STANDARD OPERATING PROCEDURE:
5.0 ORDERING GOODS AND SERVICES

This procedure is in accordance with Procurement and Payment Policy 20.1.11.

Introduction

There are several order placement methods at Rutgers University. As purchase orders (POs) offer the university the best legal and financial protections, they are the preferred method for ordering goods and services.

There are other ordering methods at Rutgers University, such as Purchasing Cards (PCards), that are used for low dollar items, as long as the purchase meets the PCard requirements.

Units should refer to 6.0 Shipping and Receiving for shipping hazardous material.

For training and additional resources on Ordering Goods and Services, please visit University Procurement Services’ Training and Resources.

Procedure Outline

5.1 Purchase Orders
5.2 Alternate Transactions
5.3 Change Orders

Definitions

**BAA (Business Associate Agreement):** This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the university template is preferred. A non-University template may be authorized upon contract management review, negotiation and approval. This contract must be negotiated and approved by the Rutgers’ Office of General Counsel.

**ICED (Independent Contractor or Employee Determination):** This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service.

**Internal Purchase Order (IPO):** An internal Rutgers unit that provides goods and services to the university.

**Non-PO Upload:** A payment that is not based on a purchase order. Associated data is uploaded to Oracle and a check is generated. Non-PO Uploads are a transaction process used for paying individuals.
rather than businesses, and can be used to pay individuals for non-qualifying scholarships, royalties (employees), TA/GA awards, patient refunds, non-employee refunds, petty cash, and human subject payments/direct disbursements.

**Punch-out catalog supplier:** A contracted supplier that is electronically connected to RU Marketplace. This connection allows for suppliers to receive electronic copies of our document is from RU Marketplace, as well as send electronic invoices and other documents related to the procure-to-pay process.

**Purchase Order:** A Rutgers purchase order is a legal document containing a description of the good or service requested, and terms and conditions of the transaction including, but not limited to, payment and delivery terms, for the purchase or lease of goods and services.

**Purchasing Card:** A university-issued credit card from Bank of America, to be used for purchases that are of low value and for goods and services not a part of a university contract.

**Standard Operational Procedure (SOP):** A set of instructions that functionally describes the key procedures.

**TPRA (Third Party Risk Assessment):** This assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal or public information. The unit must forward the TPRA to Rutgers’ Office of Information Technology to review, assess the prospective supplier’s processes, and make a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers’ data, assets, and resources and to maintain confidentiality.

**Quick Order:** A type of purchase order for goods under $10,000, that does not require the review of University Procurement Services and may be sent directly to the supplier by the unit, once unit approvals are complete. Quick Orders may only be used to purchase goods. Services cannot be purchased through a Quick Order. A Quick Order cannot be modified by a change order.

### Procedures

**5.1 Purchase Orders**

A purchase orders (PO) is a legal contract for goods or services that commits the supplier and university to a buying transaction. POs are one of the primary buying methods at Rutgers and are appropriate for goods, equipment, and services not available through the PCard.

A requisition is initiated by a unit and submitted in RU Marketplace with all of the appropriate supporting documentation. Once reviewed and approved by University Procurement Services, a PO is generated.

A purchase order **must be issued prior** to the goods being shipped or services being rendered.

**5.1.1 Types of Purchase Orders**
Units should place all orders using this order of preference:

1) **Internal Purchase Order (IPO)** - An IPO is a purchase order for a good or service that is provided by a university unit to another university unit. Procurement Services generally does not assist with these transactions, except in the event of an order change. See [Submit an Internal Purchase Order](#).

A complete list of active internal suppliers is available on RU Marketplace, accessible through [myRutgers Portal](#). Units must contact the internal department directly to determine the required type of requisition. Units can use the [Active IPO Search](#) job aid for assistance. If the specific supplier is already known, units can go to Shop, and search by "IPO: supplier name". For example "IPO: Academic Foundation Center".

Once approvals are complete, the system generates the IPO and sends the order to the servicing department.

1) **Check Request** - A check request is an official request to University Procurement Services to initiate payment for goods or services that, for most cases, do not require units to obtain quotes or bids. Check requests can be paid to suppliers or to non-employees. Check requests cannot be issued to a Rutgers employee. A check request initiates a system purchase order. See [Check Request Processing Instructions](#) (for University Procurement Services employees, see [Check Request Internal Process Instructions](#)).

The [Check Request Matrix](#) is maintained by University Procurement Services and outlines the goods and services that are allowable to be paid via check request. See 8.0 Payments for more detail.

