

Requirements for Vendor Selection and Order Creation

Authority for the review and approval for most purchases at the university is the responsibility of Procurement Services (Procurement). Exceptions are discussed later in this document.

One of the services that Procurement provides for the campus is the negotiation of supplier agreements – both preferred and contract. [University Policy 3.25, Procurement of Goods and Services](#), states “In many cases, suppliers are preselected based on campus input, screened, and negotiations have already been conducted, resulting in preferred supplier agreements. Where such agreements exist, units must procure goods and services from these preferred suppliers regardless of dollar amount or procurement method.”

What does this policy mean for the units?

1. Determine if the good or service that you want to purchase is covered by a preferred or contract supplier agreement.
 - a. If Procurement has negotiated a preferred supplier agreement with a supplier for the commodity (good or service) that you are purchasing, then you must purchase that commodity from the preferred supplier.
 - b. You are encouraged to review the discounted pricing available from contract suppliers but are not required to use the contract supplier.
2. For items that are not covered by preferred or contract supplier agreements and for purchases below the \$50,000 bid limit, you are encouraged to shop with local suppliers and small businesses and to review the suppliers in e-SHOP as part of your comparison shopping experience.
3. Determine the appropriate procurement method.
 - a. If the supplier is available in e-SHOP, then begin your requisition in e-SHOP as it simplifies the data entry and ensures you received discounted pricing.
 - b. If the vendor is not available in e-SHOP, then you must determine if the purchase is eligible for payment via procurement card (pcard) or direct payment (disbursement voucher).
 - c. If not eligible for pcard or disbursement voucher (DV), then a purchase order (PO) is required.
 - d. To assist you in making the determination, refer to the Procurement Decision flowchart in [Section 200](#). Please reference prohibited pcard transactions ([Section 302](#)) and direct payment via DV ([Section 203](#)).
4. In situations where a preferred supplier agreement does not exist and the purchase amount exceeds the formal bid limit of \$50,000, a vendor is selected through competitive bidding, unless an appropriate justification and an alternative method of selection are specifically authorized by a Procurement Agent (refer to [Section 400](#)).

Relationships with Vendors

The highest standards of business ethics and conduct should be applied by all Cornell employees to relations with suppliers. When making decisions affecting suppliers, employees shall not obligate either themselves or the university to a supplier. In conducting business with suppliers, employees are also expected to act fairly and objectively and in the best interests of the university. Fairness to suppliers is promoted by the following means:

- By giving all salespersons, a fair, prompt and courteous hearing on any subject that is justified by the nature of their products or services.

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- By keeping competition open and fair.
- By discouraging revisions of bids after submission and insisting on receiving the best price initially and holding the bidder to it.
- By keeping buying specifications fair and clear and not including impractical or unnecessary specifications.
- By showing consideration for the suppliers' difficulties and fully cooperating with them possible.
- By not soliciting quotes from potential suppliers unless we are willing to use that supplier should the offer be acceptable in quality, price, delivery terms and service. Qualifications of a supplier will be determined before a quotation.
- By not bargaining with suppliers. Ensure that each bidder's quoted price is compared with other bids submitted under the same conditions.
- By keeping prices confidential and not divulging those prices to competitors.

In cases when the appropriate Procurement Agent is not already providing the communication interface with suppliers, employees should consult with Procurement if questions arise relative to these guidelines.