



PURCHASING BEST PRACTICES

BGSU Procurement Guide

BEST PRACTICES

The information provided here is designed to assist you in navigating your purchasing journey at BGSU. The Purchasing Team is committed to helping you at any stage in the procurement process.

BGSU Purchasing

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2-8411

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INTRODUCTION

The intent of this best practices guide is to assist you in accomplishing procurement-related duties in accordance with University, State and Federal policies and procedures. There are multiple ways to purchase goods and services at BGSU depending on the dollar value and type of purchase. This guide begins with detailed descriptions of purchasing terms that will help you understand your options. These terms are followed by several easy to use reference charts and decision trees to help select the best path forward.

In addition to this guide, the Purchasing website contains our Staff contact information and other helpful links. [Hyperlink: BGSU Purchasing webpage](#)

PURCHASE METHODS

1. Punchouts in Falcon's Purch

Punchouts are catalogs on the Falcon's Purch webpage used to shop for and purchase items from contracted vendors. This is the most efficient way to purchase items since additional quotes or contracts are not necessary and pricing has already been negotiated. In addition, reordering is easier and approval process is faster. Punchouts remain active as long as there is sufficient activity and a valid contract is on file. Instructions for purchasing via a punchout are on the Falcon's Purch webpage under Training Documents. [Hyperlink: Shopper Training Guide](#)

2. Purchase Order (PO) in Falcon's Purch

If a punchout does not exist, then goods or services will need to be shopped for outside of the Falcon's Purch system. To purchase the item, a non-catalog Requisition should be entered in Falcon's Purch. Requisitions can be for goods or services and a quote, contract, or contract# needs to be attached. Once the Requisition is approved, it will be converted to a Purchase Order containing BGSU contract terms and conditions. Instructions for entering a Requisition are on the Falcon's Purch webpage under Training Documents. [Hyperlink: Non-Catalog Orders & Payment Request Training Guide](#)

Types of Purchase Orders

- a. **PO-** single, one-time use; The PO closes once the quantity or amount is received and paid.*
- b. **Blanket PO-** Is used when goods or services are expected to be received in several shipments or paid from several invoices during a fiscal year. Blanket PO total is the estimated total of all expected invoices. If the total is under-estimated, then an increase can be put in place. If over-estimated, then funds can be released back to the budget once PO is closed. Instructions to create blanket PO are found at the bottom of the Falcon's Purch webpage under Falcon's Purch Training Videos. [Hyperlink: Creating Blanket POs](#)*

3. Purchasing Card (P-Card)

The P-Card is a BGSU credit card that may be used to purchase approved goods and services up to \$3,499 which cannot be obtained through Falcon's Purch. Note that services provided by an individual are not eligible for the P-Card method of Purchase. See the Purchasing Card Administration webpage for the full P-Card manual with detailed restrictions on these purchases. [Hyperlink: P-Card Manual](#)

VENDOR PAYMENT METHODS

In order for a Vendor to be paid either a Receipt or Payment Request must be completed.

1. Receipt

If a PO exists for goods or services that has a value greater than \$999 then an electronic Receipt is entered in Falcon's Purch by the department requester. The receipt is added to an existing PO and confirms that goods have been received or services rendered. Entering the receipt allows Accounts Payable to process the payment to the vendor. Note that the Requester will receive automated weekly email reminders to enter a receipt; please disregard the notice until all goods and services have been received. Multiple receipts can be entered if needed. For example, if only part of order received, enter a receipt for those items and enter additional receipts later as needed. Detailed instructions are on the Falcon's Purch webpage under Training Documents. [Hyperlink: Creating a Receipt Training Guide](#)

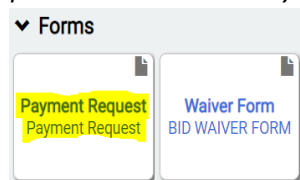
2. Payment Request

If service was provided based on a signed Independent Contractor Agreement (ICA), a Payment Request should be entered in Falcon's Purch by the Department. The payment request can only be entered after the service is provided and an Invoice must be attached.

If a signed contract exists but not a PO, then a Payment request may be entered. Only enter the payment request after goods received or services rendered. The signed contract must be attached to the payment request.

