1.0 DEPARTMENTAL PURCHASING AUTHORITY

Certain commodities and services have been designated for purchase from specific suppliers. A current listing of these commodities and services can be found on The University of Kansas (KU) Procurement Services website under Contracts. If a needed commodity or service is on this list, it is mandatory the listed source be utilized unless prior authorization to use another source is obtained. To receive prior authorization departments are required to complete and submit a Non-Catalog Goods or Non-Catalog Services Form in the KU Procure to Pay System (KUPPS).

KU Procurement Services also maintains a list of contracts (includes Commodity Price Agreements and Master Services Agreements) that are available for use by departments on a preferred or optional use basis. A listing of these contracts may be found in KUPPS under Contracts.

For all other transactions with a total cost of $5,000 or less, departments may purchase from the vendor that best meets their needs without seeking competitive bids as long as these purchases are not in conflict with mandatory contracts. Departments are encouraged to utilize contracts whenever feasible and are strongly encouraged to utilize the methods and sources specified in the KU Procurement Matrix. The Matrix can be found on the KU Procurement Services website.

For all transactions with a total cost which exceeds $5,000, if the required commodity or service is not available from a mandatory use contract and if a preferred or optional use contract cannot meet department requirements, a purchase requisition shall be submitted to KU Procurement Services. Requisitions shall be submitted via KUPPS.

If a purchase requisition is required, the typical process will be to utilize informal methods for transactions of $50,000 or less and to utilize formal methods for all transactions which exceed $50,000. These processes are detailed in Section 3.0. If a department feels the transaction meets the criteria for a non-competitive award, Prior Authorization may be requested and submitted to KU Procurement Services via a Non-Catalog Goods or Non-Catalog Services Form though KUPPS. A description of the criteria for non-competitive awards is contained in Section 4.
2.0 COMPETITIVE BID THRESHOLDS

2.1 Informal Methods- up to $50,000

Single purchases of goods and services that have a total transaction cost of more than $5,000 but not more than $50,000, or contracts (with a contract term of one-year or less) for goods or services from which orders will exceed $5,000 but will be less than $50,000 in total, are considered to be “small purchases” and may be procured utilizing informal methods designed to insure proper source utilization and fair and reasonable price confirmation.

Informal Methods include but are not limited to the following types of activities: 1) Informal solicitations may be made by soliciting quotations from vendors by telephone, telephone facsimile or e-mail. Verbal quotations, if utilized, shall be recorded for future evaluation (who did you talk to, name of the business, phone number, price quoted, etc.) All informal solicitations shall result in documentation being created that contains information regarding the specifications utilized, which vendors were solicited, the prices submitted by each vendor, a statement that indicates the basis for award as well as the Purchase Order issued. 2) Price and source validations may be made by utilizing information available from the Spend Compass Tool, on-line web searches, accessing information available from peer institutions or that was collected for recent transactions.

If any of the above activities are performed by the department prior to submitting a Requisition to Procurement Services via KUPPS the information collected shall be attached to the Requisition.

2.2 Formal Methods

Single purchases of goods and services or contracts exceeding one (1) year or costing more than $50,000 are considered to be “large purchases” and are purchased or procured utilizing more formal methods.

2.2.1 $50,000 or more

Formal solicitations shall be made by a competitive process following at least seven-calendar day’s public notice. The solicitation shall be in the form of a written specification and the vendor’s response must be submitted in accordance with the process and procedures contained in the solicitation document. All formal solicitations shall result in documentation being created that contains information regarding the specifications utilized, which vendors were solicited, the responses submitted by each vendor, a statement that indicates the basis for award as well as the Purchase Order issued.

Should KU Procurement Services or the requesting department deem appropriate, the formal solicitation process may also be used for single purchases of goods and services or contracts with an expected term of less than one (1) year that have a total cost of $50,000 or less.

The KU Chief Procurement Officer may waive the seven-day posting requirement if
requested by the department and if circumstances are present to justify the waiver as being in the best interests of the university. If the posting requirement is waived documentation shall be prepared that clearly details the rationale utilized to justify the waiver.
3.0 TYPES OF COMPETITIVE TRANSACTIONS

The KU Chief Procurement Officer may utilize any of the following processes to conduct competitive informal or formal solicitations. The KU Chief Procurement Officer shall select the process that is determined to be in the best interests of the university.

