply with all licensing or state permits required for a particular trade. Departments are required to obtain a copy of license/permit to be retained with the department copy of the LVPO.

Prevailing Wage – In accordance with Title 37 Chapter 13 of the General Laws of Rhode Island, payment of the general prevailing rate of per diem wages and general prevailing rate for regular, overtime and other working conditions existing in the locality for each craft, mechanic, teamster, or type of workman needed to executive this work is a requirement for both contractors and subcontracts for all public works. The Prevailing Wage Table is available at www.purchasing.ri.gov, click on Bidding Information, General Information, Prevailing Wage Tables.

Audit

It is required that the University's financial policy and procedures regarding LVPO's will be adhered to by all users. A periodic review will be performed by the URI Internal Audit staff as warranted and determined by the V.P. for Business Administration. If it is determined that there has been an abuse of these policies and/or procedures, the individual and/or the department will be required to designate and authorize private and/or personal funds to pay for the improper purchase(s). After two abuses, use of LVPO's will be removed from the department for a minimum period of six months.

Records Retention

Retain Department Copy for current fiscal year plus one year or as needed.