Instructions to enter a Payment Request can be found at the bottom of the Falcon's Purch webpage under Training Documents. [Hyperlink: Non-Catalog Orders & Payment Request Training Guide](#)

The punchout to enter a Payment Request can be found at the bottom of the page in Falcon's Purch.



TYPES OF CONTRACTS

The BGSU Purchasing Department serves as the University's central contract management team and we ask for each Department's assistance in routing the necessary documents to Purchasing prior to goods or services being purchased.

1. Standard Contract

BGSU contract completed by the Purchasing Department. Contract typically used for multi-year duration or with significant value. Contract may be created as the result of a published competitive bid event. BGSU Purchasing will handle the setup, negotiation, and signing of these contracts. Please allow at least 2 months for the competitive bid process.

2. Short Form Contract

*A condensed BGSU contract completed by the Purchasing Department. Contract typically used for **companies** providing a good or performing a service for or at BGSU. BGSU Purchasing will handle the negotiation and signing of these contracts. Please allow at least 2 weeks for this contract process.*

3. Independent Contractor Agreement (ICA)

*BGSU contract completed by the Department prior to purchasing a service. Agreement used for **individuals** providing a service for or at BGSU typically with a value less than \$50K. Service may be a single event or multiple events having a duration of up to 1 year. This can include speakers, entertainers, and providers of all general services (installation, maintenance, etc.) ICA form and procedure can be found at the BGSU webpage Contracting Procedures and Forms under Independent Contractor Agreements. [Hyperlink: Independent Contractor Agreements](#)*

4. Vendor Contract

Contract provided by the Vendor and often contains their Terms and Conditions (T&C's). BGSU Purchasing needs to review to ensure that all necessary risk is mitigated prior to signature. Please allow at least 1-2 weeks for the contract review process.

5. Purchase Order

Purchase Orders can serve as a BGSU contract if another contract does not exist. The PO must be issued prior to goods being delivered or services being rendered. There are Terms and Conditions (T&C's) tied to our Purchase Orders that the vendor must agree to and accept when receiving our PO.

COMPETITIVE BIDDING (FOR NON-GRANT RELATED PURCHASES)

The University purchasing policy officially known as [Hyperlink: Policy 3341-6-38 Purchasing, Sales, and Disposal of University Property and Asset Control](#) under state of Ohio law requires competitive bidding, which is the solicitation of proposals or quotes from multiple vendors for goods or services being considered. Competitive bidding rules apply to all Departments for the following:

1. Purchase or lease of any **goods** costing **\$25,000** or greater, in a fiscal year.
2. Purchase of **services** costing **\$50,000** or greater, in a fiscal year.
3. **Architect and Engineer design** projects costing **\$50,000** or greater, in a fiscal year.
4. **Construction projects** with an estimated cost of **\$215,000** or greater per project.

The Department making the purchase is responsible for reaching out to the Purchasing Dept. and providing the necessary details for the bid. Purchasing will conduct the competitive bidding event to gather the proposals and quotes and then work with the Department to award the contract to the vendor providing the most value to the University. Please allow at least 2 months for the competitive bidding process and contract negotiation.

BID WAIVER (FOR NON-GRANT RELATED PURCHASES)

When justified, the Purchasing Department has the authority to waive the competitive bidding requirement. The basis for granting waivers of competitive bidding are listed below.

1. Sole Source

There is not another vendor that provides the required goods or services. Sole Source requests must include a statement from the vendor on company letterhead indicating that the goods or services are only manufactured/supplied by their company and the quoted price is certified to be equal to the pricing given to supplier's most favored customers or other government agencies.

2. Emergency

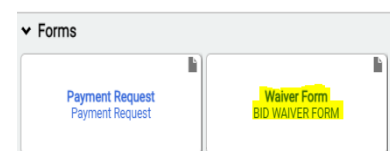
The goods or services are needed to correct or prevent an emergency health, environmental or safety hazard; special or time sensitive events; and/or emergency repair as determined by the President, VPFA, or his/her designee.

3. Economic

When the University Division or Department has equipment or other goods and services from an existing vendor wherein it would be too costly to change vendors, then a case (description(s) of the excess costs and/or conditions to change) would need to accompany this waiver.