2) **Punch-Out Catalog** - If a purchase cannot be completed by IPO or by check request, units should refer to Rutgers online catalog, or [RU Marketplace](#). RU Marketplace is an online catalog that provides campus customers with a centralized, convenient, cost-effective way to make unit purchases from suppliers with a university contract. Using a "shopping cart" experience, thousands of products are available by "punching out" to supplier catalogs. The supplier catalogs reflect university contract pricing. See [Punchout Process Instructions](#).

Types of products available:

- Computer supplies and peripherals
- Maintenance, repair, and operating supplies
- Office supplies
- Scientific supplies

Units should do the following to place an order:

1. Log on to RU Marketplace within the [myRutgers Portal](#).
2. Find the corresponding vendor “tile”.
3. Browse the supplier catalog for the good or service.
4. Complete the punch-out purchase. Use the Catalog purchase Job Aid for reference.
5. Wait for department approvals.
6. The Purchase Order is issued and the process is complete.

4) Other Contracted Suppliers - While many contracted suppliers have goods or services listed in the punch-out catalog, this may not be the case with all contracted items or suppliers.

To determine if there is an existing contract with the supplier they wish to procure goods or services from, units should contact the category team for requisition and contracting assistance.

5) Orders From Suppliers With No University Contract

A) Orders Under $10,000 (Quick Orders) - A Quick Order is a type of purchase order under $10,000 that does not require the review of University Procurement Services and may be sent directly to the supplier by the system, once unit approvals are complete. Services cannot be purchased through a Quick Order. A Quick Order cannot be modified by a change order. Quick Orders may only be used to purchase goods, except as described below. See Submit a Quick Order.

These goods CANNOT be purchased via Quick Order:

- Animals
- Biological agents
- Controlled substances
- Equipment that requires a utilities hook-up
- Furniture, carpeting, and window treatments
- Hazardous waste disposal
- Imported equipment that requires customs clearance
- Leases
- Legal services
- Lobbying services
- Plaques to be affixed on buildings or university-owned property and monuments
- Professional services
- Radioactive materials
- Select agents and toxins
- Software and Cloud-Based Purchases

Once it has been verified that a Quick Order is an acceptable means to place an order, the unit must:

1) Review the How to Buy section of the University Procurement Services website before making a purchase.
2) Complete the Quick Order form in RU Marketplace, including the checklist (see Purchasing Checklist Instructions in the Forms Repository).

3) Obtain a quote from the supplier.

4) Verify if there is a separate contract that needs to be executed prior to purchase order issuance.

If a Quick Order is NOT acceptable, the unit must:

1) Review the How to Buy section of the University Procurement Services website before making a purchase.

2) Complete the Goods or Service Request form in RU Marketplace, including the checklist (see Purchasing Checklist Instructions in the Forms Repository). Also see Submit a Goods Request or Submit a Service Request.

3) Obtain a quote from the supplier.

4) Verify if there is a separate contract that needs to be executed prior to purchase order issuance.

B) Orders From Suppliers With No University Contract ($10,000 – Less than $150,000) – Informal Bid

For orders $10,000 and over but less than $150,000, units must follow the specific steps to place an order:

1) Refer to the Informal Bid process in 3.0 Sourcing for details on supplier selection.

2) Complete the Informal Bid Request Form.

3) If the purchase is sole sourced, refer to 3.0 Sourcing and follow the Waiver of Bid process.

4) Verify if there is a separate contract that needs to be executed prior to purchase order issuance. Also attach any required documents (see Additional Required Documents below).

5) Complete a goods or service request form in RU Marketplace attaching a quote and, if required, a proposed contract attached. See Submit a Goods Request or Submit a Service Request.

6) After unit approvals, wait for the purchase order to be issued and the process completed.

C) Orders From Suppliers With No University Contract ($150,000 And Up) – Formal Bid
For orders $150,000 and over, units will need to go through a formal bid process. The formal bid steps are outlined in 3.0 Sourcing and require University Procurement Services’ involvement.

Once the formal bid process is complete, units need to follow these steps to place an order:

1) Complete a goods or service request form in RU Marketplace attaching a quote and, if required, a proposed contract. See Submit a Goods Request or Submit a Service Request. Also, attach any required documents (see Additional Required Documents below).

2) After unit and University Procurement Services approvals, wait for the purchase order to be issued and the process completed.

D) Additional Required Documents

There may be other documents that must be signed or approved prior to purchase order, depending on the supplier or the type of engagement:

- **ICED (Independent Contractor or Employee Determination)** – This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service.