3.1 Competitive Reverse Auctions (CRA)

Under Development

3.2 Request for Quotation (RFQ)

A RFQ is generally utilized when the supplies, materials, equipment, goods, property or services are to be acquired on a one-time basis.

3.3 Invitation for Bids (IFB)

An IFB is generally utilized when the supplies, materials, equipment, goods, property and services to be acquired will be provided via contract on a recurring basis over a specified period of time.

3.4 Request for Proposals (RFP)

Requests for Proposals are generally utilized when multiple factors exist that make it difficult or impossible to define a product or scope of work that will allow an evaluation to be made as to determine the lowest responsive bid from a responsible bidder. Evaluations shall be based on the factors set forth in the RFP in order to determine which proposal(s) best meet(s) the needs of the University.

The KU Chief Procurement Officer must provide a written determination prior to issuing the RFP that explains why the RFP is the proper method of solicitation.

A committee of no less than three individuals shall evaluate all proposals received. These three individuals shall include a member from the requesting department, the Chief Procurement Officer or their designee and the KU Director of Procurement Services or their designee.

3.5 Direct Competitive Negotiation

Direct Competitive Negotiations are only to be utilized after an unsuccessful RFQ; IFB or RFP process if the KU Chief Procurement Officer determines that time does not permit re-solicitation or other factors are present that would cause re-solicitation to not be in the University's best interests.

An RFQ, IFB or RFP process is unsuccessful if:
a. All offers received are unreasonable or not competitive or;

b. The low responsive bid from a responsible bidder exceeds available funds or;

c. The number of responsive offers is not sufficient to ensure adequate competition.

The Direct Competitive Negotiation process shall include all responsive and responsible vendors who responded to the solicitation or any re-bid and may include other vendors capable of fulfilling the University’s needs.

The award shall be made to the vendor whose offer is most advantageous to the University as determined by the specifications; terms and conditions utilized for the Direct Competitive Negotiation. The KU Chief Procurement Officer shall make a written determination that identifies the nature of the discussions with each vendor and that states why the selected offer is the most advantageous to the University.

3.6 Standard Information required for all Competitive Solicitations

Bid award process and award criteria information, bid process instructions, as well as any standard terms and conditions associated with the transaction shall be included in the bid document or posted on the KU Procurement Services website with the relevant web address listed in the bid document. If the web address method is utilized, contact information shall be provided in the bid document for use by interested vendors to request a written copy of such information.
4.0 EXCEPTIONS TO THE COMPETITIVE SOLICITATION PROCESS

Procurement transactions that would typically require a competitive process to be utilized may be processed without seeking competition under limited conditions and subject to written justification documenting the conditions that preclude the use of a competitive process.

4.1 Sole Source Procurements

Sole Source Procurement is justified when there is only one good or service that can reasonably meet the need and there is only one vendor who can provide the good or service. A requirement for a particular proprietary item (i.e., a brand name specification) does not justify Sole Source Procurement if there is more than one potential vendor for that good or service. Price is not a consideration to justify sole source procurement. In cases of reasonable doubt, competition will be solicited.

Sole Source approval shall be accomplished by submitting a Non-Catalog Goods or Non-Catalog Services Form though KUPPS to KU Procurement Services for review and approval. Approval shall be obtained prior to completing the purchase.

4.2 Emergency Procurements

When an emergency condition exists that prevents the use of a competitive procurement method, the University may conduct a procurement on an emergency basis. Emergency Procurements may be negotiated on a sole source or limited competition basis as dictated by the circumstances surrounding the emergency.

An emergency condition justifies the use of Emergency Procurement when that condition threatens one (1) or more of the following:

a. The functioning of the University, or its programs;

b. The preservation or protection of property; and/or

c. The life, health or safety of any person(s) or animal(s).

