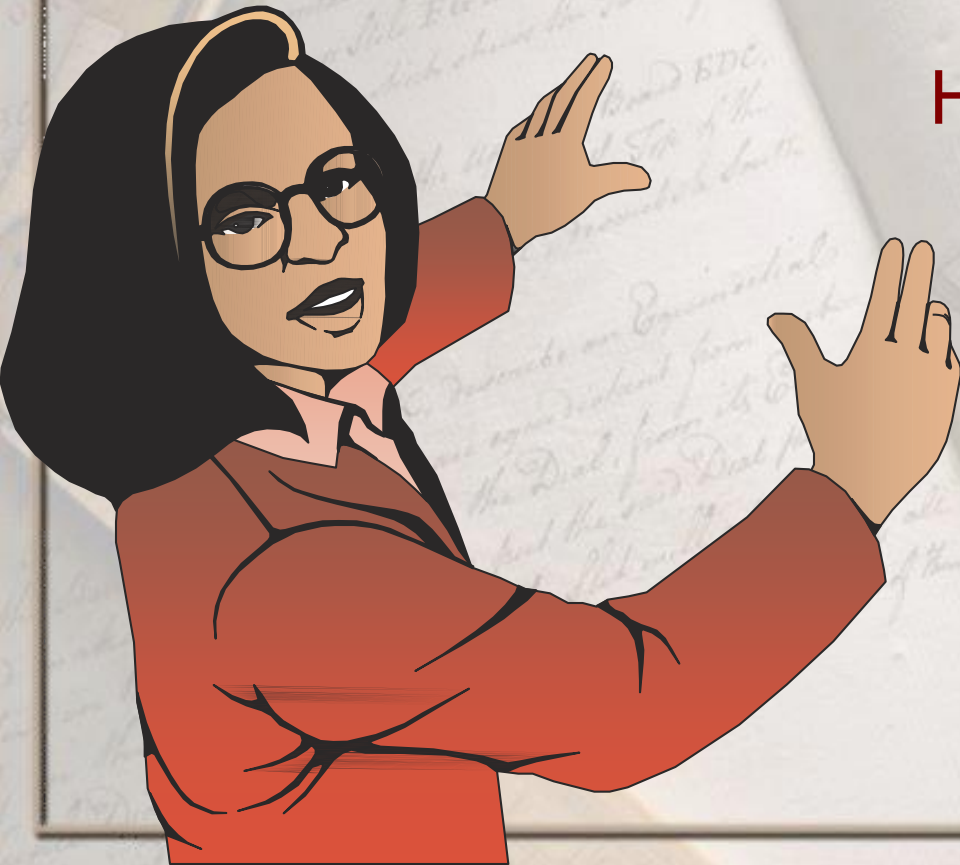


PURCHASING 101

HOW TO BEGIN



Know the Code

➤ Utah State Procurement Code

- If you think you know the code, here is a link to see the additions made since 2008.

<http://www.rules.utah.gov/publicat/codificationsegue.htm>

➤ City/County/School District Code

- Each state entity has their own procurement code.

Determine total scope of the purchase.

- It is against the Utah Procurement Code to artificially divide a purchase order, in order to avoid quote/bid requirements.
- Try to gather all the information necessary to make a solid procurement strategy.

Is the Purchase on a current District or State Contract?

- Schools and departments are required to use District Contracts (regardless of dollar amount) when the contract offers products/services that meet specifications and/or requirements.
- State Contracts are an excellent source to procure goods and services, however they are not your only option.
- You can access a list of the State Cooperative Contracts the Division of Purchasing and General Services website at: www.purchasing.utah.gov. Click on the “State Contracts” link.
- Search by keyword of products desired.

Is the Total Purchase Less than \$2,000 cumulative or \$1,000 for a single item?

➤ School/Department may select the best source without seeking competitive quotes, however, since public funds are being used, it is encouraged that you get quotes.

* When making a purchase of a good or service for the first time, it is always a good idea to get quotes from a couple of different sources.

Did your quote include shipping costs?

➤ Indicate at time of quote:

FOB Destination Freight Prepaid

Or

FOB Origin (District responsible for arranging freight from the vendor).

Or

Free Shipping

Is the Total Purchase Greater than \$2,000 and Less than \$10,000?

- School/Department shall obtain competitive quotes and purchase item/service from supplier offering the lowest quote meeting stated specifications.
- Three verbal or written quotes are required.
- Quotes must be attached to the purchase requisition and maintained as part of public procurement record (for auditing purposes).

Is the Total Purchase between \$10,000 - \$49,999?