The Bid Waiver must be entered in Falcon's Purch by clicking on the Bid Waiver Form icon found at the bottom of the Falcon's Purch page. Instructions can be found in the Falcon's Purch Training Documents at the bottom of the Falcon's Purch webpage:

[Hyperlink: Bid Waiver Requester Training](#)



SUPPLEMENTAL RESOURCES

1. **PaymentWorks**

PaymentWorks is a tool to efficiently manage vendor details and payment information. It is also a system that allows the secure transfer of sensitive data such as social security numbers and bank information.

Purchases in Falcon's Purch can only be made from active vendors in the BGSU system. If they are found in Falcon's Purch then they are active vendors. If not, then utilize PaymentWorks to enter the vendor in our system.

Complete PaymentWorks procedures and forms can be found on the BGSU Contracting Procedures and Forms webpage. [Hyperlink: PaymentWorks Instructions](#)

2. **Pricing Negotiation**

The Purchasing Department can assist with pricing negotiations of new contracts and renewals. Please reach out as needed.

3. **Terms and Conditions (T&C) Review**

Vendor quotes and orders often contain written out T&C's or hyperlinks to T&C's on the vendor's webpage. These Terms should be reviewed by the Purchasing Department before proceeding with a PO to assure we stay in compliance with Ohio law.

4. **Planning, Design and Construction Projects**

If you are planning any of the following activities, please fill out a Planning, Design and Construction Project Request: Alteration, Renovation or Remodeling; New Construction; Maintenance or Repair; Custodial; Grounds; Office, Materials or Equipment Moves; Pest Control; New or Upgrade to Audio Visual Equipment or Furniture Purchase. [Hyperlink: Planning, Design and Construction PROJECT REQUEST](#)

5. **Contract Insurance Requirements**

Vendors providing a service must procure and maintain insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of their work. The minimum insurance requirements can be found on the BGSU Contract Insurance Requirements webpage. [Hyperlink: Contract Insurance Requirements](#)

6. **Purchasing Policy**

The complete BGSU Purchasing policy# 3341-6-38 can be found on the General Counsel website. [Hyperlink: 3341-6-38 Purchasing, Sales, and Disposal of University Property and Asset Control](#)

7. **Signatory Policy**

Consult the Signatory policy to determine the appropriate signatures needed for a document. Note that an agreement or contract will not be valid unless this signatory policy is followed. Changes to the policy occur periodically, so please make sure to follow the most updated version found on the General Counsel website. [Hyperlink: 3341-1-7 Delegation of Contract and Signatory Authority](#)

QUICK REFERENCE CHARTS

Consult the charts below as a guide to navigate the purchase of Goods and Services based on the total value purchased from a single vendor during a fiscal year. Purchasing Dept. monitors total spend.

• Purchasing Goods Reference Chart

Fiscal Year Annual Spend or Dollar Amount of Purchase	Method of Purchase	Contract Required	Competitive Bidding Required	Notes
\$1 - \$3,499	P-Card or PO	No	No	Consult P-Card manual for purchase restrictions
\$3,500 - \$9,999	PO	PO	No	Purchasing review of vendor contract required
\$10,000 - \$24,999	PO	PO or Vendor Contract	No	Multiple quotes highly recommended; Purchasing review of vendor contract required
\$25,000 and above	PO	PO, Standard, Short Form or Vendor Contract	Yes	Work with Purchasing on Competitive Bid process and allow 2 months

PO = Purchase Order

• Purchasing Services Reference Chart

With the exception of P-Card purchases, a contract must be signed by an authorized signatory or the signer may be held personally liable for expenses. Contract must be signed before services are rendered or Vendor runs the risk of non-payment.

Fiscal Year Annual Spend or Dollar Amount of Purchase	Service provided by COMPANY or INDIVIDUAL	Method of Purchase	Contract Required	Competitive Bidding Required	Notes
\$1 - \$49,999	Service provided by INDIVIDUAL*	Blanket PO or Payment Request	ICA	No	Contact Purchasing if vendor will not accept ICA
\$50,000 and above	Service provided by INDIVIDUAL*	Blanket PO or Payment Request	ICA, Standard Contract	Yes	Work with Purchasing on Competitive Bid process and allow 2 months
\$1 - \$3,499	Service provided by COMPANY*	P-Card, PO or Blanket PO	No	No	Consult P-Card manual for purchase restrictions
\$3,500 - \$49,999	Service provided by COMPANY*	PO or Blanket PO	PO, Standard, Short Form or Vendor Contract	No	Multiple quotes highly recommended; Purchasing review of Vendor contract required
\$50,000 and above	Service provided by COMPANY*	PO or Blanket PO	PO, Standard, Short Form or Vendor Contract	Yes	Work with Purchasing on Competitive Bid process and allow 2 months

ICA = Independent Contractor Agreement

***Individuals** are those vendors that would mark their federal tax classification as an "Individual/sole proprietor or single-member LLC" on a W-9 Form. **Companies** would be any other tax classification. Example W9 on last page.

