



THE UNIVERSITY OF NORTH CAROLINA
AT
CHAPEL HILL

Materials Support Department
919-962-2251

The University of North Carolina at Chapel Hill
CB# 1100, 440 W. Franklin Street
Chapel Hill, NC 27599-1100

February 21, 2001

To: Deans, Directors, and Department Chairs

From: Howard Gorman, Director, Materials Support Department
Dennis Press, University Controller

Re: Small Order Purchasing

This memo raises the small purchase threshold and summarizes recent and on-going improvements to the way we manage small dollar value purchasing. As we have discussed several times at our Materials Support Customer Service meetings and elsewhere on campus, the authority and responsibility for small purchases now resides within departments. We have been working with campus to implement several vehicles which enable this change including the purchasing card, automated check requisitioning, and most recently E-commerce. So far the feedback has been overwhelmingly positive. E-commerce, Staples for Office Supplies and recently FISHER for scientific/lab supplies, is usually the easiest and most efficient process. We expect to expand our E-commerce contracts in the future. You can access our E-commerce contracts by going to the Materials Support Department web site at www.ais.unc.edu/msd/ and clicking on "E-MALL".

The responsibility for small purchasing goes hand-in-hand with the authority. So while purchasing has a limited "monitoring" role, the basic responsibility for small purchasing is delegated to DEPARTMENTAL MANAGEMENT. Purchasing looks primarily at paperwork flow and completeness of records. DEPARTMENTAL MANAGEMENT is responsible for the appropriateness of both the purchases and the usage of items purchased through the small purchase method.

Effective March 1, 2001, the Small Order Purchase Threshold will be increased from \$2,500 to \$5,000 per order. Although competition is not required, individuals using Small Order Procedures are responsible to search for the best value before expending University funds.

Small Order Procedures cannot be used for the following:

1. Orders over \$5,000. Orders may not be split to avoid this threshold.
2. Services other than repairs and maintenance. The following object codes can be done under small order: 3513, 3514, 3515, 3516, and 3517
3. Research gases
4. Radioactive materials
5. Printing
6. Purchases from overseas vendors
7. Items carried in University storerooms

Where federal grants and contracts are involved, federal regulations, such as the Office of Management and Budget Circulars A-110 and A-21, and the Federal Acquisition Regulations must also be adhered to.

The on-line check request system may be used for Small Order Purchases using the \$5,000 threshold. The P-Card threshold remains at \$2,500. E-Commerce limits remain at \$2,500 per line item and \$5,000 per order.

We look forward to continuing to work with the campus to improve purchasing and other administrative efficiencies. Questions should be addressed to Phil Charneskie, 962-3774, or email Phil_Charneskie@unc.edu.