

UNIVERSITY OF WASHINGTON, BOTHELL

POLICIES AND PROCEDURES MANUAL

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PURCHASE ORDERS
3.2
REV 04/05
Finance and Administration
425.352.5235

OVERVIEW

Purchase Orders are categorized as either confirming or non-confirming. Confirming orders are ones placed by the department for certain categories of items under \$3,000. The Purchasing Department at UW Seattle has very little, or no, involvement in the confirming order process. Non-confirming orders are ones over \$3,000, and orders for any item not eligible for the confirming order process.

POLICY

Confirming orders are limited to \$3,000 or less, and may not be used for the following purchases (also referred to as “restrictive” items):

- Facility maintenance and repair
- Foreign purchases
- Furnishings
- Hazardous items
- Printing and copy/duplicating
- Telecommunications (telephones, cell phones and pagers)
- Vehicle rental or purchase
- Goods or services from other University departments
- Items stocked in University Stores
- Term Contracts (open purchase orders)
- Services provided by University employees or students
- Personal office items, decorative and gift items
- Food and beverages (under certain circumstances)
- Alcohol (unless purchased using a discretionary 64-XXXX budget)

Non-confirming orders are used for any of the above items, and are required for anything over \$3,000. An *informal* quotation process is used for purchases between \$3,001 and \$42,300, and a *formal* bid process is used for items over \$42,300.

With the informal bid process, for items costing between \$3,001 and \$42,300,

quotations will be solicited from enough vendors to ensure competition exists. Competition is generally assumed to exist if bids are received from a minimum of three vendors. Vendors may be suggested by departments, or the Purchasing Department in Seattle will use its established list of vendors for the given commodity. Quotations must be solicited from at least one minority-owned business and one woman-owned business.

For items costing more than \$42,300, an Invitation to Bid process will be used if the purchaser knows specifically what is needed, or the Request for Proposal process will be used when suggestions are solicited from vendors. The Invitation to Bid and Request for Proposal processes both utilize advertised solicitations to ensure competition.

Another purchasing option is the use of open purchase orders, or “term contracts.” These may be either confirming or non-confirming orders. They are different than standard purchase orders in that one order is placed with a vendor, and there is typically a series of deliveries, all against the same order. If departments anticipate placing multiple orders with the same vendor over a period of time, such as six months, a year, or two years, an open order will minimize the paperwork involved in the purchasing process as only one Purchase Order is initiated at the start of the process. Please note that only Purchasing Department employees may sign term contracts, including both confirming and non-confirming contracts. Please contact the Purchasing Coordinator with questions related to open orders.

PROCEDURES

Confirming Orders (\$0 to \$3,000)

The following procedures are used for all purchases eligible for the confirming order process:

1. Authorized department representative completes a [Request for Purchase](#) (RFP) form. The form must include the vendor, budget number, item description, quantity, estimated price, shipping method and cost, and sales tax where applicable. The RFP form is signed and forwarded to the [Purchasing Coordinator](#) in Finance and Administration.
2. The Purchasing Coordinator enters the RFP into the University’s Purchase Accounting System (PAS). This causes the order to be encumbered against the given budget number for the specified vendor.
3. The Purchasing Coordinator notifies the department of the Purchase Order number.
4. The authorized department representative contacts the vendor to place the

order. The following information must be given to the vendor when the order is placed:

- a. Identify yourself as a representative of the University of Washington, Bothell, and give your name, phone number, and department name.
 - b. List the items needed and verify the cost. Be sure to ask for any education discounts, or a prompt payment discount.
 - c. Notify the vendor that the University's standard payment terms are Net 30 days from receipt of invoice in Payables Administration.
 - d. Verify shipping methods and costs.
 - e. If the item cost or shipping costs vary enough to exceed the total purchase amount already encumbered, notify the Purchasing Coordinator to request a Change Order.
 - f. Place the order with the vendor, and verify vendor name and address.
 - g. Give the vendor the following address to send invoices to:
University of Washington
Payables Administration
3917 University Way NE
Box 351120
Seattle, WA 98195-1120
(206) 543-4500
 - h. Notify the vendor of what the Purchase Order number is, and inform them that the Purchase Order number **MUST BE** included on all invoices, or **the invoice will be returned to the vendor**.
 - i. Give the shipping and receiving location as the *delivery* address:
University of Washington, Bothell
(Your Department)
Attn: (Your Name)
18115 Campus Way NE, Room UW1-090
Bothell, WA 98011-8246
5. Contact the Purchasing Coordinator if items are exchanged, received damaged, or returned. It will be necessary for the Purchasing Coordinator to work the Purchasing Department in Seattle to make the necessary changes to the Purchase Order.

