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, visit University Procurement Services’ Training and Resources.

Procedure Outline

5.1 Purchase of Goods or Services
5.2 Alternate Transactions
5.3 Change Orders

Definitions

Blanket Order: A blanket order is a purchase order the customer makes with its supplier which contains multiple delivery dates over a period of time, often negotiated to take advantage of predetermined pricing. It is normally used when there is a recurring need for expendable goods. Blanket orders are often used when a customer buys large quantities and has obtained special discounts.

Business Associate Agreement BAA (BAA): 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.

Independent Contractor or Employee Determination (ICED): This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier completes and must be reviewed and approved by University Procurement Services or University Tax Services Department prior to any start of service.
**Internal Purchase Order (IPO):** A purchase order issued to an internal Rutgers unit that provides goods or 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 for paying individuals rather than businesses and are used to pay for non-qualifying scholarships, royalties (employees), TA/GA awards, patient refunds, non-employee refunds, petty cash, and human subject payments/direct disbursements. Purchase orders are not required for this type of payment.

**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 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.

**Third Party Risk Assessment (TPRA):** This document 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 submit the TPRA to Rutgers’ Office of Information Technology who will review, assess the prospective supplier’s processes, and make a recommendation as to whether or not the supplier meets the University’s standards for moving forward with the transaction. The goal is to provide a safe environment for Rutgers’ data, assets, and resources while maintaining 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 the unit approvals are complete. Quick Orders may only be used to purchase goods and cannot be modified by a change order. Services are not to be purchased through a Quick Order.

### Procedures

#### 5.1 Purchase of Goods or Services

There are two types of purchases that can be made at Rutgers: goods or services.

There are many ways that units can purchase of goods or services. The following are the order of preference at Rutgers:
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.

2) **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.

3) **Purchase Order** - 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. Purchase orders can be issued via one-time purchase or blanket orders. Blanket orders cannot be used for quick orders.

### 5.1.1 Purchase Order Methods

1) **Punch-Out Catalog** - Units should refer to Rutgers’ online catalog, or [RU Marketplace](#), 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.

2) **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.

3) **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 nor can a blanket order be issued for a quick 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. This section has a checklist that units should be aware of in order to ensure compliance with University requirements and Uniform Guidance.
2) Complete the Quick Order form in RU Marketplace.
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. This section has a checklist that units should be aware of in order to ensure compliance with University requirements and Uniform Guidance.
2) Complete the Goods or Service Request form in RU Marketplace. 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. This section has a checklist that units should be aware of in order to ensure compliance with University requirements and Uniform Guidance. See instructions and video. For University Procurement Services staff, see Informal Bid and Waiver of Bid Internal Process Instructions.
3) If the purchase is sole sourced, refer to 3.0 Sourcing and follow the Waiver of Bid process. Complete the Waiver of Bid Request Form, referring to the instructions and video.
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.

Prior to University Procurement Services’ involvement, units must do the following:

1) Complete the RFX Intake Form. This section has a checklist that units should be aware of in order to ensure compliance with University requirements and Uniform Guidance. See instructions and video. For University Procurement Services staff, see RFX Intake Form Internal Processing Instructions.

2) If the purchase is sole sourced, refer to 3.0 Sourcing and follow the Waiver of Bid process. Complete the Waiver of Bid Request Form, referring to the instructions and video. For University Procurement Services staff, see Informal Bid and Waiver of Bid Internal Process Instructions.

University Procurement Services will work with units throughout the formal bid process.

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

- 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).

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

B) Additional Required Documents

There may be other documents that that must be signed or approved prior to purchase order, depending on the supplier or the type of engagement. Most of these items are included on the purchasing intake forms (Informal Bid Intake Form, RFX Intake Form, and Waiver of Bid Request Form).
The additional forms are:

- **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. Please refer to the Professional and Business Services Matrix for assistance.

- **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 constructions-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. Please refer to the Professional and Business Services Matrix for assistance.

- **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)
- Teaching Assistant/Graduate Assistant Awards (TA/GA)
- 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
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.

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**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
Informal Bid Intake Form Instructions
Informal Bid Intake Form Instructional Video
RFX Intake Form Instructions
RFX Intake Form Instructional Video
Waiver of Bid Request Form Instructions
Waiver of Bid Request Form Instructional Video

Process Flowchart
Ordering Goods and Services

University Procurement Services Internal Instructions

Check Request Internal Process Instructions
RFX Intake Form Internal Process Instructions
Informal Bid and Waiver of Bid Internal Process Instructions

Revisions

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