GRANT FUNDED PURCHASES

Purchasing grant funded goods or services at BGSU requires adherence to the University Purchasing policy 3341-6-38 and Federal Uniform Guidance found on the following webpage. [Hyperlink: Code of Federal Regulations](#). The charts below provide a blended view of both University and Federal grant procurement requirements for the purchase of Goods and Services.

• Purchasing Grant Funded Goods Reference Chart

Fiscal Annual Spend Threshold or Dollar Amount of Purchase	Method of Purchase	Contract Required	Competitive Bidding Required	Notes
\$1 - \$9,999	PO	PO	No	
\$10,000 - \$24,999	PO	PO or Vendor Contract	Yes	Min 2 quotes required; Purchasing review of Vendor contract required
\$25,000 and above	PO	PO, Standard, Short Form or Vendor Contract	Yes	Work with Purchasing on Competitive Bid process and allow 2 months

• Purchasing Grant Funded Services Reference Chart

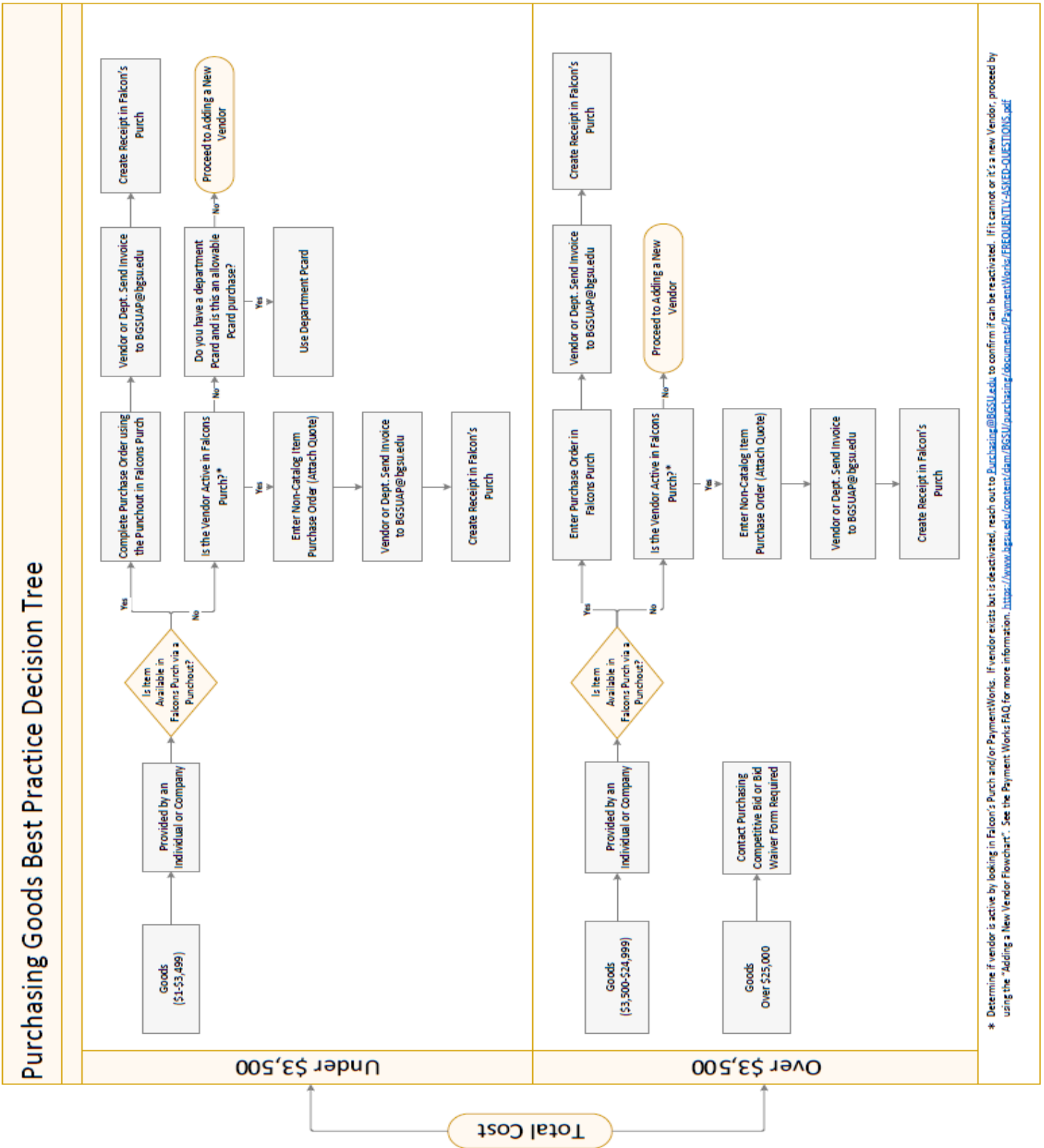
With the exception of P-Card purchases, a contract must be signed by an authorized signatory or the signer may be held personally liable for expenses. Contract must be signed before services are rendered or Vendor runs the risk of non-payment.