- Request for written quotation must be sent out to potential vendors with specifications.
 - Must receive 3 written quotes and attach to requisition.
- Or
- Send/Acquire detailed specifications to the Purchasing Department. Please include quantity required, date required (if applicable), delivery location, and include a valid account number with budgeted and allocated funds.
 - Send/Acquire a suggested list of recommended suppliers (if known) including contact information, e-mail address and phone number.

Is the Total Purchase Greater than \$50,000?

- Must be sent to the Purchasing Department for formal bid.
- Must be publicly advertised 10 calendar days before bid opening.
- Selection criteria to be determined before bid is published, and if applicable, a selection committee appointed to review the final bids.
- Must receive Board of Education/Department approval.

Common Procurement Methods

- Request for Information (RFI)
- Request for Quotation (RFQ)
- Invitation for Bid (IFB)
- Request for Proposal (RFP)
- Multi-Step Bid (MSB)
- Sole Source

*Work with the requesting agency to determine which method is best for their requirements.

Request for Information (RFI):

- Surveying the marketplace to assist with future specification development
- Determine qualifications of potential vendors
- Verify that the solution will meet the need
- No pricing is to be requested
- No Award

Request for Quotation (RFQ)

- Low Dollar/Risk; may be written or verbal (telephone, fax or e-mail quotes)
- A mandatory public posting is not required but may be used (determined by Purchasing Requirements)
- Bid Online or BidSync may be used
- Method of Award: Low cost quote meeting minimum bid specifications.

Things to Consider:

- Make sure each vendor receives the same specifications, i.e. brand, model number, color, etc.
- Be wary of awarding due to differences in personal preference or perceived quality.
- Always be able to reasonably justify your decision.

Invitation for Bid (IFB):

- Solicitations where requirements are well defined and detailed for goods or services.
- Formal process by the Purchasing Department
 - Written documents
 - Public openings may be offered
 - Bid must be posted for a minimum of 10 calendar days.
- Method of Award: Determine which bidder can provide the goods/services in accordance with the minimum specifications, in the time required at the lowest price.

Request for Proposal (RFP)

Uses:

- Specifications can't be clearly defined.
- Several possible solutions
- May meet required needs.
- Cost is only one factor in determining award.

Method of Award:

- Best Offer (Best Value)
- Point Based Evaluation (determined before RFP is posted).
- Evaluation Team or Committee

Evaluation:

- Technical Evaluation (per criteria and points posted in the RFP specifications)
- Cost Proposal Evaluation
- Opportunity for Best and Final Offers (BAFO)
- Award to Offeror receiving the Highest Total Points

Or

Cost Justification Statement must be written showing how the award is “most advantageous” to the state (Trade-Off Process)

Multi-Step Bid Process (MSB)

- Obtain benefits of the competitive sealed proposal procedure through the solicitation of technical offers and Invitation for Bid procedure through pricing offered.
- Combination of the RFP and IFB process
- Method of Award: Two phase/step process

Step One – Technical proposal (any vendor meeting the technical requirements moves to step two).

Step Two – Bid Process (low bid receives award)

Sole Source Procurement

A Product or Service Unique and Easily Established as One of a Kind

*Utah Code R33-3-401 Conditions for use of sole source procurement.

- Sole source procurement shall be used only if a requirement is reasonably available from a single supplier.
- A requirement for a particular proprietary item does not justify a sole source procurement if there is more than one potential vendor or bidder for that item.
- Purchase requires written justification from the using department.
- Purchases greater than \$[1,000] must be pre-approved by the purchasing department using the Sole Source Request Form.
- It is not a Sole Source if multiple distributors exist.

Sole Source Determination

- All sole source requests estimated to be \$[25,000] and above must be posted for public comment, by the Purchasing Department, through public advertisement.
- Questions to ask regarding sole source:
 - Can program requirements be modified so that competitive products or services be used?
 - Is product available from only one source and not merchandised through wholesalers, jobbers or retailers?
 - Must items be interchangeable or compatible with in-place items?
 - Is item/service unique and possess specific characteristics that can be filled by only one source?

Competition and Ethics

- Make sure specifications are written to obtain adequate competition (vendors should not write specifications).
- Planning a procurement – Allow sufficient time to follow purchasing requirements and procedures.

“Lack of planning on your part does not justify an emergency on our part.”

- If you don't know – Please ask Purchasing.
- Keep good documentation on your purchases.

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- ✓ **Be Independent**
 - ✓ **Act Only in the Public Interest**
 - ✓ **You are a Trustee of the Public's Money**
 - ✓ **Follow the Law**
 - ✓ **Strive for Efficiency**
 - ✓ **Do Not Accept Gifts from Vendors**
 - ✓ **Do Not Socialize with Vendors**
 - ✓ **Maintain Confidentiality**
 - ✓ **Do Not Play Favorites**