- **BAA (Business Associate Agreement)** – This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the university template is preferred. A non-University template may be authorized upon contract management review, negotiation and approval. This contract must be negotiated and approved by the Rutgers’ Office of General Counsel.

- **Facilities Checklist** – This checklist should be reviewed if the purchase is a facilities engagement.

- **Public Works Registration** – This registration is needed for all facilities or construction-based engagements.

- **Statement of Work** – All service-based purchase orders should have a Rutgers Statement of Work that outlines the service scope and deliverables. This would include most professional services. This should be attached to the requisition as an internal document.
• **TPRA (Third Party Risk Assessment)** – This assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal or public information. The unit must forward the TPRA to Rutgers’ Office of Information Technology to review, assess the prospective supplier’s processes, and make a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers’ data, assets, and resources and to maintain confidentiality.

• **Voluntary Product Accessibility Template** – This assists University Office of Information Technology in assessing whether the electronic or information technology product being purchased meets accessibility standards.

5.2 **Alternate Transactions**

Not all requests through RU Marketplace seek the acquisition of goods and services. Such requests may be executed through a [Check Request](#) or [Non-PO Upload](#), both of which are initiated in RU Marketplace.

Moreover, some goods and services may be acquired without the use of RU Marketplace through the use of a Rutgers PCard.

5.2.1 **Non-PO Uploads**

Non-PO Uploads are a transaction process used for paying individuals rather than businesses, and can be used to pay individuals for:

- Non-qualifying scholarships
- Royalties (employees)
- TA/GA awards
- Patient refunds
- Non-employee refunds
- Petty cash
- Human subject payments/direct disbursements

Non-PO Uploads make it simple to submit a payment request for multiple individuals at once and allows units to track the status of the request. The process also ensures that the payments meet university requirements and IRS rules governing the taxation of payments to individuals (see 8.0 Payments). See

5.2.2. **Purchasing Cards (PCards)**

The Purchasing Card (Pcard) credit card program delegates purchasing authority and capability to eligible Rutgers staff. The Pcard, issued by Bank of America, eliminates the need for low-dollar requisitions and is convenient for suppliers that do not accept POs. Using the Pcard provides quicker
turnaround time, greater flexibility, and reduced paperwork on orders. The card may be used solely for purchases related to official Rutgers business.

Low-dollar items may be purchased with the PCard if the following two conditions are met:

- the item is not available from a university-contacted supplier or an internal supplier; and
- the purchase is necessary to the mission of the unit

For more information, please see the Card Programs Procedures Manual.

### 5.3 Change Orders

There are times when a unit needs to change an order. Only open orders can be changed. The ability to change an order depends on the type of ordering method that was used. Change orders are **not** accepted for Check Requests (see [8.0 Payments](#)), Quick Orders, or Punch-Out Catalog Orders.

Reasons to change an order:

- Increase/decrease the amount of an order, including as a result of a change in scope of work
- Increase/decrease quantity of order
- Canceling an order
- Closing an order (if remaining funds are on order)

Orders that can be changed:

**A) Internal Purchase Order** – While University Procurement Services does not initiate IPOs, its involvement is necessary when processing a change order request.

1) The unit opens the Change Order folder in [RU Marketplace](#), within Forms.
   - For increases/decreases, use the PO Line Modification Form
   - For closes/cancelations, use the PO Line Close/Cancel Form

2) University Procurement Services receives the form and makes the change in the system.

3) The unit contacts the internal servicing department and communicates the change.

**B) Goods or Service Request Order** – Any order where a Goods or Service Request Form was required for the requisition is eligible for a change.

1) For service-related change orders, a service amendment may be required. Amendment forms are available in the University Procurement Services Forms Repository.

2) The unit opens the Change Order folder in [RU Marketplace](#), within Forms.
   - For increases/decreases, use the PO Line Modification Form
• For closes/cancelations, use the PO Line Close/Cancel Form

3) University Procurement Services receives the form (with attached amendments as appropriate), reviews the change (and signs any needed documents) and makes the change in the system.

References

Campus Instructions
Active IPO Search
Submit an Internal Purchase Order
Check Request Processing Instructions
Submit a Check Request
Punchout Process Instructions
Catalog purchase Job Aid
Submit a Quick Order
Submit a Goods Request
Submit a Service Request

Process Flowchart
Ordering Goods and Services

University Procurement Services Internal Instructions

Check Request Internal Process Instructions

Revisions

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