Fiscal Annual Spend Threshold or \$ Amount of Purchase	Service provided by COMPANY or INDIVIDUAL	Method of Purchase	Contract Required	Competitive Bidding Required	Notes:
\$1 - \$9,999	Service provided by INDIVIDUAL*	PO or Payment Request	ICA	No	Contact Purchasing if vendor will not accept ICA
\$10,000 - \$49,999	Service provided by INDIVIDUAL*	PO or Payment Request	ICA, Standard Contract	Yes	Min 2 quotes required; Purchasing review of vendor contract required
\$50,000 and above	Service provided by INDIVIDUAL*	PO or Payment Request	ICA, Standard, Short Form or Vendor Contract	Yes	Work with Purchasing on Competitive Bid process and allow 2 months
\$1 - \$3,499	Service provided by COMPANY*	PO or P-Card	No	No	Consult P-Card manual for purchase restrictions
\$3,500 - \$9,999	Service provided by COMPANY*	PO or Payment Request	PO, Standard, Short Form or Vendor Contract	No	Purchasing review of vendor contract required
\$10,000 - \$49,999	Service provided by COMPANY*	PO or Payment Request	PO, Standard, Short Form or Vendor Contract	Yes	Min 2 quotes required; Purchasing review of vendor contract required
\$50,000 and above	Service provided by COMPANY*	PO or Payment Request	PO, Standard, Short Form or Vendor Contract	Yes	Work with Purchasing on Competitive Bid process and allow 2 months

