



## UNIVERSITY OF MASSACHUSETTS DARTMOUTH PROCUREMENT MANUAL

### Section 1.2 - Rationale for Centralized Procurement and the Bid Process

#### 1. What is Centralized Procurement?

Centralized procurement is a system in which the authority, responsibility and control of procurement activities is concentrated in one administrative unit. At the Dartmouth Campus and all University System campuses, the administrative unit that has such authority is the Procurement Department. As a public institution, the University is governed by the laws and regulations that pertain to procurement in higher education as established by the Commonwealth and the University's Board of Trustees. Centralized procurement provides strategic value added services in managing the solicitation process that ensures the community has access to products and services that best meet their and the University's requirements. In addition it provides transparency with checks and balances that are necessary to ensure that goods and services are purchased within such laws and regulations, from University validated sources and at the best possible prices.

#### 2. What is a Contract?

A contract is established by an entity making an offer and another entity making an acceptance that is covered by consideration in the form of money. When the University issues a Purchase Order, it is offering to purchase a good or service. The vendor accepts the offer by acknowledgment or by filling the order and shipping the goods or rendering the service requested. Once the goods are delivered, received and invoiced the transaction is completed upon payment by the University. At this point the contract has been fulfilled.

#### 3. Why Obtain Proposals/Bids/Quotes?

Information from vendors about available goods and services are obtained in the form of proposals/bids/quotes in order to ensure that purchases are made in the best interest of the University. This process allows University departments to examine multiple options from different vendors and to consider the terms and acquisition & lifecycle cost associated with each option. Based on the dollar threshold and complexity of a required good or service it may be appropriate for the individual department to obtain multiple quotes or it may be required that they supply information to the Procurement Department so that a formal bid process can be managed through that department. The dollar thresholds and requirements pertaining to the correct process are summarized in *Section 1.10 - Dollar Limits - Procurement Type*.

Common questions to consider when reviewing proposals include:

- Is the product the best one available for the particular application?
- Does the vendor have the appropriate individual expertise, qualifications and historical track record to deliver the required services at the quality desired?
- Is the product description current, or has it been superseded by a more current model?



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- What is the availability of the product? Can they meet the University's quantity and delivery requirements?
- What is the Freight On Board (F.O.B.) point? Who pays for freight and when does ownership pass?
- Is the price proposed reasonable within the market place?
- Is maintenance in subsequent years fair and reasonable?