



Policy on Procurement

(Approved by the President on March 18, 2005)

I. PURPOSE

The purpose of this policy is to establish guidelines for procurement of goods and services.

II. DEFINITIONS

- A. Senior management refers to Assistant Directors or their equivalent, Directors, Comptroller, Vice Presidents, and the President.
- B. Approved purchase orders refers to orders approved by a procurement office.
- C. Sole source procurements are procurements in excess of \$5,000 not competitively bid and where the order is not placed using a master contract.

III. POLICY

- A. All UMBI units shall use the procurement services of either UMB or UMCP as appropriate.
- B. All UMBI units shall follow the procurement policy of the institution from which the center is receiving procurement services. The procurement policy for UMCP is available at <http://www.president.umd.edu/policies/viii310a.html>. The procurement policy for UMB is available at <http://www.procurement.umaryland.edu/forms/purchasing%20guide.pdf>.
- C. For commitments exceeding \$5,000 an approved purchase order must be in place before goods are ordered or contracted services commence.
- D. The guidelines of the appropriate Accounts Payable office is to be referred to for vendor payments not covered by an approved purchase order. For miscellaneous payment requests exceeding \$5,000 approval from a member of senior management is required prior to submittal to the Accounts Payable office. In that case if the requestor of the procurement action or payment is a member of senior management, one other senior management approval is required.
- E. Where the purchase order is over \$5,000 it is the responsibility of each UMBI unit to track payments against approved purchase orders to ensure that payments do not exceed the amount approved on the purchase order. Where the approved purchase order amount is expected to be exceeded, an authorized change order must be issued by the procurement office before contracted work can continue, additional materials can be ordered and invoices can be processed for payment. For payment of invoices on where the approved purchase order amount is exceeded by 10% or more approval from a member of senior management is required prior to submittal to the Accounts Payable office. In that case if the requestor of the procurement action or payment is a member of senior management, one other senior management approval is required.
- F. All requests for sole source procurements exceeding \$5,000 must be approved by a member of senior management prior to submittal to the procurement office. If the

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requestor of the procurement action is a member of senior management, one other senior management approval is required.

APPROVED: Jennie C. Hunter-Cevera