Subject: Procurement and Procard Updates, effective March 17, 2014

What has changed?
- Increase in the Procard per-transaction limit from $3,000 to $5,000.
- Increase in the required bid limit from $3,000 to $10,000
- Increase in the myMarketplace direct order transmission to supplier from $3,000 to $10,000
- Federally-mandated changes to the Procard application that will require additional information from the employee for both new applications and renewals

How do these changes affect my Procurement decisions?
The table below summarizes the procurement method that offers the most convenience while remaining compliant with University policy:

<table>
<thead>
<tr>
<th>Type</th>
<th>Today</th>
<th>Proposed Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procard</td>
<td>up to $3,000 per transaction</td>
<td>up to $5,000 per transaction</td>
</tr>
<tr>
<td>myMarketplace</td>
<td>Direct order transmission to supplier up to $3,000</td>
<td>Direct order transmission to supplier up to $10,000</td>
</tr>
<tr>
<td>PO</td>
<td>All transactions unless the supplier accepts Procard</td>
<td>Up to $1,000 use a Direct Pay Form (Dpay) except for independent contractors &gt;$1,000 must use PO unless Procard accepted</td>
</tr>
<tr>
<td>Bid/Award Justification</td>
<td>Bid documentation supporting PO if &gt;$3K</td>
<td>Requires documentation to demonstrate a fair and reasonable price if &gt; $10K</td>
</tr>
</tbody>
</table>

There are exceptions to these guidelines around the payment of independent contractors. Clarified guidelines for payments to independent contractors are forthcoming.

Why are these changes necessary? How does the University benefit?
The change in the Procard application has been mandated by the Federal government. Procard renewals and applications for new Procards will need to include:
- Country of citizenship
- Home address

A revised form is available at [http://www.northeastern.edu/ap/pdfs/Procard2014.pdf](http://www.northeastern.edu/ap/pdfs/Procard2014.pdf). All previous versions of forms should be discarded. There is no anticipated benefit to the University for the change in the Procard application. It is a Federal requirement that must be met.

Changes to the PO and Bid limits are of a significant benefit, and they have been adopted to reduce the amount of time needed to fulfill a need for goods and services. They also reduce the administrative burden on the University. Both the PO and bid limit changes have been considered after evaluating the practices that our peers in higher education follow. This change is consistent with internal control guidelines.
Who can answer questions for me?
For Procurement Card questions, please contact Michael J. Mallon, Director of University Disbursements, Non Payroll at 617-373-4085. For procurement or preferred supplier relationship questions, please contact Michael McNamara, Director of Procurement Services at 617-373-5883.