Non-Confirming Orders (Restrictive items, and other purchases ineligible for confirming order process)

The non-confirming order process is used for any of the "restricted" items noted above in the Policy section, but can also be used to place any order less than \$3,000 if the department wants the Purchasing Department to handle the procurement.

Non-confirming orders of \$3,000 or less do not require formal competition. The following steps should be followed for non-confirming orders of less than \$3,000:

1. The authorized department representative completes the Request for Purchase (RFP) form. The form is signed by the appropriate individual, and forwarded to the Purchasing Coordinator in Finance and Administration.
2. The Purchasing Coordinator enters the RFP into PAS, and forwards attachments (if any) to the Purchasing Department in Seattle.
3. The Purchasing Department assigns a buyer according to the commodity being purchased. If the department has supplied a vendor with the RFP, the buyer will contact that vendor. Otherwise, the buyer will use their contact list, select a buyer and place the order.

Non-Confirming Orders (\$3,001 to \$42,300)

Non-confirming orders of \$3,001 to \$42,300 require an informal bid process. These orders can only be placed by the Purchasing Department in Seattle. Following are procedures for placing a non-confirming order of \$3,001 to \$42,300:

1. The authorized department representative, with the assistance of the [Purchasing Coordinator](#) in F&A, develops specifications to be used by Purchasing. There are several criteria that can assist in developing a list of specifications:
 - a. Avoid copying a vendor's literature. This may lead to being over-restrictive in the solicitation, and could lead other vendors to claim preference was given to one vendor over another.
 - b. Brand names may be specified, but also include salient features or requirements. If substitutions are not allowed, a "sole source" might be necessary, depending on the availability of the commodity.
 - c. Requirements must be absolutely clear. Use terms like "3,200 r.p.m." rather than "fast" or "yellow pine" instead of "wood."
 - d. Use maximum and minimum statements, such as "minimum temperature range of 0 to 37 degrees C."
 - e. Avoid over specifying. The more requirements that are included, the fewer vendors there will be who can supply the commodity.
 - f. Use performance requirements when appropriate.
 - g. Include service related needs. Supplies, customer support, extended warranties, and usage training should all be included in commodity specifications as appropriate.

3. The department indicates acceptance of the lowest bidder and returns the Acceptance Form to the Purchasing Department. Alternatively, the department may determine that the vendor selected is not responsive, and indicates to Purchasing specifications it feels the vendor did not meet. If the buyer agrees, the next lowest bidder is forwarded to the department for their concurrence.

Due to the advertising and response time required for the formal sealed bid process, it will generally take a minimum of three to four weeks to complete the purchasing process. More complex purchases can take as long as several months.

Sole Source Purchases

In situations where no competition exists for an item, or when departments wish to place an order with a vendor for reasons unrelated to “lowest-cost”, sole source purchases may be an option.

Sole source purchases may be necessary if only one product is compatible with an item previously purchased, when specifications are narrow enough to allow for only one type of an item, or when only one company meets the criteria for stated purchasing objectives. Please contact the Purchasing Coordinator with questions related to sole source purchasing.

FORMS

UWB Request for Purchase form:

<https://my.uwb.edu/storage/304>

ADDITIONAL INFORMATION

Specification Guidelines – Non-confirming purchases:

http://www.washington.edu/admin/purchasing/developing_reqs.html

Statutory Authority:

[RCW 43.19](#)

Contact the [Purchasing Coordinator](#) at Finance and Administration for any purchasing questions you might have.