

# Federally Funded Procurements

Department of Procurement & Business Services  
Revised November 2023



# Procurement at UMD

- \$5,000 Pcard Limit
- \$25,000 Delegated Procurement (Auto PO) limit
- \$200,000 Simplified Acquisition Threshold
- Competitive solicitations  $\geq$  \$200,000 must be publicly posted
- \$50,000 Strategic Contract limit (includes Shell Shop)
- State of Maryland approvals - Board of Public Works
- $\geq$ \$5M Board of Regents approval required



# Procurement Responsibilities

**Sourcing**

**Bidding**

**Contract  
Review,  
Negotiation &  
Routing**

**Contract  
Signature,  
Completion &  
Management**

**Compliance &  
Reporting**



# Signature Authority and Why it Matters

- Signature Authority is delegated by the President of the University to specific roles on campus in accordance with the Annotated Code of Maryland Education Article Title 12, Section 109(e)(9)-see letter issued October 8, 2021 by President Pines
- Individuals who are not granted signature authority are not to sign documents committing UMD
- State of Maryland does not recognize apparent authority and you could be held personally responsible for what you agree to, and depending on what you agree to, you may be violating state law



# Purchasing Methods at UMD



# Pcard Uses and Limitations

- The Pcard Program is governed by the State of Maryland
- Intended for low dollar transactions <\$5,000
- Restricted use
- Splitting transactions is **not** allowed and will result in a minimum 45 day suspension of card privileges



# Delegated Procurements

<\$25,000 regardless of fund source

- Obtain a quotation/proposal from supplier
- Review quotation/proposal and negotiate items that are not acceptable
- Attach copy of proposal and other critical information to requisition and submit for Fiscal Officer (FO) approval
- The Automated PO will be generated upon FO approval



# Shell Shop Orders

- Shell Shop is a catalog shopping solution for departments to buy from Strategic Contracts
- It is intended to make buying from contracted suppliers easier
- \$50,000 threshold for Strategic Contract purchases
- To learn more about Shell shop visit <https://purchase.umd.edu/shell-shop>





# Procurements $\geq$ \$25,000

- Purchase Order **must** be completed prior to order placement (regardless of \$ amount)
- Sourcing
- Competitive Solicitations-these are to be performed by Procurement
- Sole Source purchases require written, valid justification based on specific requirements being met
- Terms and Conditions



# Micropurchase Threshold

- The micropurchase threshold is part of the Uniform Guidance
- On 6-30-2021, UMD increased the micropurchase threshold to \$25,000 (formerly \$5,000)
- When buying items on Federal funds below the micropurchase threshold, demonstration of competition and fair price is required



# Additional Requirements for Federally Funded Activities

- Federal Flowdowns
  - Grant/Cooperative Agreement flow from the Uniform Guidance
  - Contract Flowdowns flow from the FAR/DFAR
  - Both KFS and Shell Shop provide the option to select the appropriate flow downs
- Restrictions associated with funding



# Procurement Tips

- A purchase order must be completed **before** placing an order with a supplier
- Contact Procurement if you need help or guidance
- Obtain quotations from suppliers for delegated orders-these will be looked for by auditors
- Don't engage in "stringing" activities



# Procurement Tips

- Don't sign anything from a supplier with the exception of receiving documents
- If a supplier requests a signature on a document route it to Procurement for review, negotiation and signature
- Freight terms matter and can be costly - FOB Destination is always preferred



# Key Procurement Contacts

- Website: <https://purchase.umd.edu/>
- Karen Elvidge, Manager of Construction Procurement, [elvidge@umd.edu](mailto:elvidge@umd.edu)
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**Questions?**

