



UNIVERSITY OF RICHMOND

Policy Manual

Policy #:	FIN-4403	Policy Title:	Procurement Policy
Effective:	01/01/2025	Responsible Office:	Procurement
Date Approved:	12/17/2024	Approval:	Executive Vice President & Chief Operating Officer
Replaces Policy Dated:	07/01/2019	Responsible University Official:	Director, Procurement

PURPOSE:

The purpose of this policy is to provide guidance for the purchase of goods and services and to ensure the appropriate use of University resources to further the University's mission of teaching, research, scholarship, and service.

SCOPE:

This policy applies to the University of Richmond and all of its Affiliates and entities who purchase goods or services on the University's behalf utilizing University-administered funds unless the Executive Vice President and Chief Operating Officer, has granted an exemption. As used in this policy, the term "Affiliates" means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity's governing board.

Externally funded grants and contracts may have more restrictive or additional requirements not addressed in this policy. Principal investigators should review the grant or sponsor-specific requirements or contact the Grants Accounting Office for assistance.

INDEX:

- FIN-4403.1.....Definitions
- FIN-4403.2.....Overview
- FIN-4403.3.....Ethical and Social Standards
- FIN-4403.4.....Competition Requirements
- FIN-4403.5.....Competition Exceptions
- FIN-4403.6.....Centralized Purchase of Specific Commodities
- FIN-4403.7.....Procurement Guidelines and Methods
- FIN-4403.8.....Signature Authority

FIN-4403 Procurement Policy

FIN-4403.9.....Receipt of Goods and Services

FIN-4403.10.....Roles and Responsibilities

POLICY STATEMENT:

FIN-4403.1 – Definitions

Appropriate

Appropriate means an expense is suitable and reasonable from the perspective of an objective third party and fulfills a valid business purpose.

Business Purpose

The business purpose establishes that a particular good, service, or activity is necessary to fulfill the mission of the University and primarily benefits the University, not the individual. A legitimate business purpose must be provided for an expense to be reimbursed by the University or for it to be an allowable charge on a University credit card.

Capital Equipment

Capital equipment is tangible, non-consumable equipment that is used as part of the University's operations with an initial useful life greater than one year and a purchase price of \$5,000 or more at the time of acquisition.

Contract

A contract is a binding commitment by or on behalf of the University that is in oral or written form, regardless of the title of the operative document or documents. For purposes of this policy, the term “contract” includes but is not limited to contracts, agreements, leases, memoranda of understanding (“MOU”), gift agreements, mutual aid agreements, settlement agreements, resolution agreements, letter agreements, and binding letters of intent.

Diverse Businesses

Diverse businesses are identified as minority business enterprise (MBE), woman-owned business enterprise (WBE), or small business enterprise (SBE). SWaM is an acronym created by the Commonwealth of Virginia to identify diverse businesses which are certified as either small, women-owned, or minority-owned.

Necessary

An expense is necessary when it is required to achieve a particular business objective.

Reasonable Expense

A reasonable expense is ordinary – not lavish or excessive – and reflects a prudent decision to incur the expense on behalf of University in furtherance of its business.

Request for Information (RFI)

An RFI is a procedure used to obtain comments, feedback, or reactions to or requirements from potential vendors prior to the issuance of a formal solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.

Request for Proposal (RFP):

An RFP is a procedure used to solicit proposals from potential vendors for goods and services. This is the most formal solicitation practice. The RFP includes the University's requirements for the goods and/or services and provides the terms of the solicitation and the terms upon which the services may be contracted. The process may be a single or multi-step process, depending on the complexity of the goods or services being acquired.

Request for Quotation (RFQ):

A request for quotation is a practice used generally for goods or services under a specified dollar threshold. A request is sent to vendors, along with a description of the commodity or services needed, and the supplier is asked to respond with price and other information by a pre-determined date.

Single Source

A source of goods or services that may be available through other vendors but is selected specifically in order to be compatible with existing equipment or technology, provide replacement parts, leverages existing training or expertise, or similar unique purposes. Examples of single source include the following: the source was selected under a previous competitive purchase, the source provides continuity of services, or selection of the source is based on an unforeseen, time sensitive circumstance requiring immediate attention. Purchasers are expected to understand industry standards for the manufacturing of goods, shipping and delivery estimates.

Sole Source

A source of goods or services that is selected when there are no other sources reasonably capable of providing the selected goods or services. Examples of sole source circumstances includes the following: the goods or services can be purchased only from this vendor or independent contractor; the source offers unique knowledge, experience or technical capabilities; the source demonstrates a unique capability or quality not otherwise available from other sources; or is the only source with the availability of the products for the timeframe needed.

