Finance & Administration
Procurement Services

POLICY

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Approved by: Exec. Vice President Finance & Administration/CFO & Chief Procurement Officer
Authority: LAC 34:XIII.501

See Also:
POL-U501 ***(Methods and Thresholds for Procuring Goods & Services)***
PRO-U501.A.01 (***Invitation to Bid)***
PRO-U501.A.02 (***Request for Response***)
PRO-U501.A.03 (***Request for Quote***)
PRO-U501.B.01 (***Sole Source Procurements***)
PRO-U525.A (***Exceptions to the Competitive Solicitation Process***)
PRO-U525.A.36 (***Small Purchases***)
PRO-U525.C (***Cooperative Purchasing Agreements***)
POL-U2303.C ***(Conflict of Interest in Procurement)***

POL-U501.A Methods and Thresholds for Procuring Goods & Services with Federal Funds

This policy applies to university departments procuring goods and services utilizing Federal Funds and identifies methods for procurement and thresholds required for formal or informal competition.

The estimated cost and determined risk associated will control whether a procurement follows an informal or formal process, except when the purchase is either a small purchase, an exception to competition, purchased from an approved cooperative agreement or a sole source purchase is being approved for use.

Definitions:

1. *Recurring Procurements* – Repeated purchases of goods and services, including the net price of all items, shipping, taxes, and related fees, in a 12-month period based on the department's established need.

2. *Single Procurement* – One-time purchase of goods and services, including the net price of all items, shipping, taxes, and related fees, in conjunction with the department's established need.

3. *Small Purchases* – Single procurement of goods and services for which the aggregate cost does not exceed the established small purchase threshold and, where a master contract cannot be used. Synonymous with the term "micro-purchase" as defined in the UG. (See also – PRO-U525. A.36 – *Small Purchases*)

4. *Informal* - Process of soliciting competitive quotations from multiple suppliers using an informal method such as email or fax. The solicitation, and evaluation process may be conducted by the campus department(s), as per delegated authority, or by the Campus Procurement Department. Specifications are provided and the award is based on price and/or minimal non-price factors. The complete solicitation process usually takes from 1-2 weeks. (See also: PRO-U501. A.02 *Request for Response*; PRO-U501. A.03 *Request for Quote*)

5. *Formal* - Process of soliciting written, sealed bids from multiple suppliers. Formal competition requires that the solicitation be publicly advertised, and sealed bid responses are due on a specified date at a specified time at which time an official bid opening will be held. Once reviewed and evaluated through a process managed by Procurement Services with participation from the University Department, a notice of intent to award or purchase order is issued. Formal solicitations require specifications development and/or evaluation criteria. The award may result in complex supplier negotiations, based upon price, non-price factors, as well as other terms and conditions. Request for Proposals (RFP); Solicitation for Offers (SFO); Request for Quote and Qualifications (RFQQ) may be used as deemed appropriate by the Chief Procurement Officer. (See also - PRO-U501. A.01 *Invitation to Bid)*.

Important Note:

If a supplier requires signature on an agreement, contract, or any other form, the document must be submitted to Procurement Services for review/execution **prior** to making the purchase.

Procurement Types:

1. *Goods* - Purchases including, but not limited to, equipment, materials, supplies, insurance, maintenance, and leases on real property.

2. *Services* - The furnishing of labor, time or effort by a supplier which may involve, to a lesser degree, the delivery or supply of a product, incidental to the required performance. Construction Services are not included. (For Workday purposes – such services shall be added as goods rather than services.)

3. *Information Technology* – Includes all associated costs during a 12-month period for software, installation, license, modifications, implementation, integration, training, hosted software, software subscriptions, support, and hardware/software maintenance. Hardware purchases are not included.

4. *Professional Services* – Includes services that are rendered by an independent contractor who has a professed knowledge and an advanced specialized study and training of some department of learning or science used in practical applications to the affairs of others or in the practice of an art founded on it, shall include but not limited to, lawyers, doctors, dentists, psychologists, advance practice nurses, veterinarians, architects, engineers, land surveyors, landscape architects, accountants, actuaries, claims adjusters, pharmacists, visiting professors and scientists.