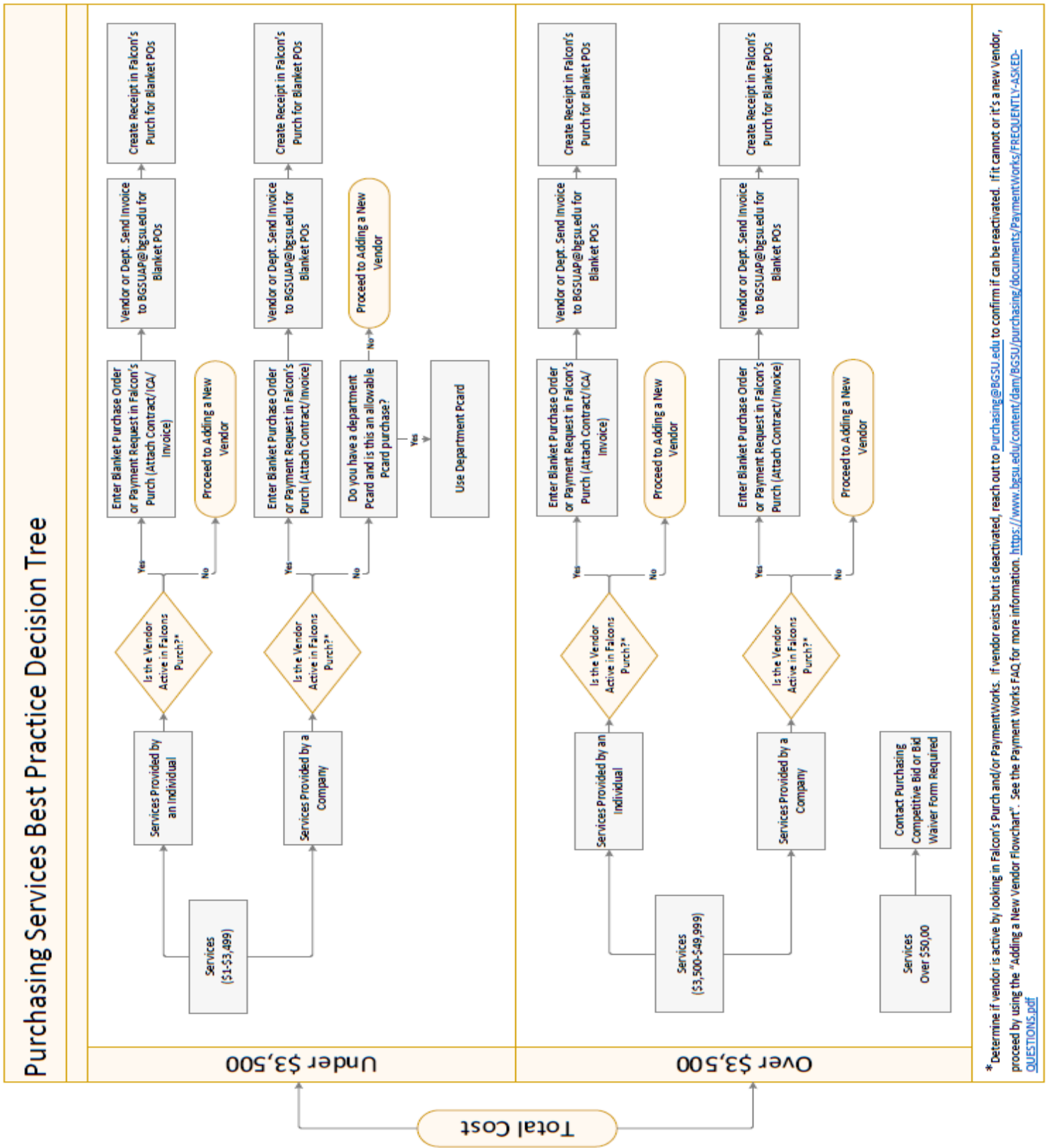
*Individuals are those vendors that would mark their federal tax classification as an "Individual/sole proprietor or single-member LLC" on a W-9 Form. Companies would be any other tax classification. Example W9 on last page.

