

DEPARTMENT OF PURCHASING

Procedures

Number: WKU-R-060
Effective: June 14, 2002
Revised: Nov. 28, 2000

Approved: _____

Subject: SMALL PURCHASING PROCEDURES – COMMODITY

- 1) A small purchase procedure may be used by the University when the cost of goods and/or services is estimated not to exceed an aggregate amount of Forty Thousand Dollars (\$40,000) for any one order. This procedure must not be used when otherwise restricted by any other provisions of the University's Policy Manual.
- 2) Requisitions and purchase orders shall not be parceled, split, divided or submitted over a period of time to avoid the dollar limitations of this small purchase procedure. Anticipated needs for goods and/or services that are ordered and/or paid for repetitively throughout a one year period, having a total cumulative cost equal to or greater than \$20,000 should be submitted to the Department of Purchasing. The Department of Purchasing will solicit quotes or take the appropriate actions in accordance with this policy based on the total annual costs of the goods and/or services being requested.
- 3) The Department of Purchasing or their designee shall informally obtain, from qualified sources of supply, at least one (1) price quote for small purchases less than Twenty Thousand Dollars (\$20,000) and at least three (3) price quotations for purchases between Twenty Thousand Dollars (\$20,000) and Forty Thousand Dollars (\$40,000). Quotes may be obtained by phone in cases of extreme urgency, however written quotes are preferred. They can be obtained by mail, fax, or electronic means. Departments shall include one written quote when submitting a requisition to Purchasing between \$5,000 and \$20,000. If evaluated to be in the best interest of the University, the buyer has discretion to purchase up to \$40,000 with one quote. However, the formal University Request for Quotation is recommended for quotes over \$20,000. The quotations, tabulation, and buyer comments (see paragraph 4) concerning the supplier section, shall be recorded in writing and shall be filed in a small purchase order file. These records are retained by the University Purchasing function for record and audit review. Purchases over \$40,000 will require a sealed formal bid.
- 4) Whenever low bid is not awarded a contract, a written justification supporting the decision shall be filed with the rest of the purchasing documents.

- 5) Any procurement of insurance in excess of Ten Thousand Dollars (\$10,000) must have the written approval of the Commissioner of Insurance.

REF; KRS 13.085 (2), KRS 45A.100, BO-111-55-00