Solicitation

Solicitation is the process of notifying prospective bidders of the University's desire to receive bids on the specified good or service. RFQs, RFIs, and RFPs are types of solicitations. The solicitation request is normally made through email.

FIN-4403.2 – Overview

The policy outlines the procurement practices for purchasing goods and services on behalf of the University of Richmond. This policy is intended to ensure the timely and cost-effective acquisition of goods and services and maximize the University's purchasing power. The policy also serves to streamline business practices, ensure compliance with related policies, and reduce potential institutional risk associated with contracting and other procurement-related activities.

The University strongly encourages the use of existing contracts to the extent possible as these vendors have been vetted for quality, and pricing has been negotiated.

Depending on the goods and services provided, vendors may be required to meet the University's insurance requirements and list the University as Additional Insured on their policy. Please refer to the Risk Management Office for more information.

FIN-4403.3 Ethical and Social Standards

Employees involved in the purchasing process must uphold the highest standards of ethics, integrity, and fairness. This includes impartial bid evaluation, maintaining confidentiality of bidder information, and ensuring competitive pricing is achieved and implemented. Employees should familiarize themselves with the Conflict of Interest Policy *GOV-1000 University Conflict of Interest Policy*.

All University purchases using University funds must support its mission of teaching, scholarship, research, and service. University funds may only be spent for legitimate business purposes, in compliance with University policies, and expenditures must be reasonable and appropriate. Purchases for the personal use of University employees are prohibited.

Environmentally Preferred Purchasing (Sustainability)

The University, as part of its commitment to sustainability under the American College and University Presidents' Climate Commitment, prioritizes purchasing environmentally preferable products when they are an appropriate fit for the University's requirements, including quality, delivery, service, price, and reliability.

This policy, known as Environmentally Preferred Purchasing (EPP) aims to select products and services with lower environmental and health impacts compared to alternatives.

Individuals are encouraged to consider EPP when evaluating and selecting products or services on behalf of the University. The objectives of EPP are to:

1. Encourage waste prevention, recycling, and the use of recycled or recyclable materials.
2. Identify environmentally preferable alternatives, and;
3. Generate less waste material by reviewing how supplies and equipment are purchased and delivered.

Supplier Diversity

The University's *Supplier Diversity Program* proactively integrates diverse vendors into sourcing activities to ensure that small, women-owned, and minority-owned businesses have opportunities to compete for University business.

FIN-4403.4 – Competition Requirements

Effective vendor competition ensures the University receives high-quality goods and services at the best price. A competitive process is required for all purchases without an existing contract, based on the following thresholds:

Under \$10,000	\$10,000 to \$125,000	Over \$125,000
Goods and services valued less than \$10,000 in the aggregate and that are not restricted from departmental purchase may be purchased directly by departments with no competition requirement.	A minimum of three written quotations on the supplier's letterhead is required. Quotes via email must include the supplier's legal name, contact name, phone number, and address. Quotes must be attached to the requisition, contract, and invoice.	The Office of Procurement manages the process for purchases exceeding \$125,000. Procurement will solicit at least three potential sources in writing, using the most practical procurement method.

For multi-year contracts, the total cost over the contract's duration determines the competition requirement (e.g., a three-year, \$50,000/year contract totals \$150,000 and requires a formal bid). Splitting orders to bypass competition thresholds is prohibited.

Bid process timelines vary by complexity. To ensure timely completion, individuals are encouraged to contact the Procurement Office as early as possible for purchases over \$125,000 to ensure that the process can be completed within the desired timeframe.

The University will award the contract to the vendor that best meets University requirements, including quality, delivery, service, price, and reliability.

FIN-4403.5- Competition Exceptions

When procuring goods or services, purchasing decisions must be based on a comprehensive evaluation of key factors, including price, quality, delivery, service, past performance, and reliability. Buyers are expected to seek favorable terms and competitive pricing whenever possible. However, certain unique goods or services may be exempt from competitive bidding requirements when justified by their specialized nature or other specific criteria. Categories of goods or services exempt from competition requirements are outlined below:

Exception	Description
Art	Works of art or historical items for museum or public display
Athletics	Fees for intercollegiate athletics, conferences, game guarantees, dues, etc.
Contract amendments	Amendments to existing contracts to exercise options that were part of the original contract or part of a previously approved amendment; amendments that are within the scope of or incidental to the original contract's scope of work
Contract purchase	For goods or services purchased on an existing University, state, local, or consortium contract
Employee/Executive search firms	Employee/Executive Search is to be facilitated through the Human Resources office.
Employee benefit programs	Human Resources has purchasing authority of benefits including medical, dental, retirement services, etc., as part of the University's cafeteria plan
Entertainment	University-sponsored fairs, expositions, exhibitions, plays, or concerts
Facility rentals, including hotels and restaurants	Accommodations for conference or meeting attendees; offsite catered events
Financial and accounting services	Loans, investment banking, banking custodial services, commercial banking, financial custodial services, security services and accounting services
Insurance	Insurance products purchased by Risk Management
Legal services	Professional legal services approved in advance by the University's Vice President & General Counsel
Library materials	Educational materials and information access resources, including books, maps, periodicals, newspapers, subscriptions, online cataloging or other bibliographic library services
Licenses	Renewal of software or equipment licenses
Maintenance, equipment	When there is only one authorized or qualified source required by the manufacturer for preservation of the equipment warranty
Maintenance, software	Proprietary software maintenance
Performing artists	Professional artists such as musicians, bands, singers, etc.
Subscriptions or memberships	Professional memberships or subscriptions

Exception	Description
Travel and Entertainment	Expenses related to business travel such as hotel accommodations, transportation, meals, registration fees, etc.
Trial usage	Use of a good or service for testing or to determine suitability
Used Equipment	Acquisition of used equipment, including but not limited to vehicles, outdoor power, laboratory, or athletic equipment, does not require competition.
Utilities	Services for which there is no competition due to sole authorizations to provide service to a geographical area, e.g., electrical, water, phone, etc.
Visiting speakers, lecturers, etc.	Services of speakers or lecturers acting as independent contractors as defined by the University's Human Resources Office

Competition is not required when using an existing contract (including consortium, state, local, or University-negotiated contracts) because the vendor was selected based on appropriate competition at the time the contract was awarded.

Individuals must practice proper financial stewardship when purchasing on behalf of the University. If contracts are generated for these items, only those individuals identified in the *Delegation of Contract Approval and Signature Authority* policy have the authority to approve and sign these contracts on behalf of the University, subject to the limitations defined in that policy.

Please be aware that although the purchase of the above categories of goods do not require competitive bids, the contracts related to the procurement of these goods or services must comply with the University's *Contract Management Policy*.

Emergency Purchases

Emergency purchases are those required to protect life and/or property, or to prevent substantial economic loss or interruption of service. These types of purchases are rare. Formal purchasing procedures are waived, but competition should be used to the extent possible. An explanation documenting the justification for an emergency purchase must be attached to the invoice or payment request.

Sole Source or Single Source Purchases

Certain purchases may be classified as a sole source or single source purchase. This type of purchase represents a unique exception to the requirement for competition and is subject to Internal Audit review.

Departments seeking to obtain goods or services by means of a sole source or single source exemption must complete a Sole Source Justification before the order is placed or the contract is signed. This form documents the exceptional circumstances of the purchase. The documentation must show that a reasonable evaluation has been made and that the department's rejection of alternative vendors or solutions is based on objective and relevant criteria. Procurement has the final responsibility for determining whether a sole/single source requirement meets the requirements of this policy. Lack of planning does not justify a sole source or single source purchase.

4403.6 Centralized Purchase of Specific Commodities

University of Richmond employees must typically coordinate purchases with their designated procurement specialist, except when using the catalog punchout supplier website in Workday or when traveling or organizing business meals.

FIN-4403 Procurement Policy

Specific areas manage purchases of certain goods and services as listed below to ensure they meet University specifications and leverage existing contracts for the best pricing. For these items, purchases must be managed by the Procurement Specialist from the Department noted below.

Goods/Services	Department to Contact
Building Maintenance & Construction	Facilities
Furniture & Fixtures	Facilities
Technology (Hardware, Software, Peripherals)	Information Services
Tent Rental	Events & Conferences
Vehicles (including Carts)	Procurement
Food and Beverage	Dining Services

FIN-4403.7 Procurement Guidelines and Methods

Procurement and payment methods for goods and services are determined by dollar thresholds identified in this policy. The table provides a breakdown of those methods.