5. *Consulting Services* - An independent individual or firm to perform a service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the university except as to the result of the work.

6. *Specialty Services* – services rendered by individuals requiring the use of graphic artists, sculptors, musicians, entertainers, photographers, and writers or which require the use of highly technical or unique individual skills or talents, such as, but not limited to, paramedics, therapists, handwriting analysts, foreign representatives, expert speakers, trainers within a continuing education program and expert witnesses for adjudications or other court proceedings.

Single Procurement Thresholds:

1. Small Purchases
   a. Goods and Services - less than or equal to $10,000
   b. Departments should ensure small purchases with federal funds are not made from suppliers that are debarred, suspended, or otherwise excluded from or ineligible to participate in Federal assistance programs or activities. Refer to www.SAM.gov prior to the purchase using the Review Exclusion List Using SAM job aid.

2. Informal Competition
   a. Goods and Services - $10,000.01 or greater and less than $50,000

3. Formal Competition
   a. Goods and Services - $50,000 or greater
   b. Information Technology - $150,000 or greater
   c. Consulting Services - $75,000 or greater*

UNDER NO CIRCUMSTANCES MAY A PROCUREMENT BE ARTIFICIALLY DIVIDED SO AS TO AVOID THE APPLICATION OF COMPETITIVE THRESHOLDS UNDER THIS POLICY.

To ensure appropriate competition, the department should determine the need and estimated spend for a product or service (whether a single procurement or recurring procurements) within a 12-month period.

*The Chief Procurement Officer (CPO) shall determine the appropriate solicitation methods to be used in procuring services for the University.

Other Procurement Methods

1. **Exceptions to Competitive Solicitation**
   Commodities consistent with Section 525 of the University Procurement Code may be procured with federal funds without formal or informal competition **up to $50,000.00** but may have additional processes that are required (See Also - Exceptions to the Competitive Solicitation Process (PRO-U525.A).

2. **Professional & Specialty Services**
   Contracts for Professional & Specialty services may be awarded without the necessity of competitive bidding or competitive negotiation.

3. **Cooperative Buying/Purchasing Agreements**
   When deemed appropriate and in the best interest of the University, the process for utilizing a cooperative purchasing agreement may apply and is outlined in PRO-U525.C - *Cooperative Purchasing Agreements*.

4. **Sole Source Procurement**
   Purchases $10,000.01 or greater, that are not otherwise exempt, where there is only one source for a good or service, and only one supplier has the sole ability to meet the requirements of the procurement. Federal Funds sole source procurement categories are: Patented Technology; Continuity of Research; Compatibility with Existing Goods/Services; Proprietary Technology or as **required and approved** in

a grant. The process for utilizing a sole source procurement is outlined in PRO-U501.B – *Sole Source Procurements.*

Emergency purchases shall continue to be made in accordance with established University procedures using the most competitive process available consistent with the need for responding to the emergency. Reasonable efforts under the circumstances shall be made to obtain quotations from three or more suppliers when goods or services are to be purchased on an emergency basis.

Debarment and Suspension

Procurement Services will ensure suppliers that are debarred, suspended, or otherwise excluded from or ineligible to participate in Federal assistance programs or activities are not used for federally funded procurements. Buyers are to obtain confirmation from www.SAM.gov prior to issuing a purchase order/change order.

Domestic Preference

A preference shall be provided, to the greatest extent practicable, for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

"Produced in the United States" means, for the iron and steel products, that manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

"Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete, glass, optical fiber, and lumber.

In cases where, there is a tie between bidders the preference shall be given to the domestic supplier.

Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

Funds cannot be obligated or expended to extend or renew a contract, or procure or obtain equipment, services or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as a critical technology as part of any system.

Covered telecommunications equipment is equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Procurement Services will ensure these suppliers are not enrolled as suppliers in our supplier database for use.