STANDARD OPERATING PROCEDURE

SOP Number: Purchasing and AP 22-01

SOP Title: Spending Amount Limits to Purchase

Effective Date: 3/1/22

Revised Date: 9/1/24

1. PURPOSE

The purpose of this Standard Operating Procedure is to provide guidance on the spending amount and limits to purchase.

1. SCOPE

This SOP applies to Western Carolina University employees, departments, and divisions.

1. RESPONSIBILITIES
   1. Chief Purchasing Officer – The Chief Purchasing Officer is responsible for ensuring compliance and biennial review of the policy.
2. DEFINITIONS
   1. Competition in purchasing exists when the available market for goods or services to be acquired consists of more than one responsible vendor that is qualified and willing to submit an offer.
   2. Informal Bid means a written quotation obtained from an approved vendor, but a sealed bid is not required.
   3. Formal Bid is a procedure that requires the use of competitive bidding utilizing Western Carolina University electronic bid software.
   4. Small purchase means the purchase of goods and services not covered by a term contract where the expenditure of public funds, including extensions and renewals is equal to or less than the small purchase benchmark.
   5. Solicitation means to request or invite vendor offers, or to request information regarding the acquisition of goods and services, using solicitation documents.
3. SPECIFIC PROCEDURE
   1. Small Purchases

The Small Purchase Benchmark value shall be $29,000 in 2023 dollars, as of September 25, 2023. The state procurement officer shall adjust the small purchase value for inflation in June of odd-numbered years using the consumer price index. The inflation change shall be calculated by dividing the CPI-U index value in May of the current year by the index value from May of two years prior.

* 1. Informal Bidding Procedure

Where the total Contract value for isolated purchases as well as extensions and renewals, involve an expenditure of public funds exceeding the small purchase Benchmark of $29,000. The informal bidding procedure will utilize the spending level of over $29,000 and up to $75,000 in 2023 dollars. The informal bidding process has been described by the Department of Administration as a “three quotes and buy” procedure. The campus user will provide an organization name, contact, and the specifics of the required item to the purchasing agent. The purchasing agent will solicit quotes and a contract will be awarded after review.

* 1. Formal Bidding

Formal Bidding will be utilized for any purchase amount over $75,000 up to $250,000 in 2023 dollars. Western Carolina University Purchasing will utilize the Bonfire electronic bid software as the official electronic bid system for the use of a formal bid.

* 1. Formal Bidding – Expenditures exceeding $250,000.

Expenditures that exceed Western Carolina Universities delegation of $250,000 will require input from the Department of Purchase & Contract (P&C). Western Carolina University will be required to complete the bid form for P&C. Once completed the purchasing agent will forward the bid form to P&C for review and approval to post. After bid closure, Western Carolina University will determine which vendor they would recommend being awarded the contract. All documents from the bid, recommendation and justification will be submitted to P&C for award. P&C will have final determination on approval or denial.

1. RESOURCES

North Carolina Procurement Manual: <https://files.nc.gov/ncdoa/documents/files/NC-Procurement-Manual-2022-with-TOC.pdf>