Procurement/Payment Method	\$0 - \$10,000	\$10,000 - \$125,000	Above \$125,000
Competitive Bid Process		X	X
Purchase Requisition/Purchase Order (a) (b) (c)	X	X	X
University Purchase or Travel Card (a) (d)	X		
Three Written Quotes Required		X	X
Sole/Single Source		X	X
Supplier Invoice Request	X	X	X

- a) *Requisitions are expected for all goods and services, with the exception of meals, individual travel expenses (including conference fees), institutional or professional memberships, monthly subscriptions, and emergency purchases. For these exceptions, a university purchase card may be used.*
- b) *Except as noted above (a), all goods and/or services should be processed using a purchase order. All capital equipment must be processed on a purchase order. A Purchase Order is generated via a requisition.*
- c) *Grant purchases must follow the purchasing thresholds published in the OMB Uniform Guidance. Consult with your Cost Center's Procurement Specialist for a bid or competitive process.*
- d) *Purchase and travel cards must not be used to pay an invoice. All invoices must be sent to the accounts payable department for processing.*

FIN-4403.8 –Signature Authority

Only individuals identified in the *Delegation of Contract Approval and Signature Authority* policy have the authority to approve and sign contracts on behalf of the University, subject to the limitations defined in that document. These individuals guarantee payment and the contract terms on behalf of the University.

Contracting authority differs from payment approval. Designated personnel who are in a position to know that the goods were received or the services were performed may authorize payments made under an appropriately approved contract.

FIN-4403.9 Receipt of Goods and Services

The University of Richmond requires the timely receipt and verification of goods and services purchased with funds administered by the University. The requester must receive all orders processed by a requisition/purchase order in Workday. Requestors are expected to verify the following within seven days of receipt of the goods and or services and before payment:

- Purchased goods are received in acceptable condition (i.e., free of defects);
- The agreed-upon quantity was delivered in accordance with the terms of the order/contract (warranties and returns may be affected by any delay);
- Services rendered have been delivered in accordance with the terms of the order or contract.

FIN-4403.10 Roles and Responsibilities

Responsibilities of University Procurement Specialists

Procurement Specialists are responsible for:

- Assisting their department in selecting the appropriate procurement method
- Reviewing and submitting requisitions to ensure they comply with University policies
- Obtaining the required quotes in alignment with policy guidelines
- Acting as a liaison between their department and the Procurement Office
- Seeking guidance from Procurement for purchases that exceed departmental buying limits
- Verifying that goods or services have been received as ordered

Responsibilities of Principal Investigators (PI)

Grant PIs have the same responsibilities as listed for University Procurement Specialists, above. In addition, the PI must adhere to the procurement standards in OMB Uniform Guidance for goods and services purchased with federal funds, as well as any terms or conditions specified as part of the grant award. Contact the Grants Accounting Office for assistance.

Responsibilities of Procurement

The Procurement Office oversees the acquisition of goods and services for the University by:

- Identifying innovative products, reliable suppliers, and effective solutions that best meet University needs
- Developing and maintaining procurement policies and procedures for the University

FIN-4403 Procurement Policy

- Determining the appropriate processes for various purchasing needs
- Assisting University departments with their purchasing requirements and providing training for procurement specialists
- Securing bids or quotes to ensure optimal value in University expenditures
- Facilitating efficient processes for acquiring goods and services
- Negotiating and managing contracts
- Managing vendor relationships and ensuring quality service from University suppliers.
- Identifying and supporting certified diverse businesses.
- Prioritizing environmentally preferred purchasing when available and aligned with requirements.
- Safeguarding the University from unethical trade practices and excessive pricing.

RELATED POLICIES:

<i>FIN-4101</i>	Use of University Funds and Financial Responsibilities
<i>FIN-4408</i>	Contract Management Policy
<i>FIN-4409</i>	Delegation of Contract Approval and Signature Authority Policy
<i>FIN-4301</i>	University Credit Card Policy
<i>FIN-4401</i>	Policy on Gifts and Gratuities
<i>FIN-16001</i>	Reporting and Investigating Suspected Financial Fraud, Waste, and Abuse
<i>GOV-1000</i>	University Conflict of Interest Policy

POLICY BACKGROUND:

Policy reviewed on July 1, 2013

Revised May 11, 2018; effective July 1, 2018

Policy reviewed by President's Cabinet prior to approval on 06/25/2019; revised policy is effective 07/01/2019.

Non-substantive updates made in November 2023 to update titles and offices.

Policy reviewed by President's Cabinet prior to approval on 12/17/2024; revised policy became effective 01/01/2025

Non-substantive updates made in September 2025.

POLICY CONTACTS:

Director, Procurement, Office of Procurement
Purchasing Manager, Office of Procurement