DECISION TREE FLOWCHARTS

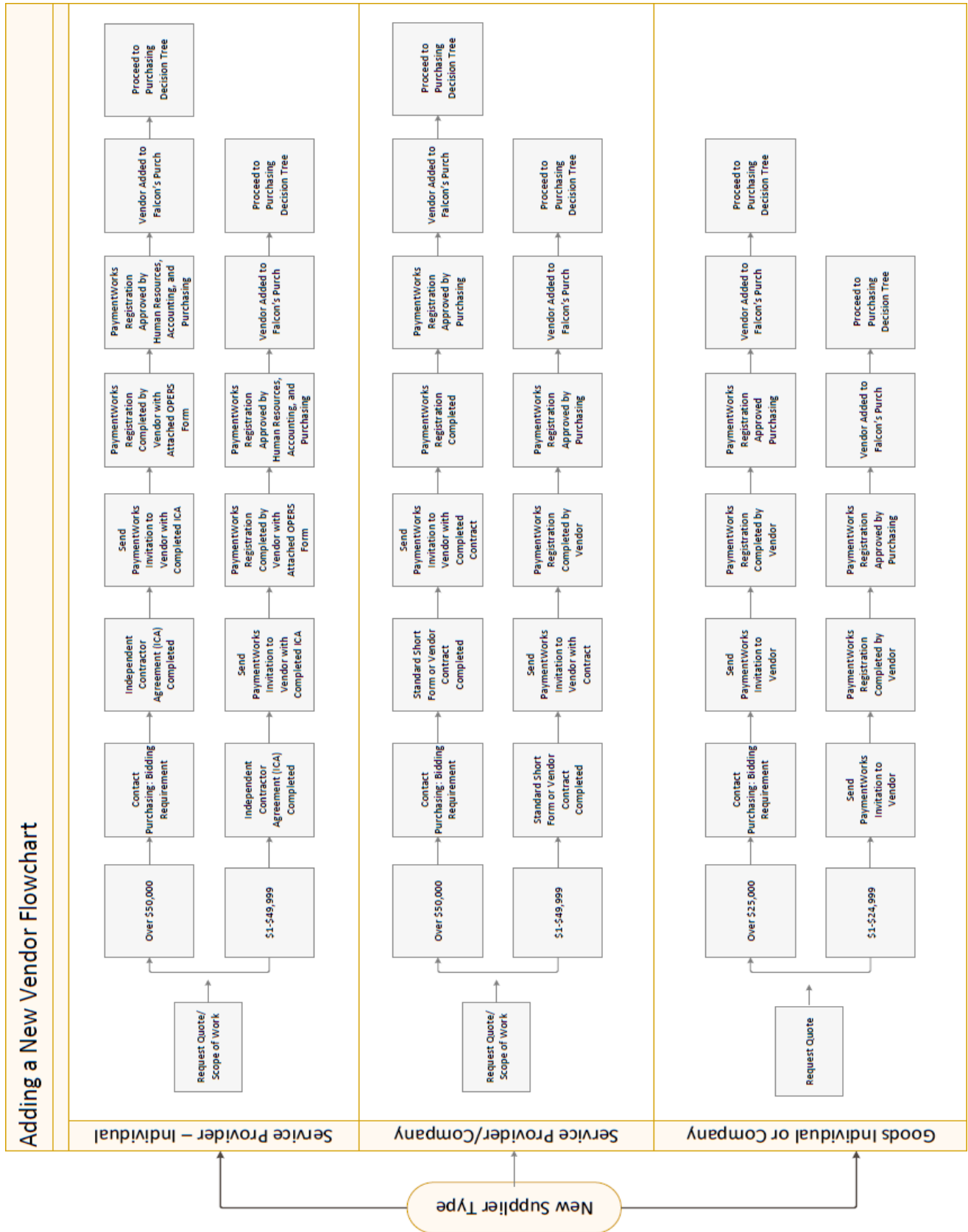
- Purchasing Goods Best Practice Decision Tree



• Purchasing Services Best Practice Decision Tree



• Adding a New Vendor Flowchart



EXAMPLE W-9

Example of W-9 showing box that would be checked for vendors that are **INDIVIDUALS...**

<p>Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service</p>	<p>Request for Taxpayer Identification Number and Certification</p> <p>► Go to www.irs.gov/FormW9 for instructions and the latest information.</p>	<p>Give Form to the requester. Do not send to the IRS.</p>
<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p> <p>2 Business name/disregarded entity name, if different from above</p>	<p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ► _____</p>	
<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>	<p>5 Address (number, street, and apt. or suite no.) See instructions.</p> <p>6 City, state, and ZIP code</p> <p>7 List account number(s) here (optional)</p>	
<p>Part I Taxpayer Identification Number (TIN)</p> <p>Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i>, later.</p> <p>Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.</p>		
		<p>Social security number</p> <p>____ - ____ - _____</p> <p>OR</p> <p>Employer identification number</p> <p>____ - _____</p>
<p>Part II Certification</p> <p>Under penalties of perjury, I certify that:</p> <ol style="list-style-type: none"> The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and I am a U.S. citizen or other U.S. person (defined below); and The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. <p>Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.</p>		
<p>Sign Here</p>	<p>Signature of U.S. person ► _____</p>	<p>Date ► _____</p>
<p>General Instructions</p> <p>Section references are to the Internal Revenue Code unless otherwise noted.</p> <p>Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.</p> <p>Purpose of Form</p> <p>An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.</p> <ul style="list-style-type: none"> Form 1099-INT (interest earned or paid) Form 1099-DIV (dividends, including those from stocks or mutual funds) Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) Form 1099-S (proceeds from real estate transactions) Form 1099-K (merchant card and third party network transactions) Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition) Form 1099-C (canceled debt) Form 1099-A (acquisition or abandonment of secured property) <p>Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.</p> <p><i>If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.</i></p>		
<p>Cat. No. 10231X</p>		<p>Form W-9 (Rev. 10-2018)</p>