

PART 4

PLANNED PURCHASING PROGRAM

It is the policy of the University to seek to satisfy its needs at the lowest overall cost through planned, quantity purchasing. To this end, regional and Universitywide pool purchases, commodity agreements, and price schedules shall be utilized to the maximum practicable extent.

I. GUIDELINES

- A. Economic Advantage - The major emphasis of the Planned Purchasing Program is economic benefit to the University. Both administrative cost avoidance (a reduction of internal administrative costs) and price avoidance (a reduction of the price of the commodity) shall be considered in determining economic advantage.
- B. Agreement Practicality - Agreements should be established when either administrative cost avoidance and/or price avoidance can be achieved and the Materiel Manager has determined that campus utilization and estimated dollar value are sufficient to justify the establishment of an agreement. The cost/price reductions should be greater than could be obtained by an individual campus and should exceed the cost of administering the agreement or the aggregate costs of individual campus purchase actions.
- C. Item and Service Acceptability - Items and services must be generally acceptable to the using departments or campuses, as determined by the commodity manager, based on information received from the Materiel Managers.

II. PROGRAM MANAGEMENT

- A. Commodity Manager - The commodity manager, when assigned responsibility for specific commodities or groups of commodities by the Director--Materiel Management, shall:
 - 1. Identify those items for inclusion in the program which are purchased by more than one campus in sufficient quantities that an economic advantage can be gained from consolidated purchasing.
 - 2. Develop specifications and standards through value analysis and consultation with others, as appropriate, and secure usage figures from those campuses which expect to participate in the planned consolidated purchase.
 - 3. Solicit quotations; prepare and execute resulting pool purchase orders, commodity agreements, or price schedules with the concurrence of the

participants; obtain timely usage reporting from agreement suppliers; and monitor performance.

4. Review and evaluate existing consolidated purchase arrangements for expansion or modification, and schedule advantageous pool purchases and renewal of commodity agreements and price schedules in a timely manner consistent with work schedules.
5. Maintain up-to-date knowledge of current market conditions as they pertain to assigned commodities, and keep other campuses and Laboratories informed of significant developments which could affect consolidated purchasing.

In carrying out the above responsibilities, the commodity manager shall consult with and secure assistance from, as appropriate, other Materiel Managers, Small Business Coordinators, and other knowledgeable persons.

- B. Director--Materiel Management - The Director--Materiel Management administers the Planned Purchasing Program, provides staff support for preparation of records and reports on the performance of the Commodity Manager's administration of commodity agreements, price schedules, and pool purchases, and represents the University in its relations with the State Office of Procurement, Department of General Services as covered in Section IV.B. below.
- C. Laboratory Participation - The prime contracts which govern Laboratory operations require the use of certain government sources not generally available to the campuses. When agreements are cost effective and there is no conflict with Federal requirements, agreements may be used.

III. PURCHASE TRANSACTIONS

- A. Policy Compliance - Pool purchase orders, commodity agreements, and price schedules shall be established only when, pursuant to University policy, requirements for competition have been met, any negotiations have been conducted according to established guidelines, prices to be paid are reasonable in the particular circumstances, and approval as to form has been secured as necessary.
- B. Required Use - Items covered by pool purchase orders and commodity agreements shall not be purchased from other sources, unless the exception involves special delivery requirements, or there are substantial differences in specifications which preclude the use of the contract source. Such exceptions shall be approved by the campus Materiel Manager. Exceptions on any basis other than

the above circumstances shall be approved by the Commodity Manager with the concurrence of the Director--Materiel Management.

- C. Exception Reports - Purchases from other than pool purchase order suppliers or commodity agreement sources shall be reported to the Commodity Manager. Such reports shall include copies of the purchase action.
- D. Availability of Funds - Pool purchase orders shall be entered into only when the Commodity Manager has been assured that funds are available to cover the definite or guaranteed minimum quantities to be ordered.
- E. Unsatisfactory Performance - Unsatisfactory, unusual, or significant supplier or product performance deficiencies shall be reported promptly to the Commodity Manager involved so that appropriate, timely action may be taken to correct the deficiency.
- F. University Price Schedules - Such arrangements may be entered into to take advantage of special discounts on proprietary products or when a commodity agreement is not practical. When not established through the required competitive process, prices shall be reasonable and such agreements shall not be used in lieu of soliciting competition.

IV. STATE SUPPLY SCHEDULES AND CONTRACTS

- A. Evaluation and Designation - Commodity Managers shall evaluate state supply schedules and contracts and, with concurrence of participating campuses and the Director--Materiel Management, designate those which prove to be advantageous as commodity agreements or price schedules. When so designated, state supply schedules and contracts shall be utilized in accordance with this Bulletin.
- B. Liaison with State Procurement Office -The Director--Materiel Management shall represent the University in its relations with the State Procurement Office, Department of General Services, to secure mutually beneficial supply agreements. Reports and suggestions regarding state supply schedules or contracts shall be made to the Director--Materiel Management through the Commodity Managers.