

Requirements for Vendor Selection and Order Creation

Authority for the review and approval for most purchases at the university is the responsibility of Procurement and Payment 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?

First, determine if the good or service that you want to purchase is covered by a preferred or contract supplier agreement.

Second, refer to the supplier utilization hierarchy below to aid you in selecting a supplier.

- 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.
- You are encouraged to review the discounted pricing available from contract suppliers, but are not required to use the contract supplier.
- For items that are not covered by preferred or contract supplier agreements and for purchases below the \$25,000 bid limit, you are encouraged to shop with local or diverse suppliers and to review the suppliers in e-SHOP as part of your comparison shopping.

Supplier Type	Definition	Unit Spending Goal
Preferred suppliers	A supplier with whom Procurement Services has negotiated and/or implemented a university-wide agreement and that Procurement Services endorses as the “best overall value” in providing products, services, delivery, and customer service. These suppliers have participated in a competitive bid and negotiation process, were selected because they meet criteria established by commodity teams comprising campus users. Where agreements with a specific supplier exist for a good or service (commodity), units must procure those goods and services from these preferred suppliers.	80%
Contract suppliers	A supplier who has participated in a competitive bid process and agreed to Cornell’s terms and conditions. We encourage you to use these contracts to take advantage of price discounts.	
Local suppliers	A business located in Tompkins County or adjacent counties.	20%
Diverse suppliers	Any business concern that is at least 51 percent owned by a woman, minority, veteran, or LGBTQ, who are U.S. citizens and whose	

	management and daily business operations are controlled by one or more of such individuals.	
--	---	--

Third, determine the appropriate procurement method. If the supplier is available in e-SHOP, then begin your requisition in e-SHOP as it simplifies the data entry and ensures you receive the discounted pricing. If the vendor is not available in e-SHOP, then you must determine whether the purchase is eligible for payment via pcard or disbursement voucher (DV). If not eligible for purchase via pcard or DV, then you must use a purchase order (PO). 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](#)).

In situations where a preferred supplier agreement does not exist and the purchase amount exceeds the formal bid limit of \$25,000, 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.
- 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 cooperating with them to the fullest extent possible.
- By not soliciting quotes from potential supplier 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.