Emergency Purchase approval shall be accomplished by completing a Non-Catalog Goods or Non-Catalog Services Form. Once complete, this form shall be submitted to KU Procurement Services through KUPPS with proper justification for review and approval.
4.3 Cooperative Purchasing Agreement(s)

The KU Chief Procurement Officer may approve the purchase of goods or services from a cooperative purchasing agreement if such purchase has been determined to be in the best interests of the University.

The University may participate in, conduct, sponsor or administer a cooperative purchasing agreement. This includes, but is not limited to, agreements with any of the following:

a. The Federal government or an agency or other instrumentality of the Federal government;

b. The State of Kansas, another state, or an agency or other instrumentality of the State of Kansas or another state;

c. A bi-state or multi-state agency;

d. A county, municipal corporation or other political subdivision of the State of Kansas or of another state, or an agency or other instrumentality of the political subdivision;

e. A cooperative or organization established for the purpose of establishing contracts to aggregate the common requirements of similar institutions for maximizing economies of scale when soliciting bids or proposals. An example of this is the Educational and Institutional Cooperative.

The KU Chief Procurement Officer may approve a single purchase or approve ongoing participation in a cooperative purchasing agreement.

Cooperative Purchase approval shall be accomplished by completing a Non-Catalog Goods or Non-Catalog Services Form. Once complete, this form shall be submitted to KU Procurement Services through the KUPPS along with proper justification for review and approval.

4.4 Used Equipment

Used equipment is broadly defined to include “all equipment that is not new.” Used equipment is typically only available from one source and due to its nature is available and subject to immediate sale. As such, a competitive process would be unlikely to produce a satisfactory result. Used equipment, however, can be a cost effective way for departments to acquire equipment, and departments are encouraged to consider this option.
To purchase used equipment, departments shall complete a Non-Catalog Goods Form. Once complete, this form shall be submitted to KU Procurement Services through KUPPS for review and approval.

### 4.5 Commodity Price Agreements and Master Services Agreements

At the discretion of the KU Chief Procurement Officer, KU may enter into Commodity Price Agreements or Master Services Agreements to purchase goods and services in accordance with approved purchasing procedures. These Commodity Price Agreements and Master Services Agreements may be used for single purchases of goods and services that have a total transaction cost of not more than $50,000, or contracts (with a contract term of one-year or less) for goods or services from which orders of less than $50,000 in total will be placed.

Purchases that exceed $50,000 or contracts that exceed one-year in length require Prior Authorization by KU Procurement Services. Prior approval shall be accomplished by completing a Non-Catalog Goods or Non-Catalog Services Form. Once complete, this form shall be submitted to KU Procurement Services through KUPPS with proper justification for review and approval.

A listing of these Commodity Price Agreements and Master Services Agreements may be found in KUPPS and are clearly identified as a Commodity Price Agreement or Master Services Agreement.
5.0 Advisory Committees

The Chief Procurement Officer may appoint Advisory Committees (AC) for purposes of collecting and analyzing information and making procurement recommendations.

The Chief Procurement Officer will appoint a Facilitator (typically the relevant Procurement Services Commodity Specialist) to assist the AC as they perform the work associated with the assigned project.

Membership in the AC shall include an individual from the department with subject matter jurisdiction, if any, over the area being studied.

Membership in the AC, as appropriate, shall include representatives from key impacted departments, the KU Medical Center and the KU Center for Research. Representatives from Douglas County public entities and other Kansas Board of Regent's institutions shall be informed of the project and invited to participate if appropriate.

Members of the AC shall be responsible for informing their leadership of the work being performed by the AC and making sure all input is forwarded to the AC so it can be considered as recommendations are being developed.

The AC shall make procurement recommendations to the Chief Procurement Officer. The recommendation shall include information that justifies the recommendation as being in the best interests of the University. If the Chief Procurement Officer determines the recommendation to be in the best interests of the University and that it is compliant with the KU Procurement Policy and KU Purchasing Procedures the recommendation will be forwarded to the head of the department with subject matter jurisdiction over the area being studied for their review and approval. The recommendation shall also be forwarded to the KU Medical Center and KU Center for Research for review.

If approved, the Chief Procurement Officer shall disseminate the recommendation to KU Procurement Services for implementation. Implementation shall include insuring the KU Procure to Pay System contains accurate information and that workflow requirements, if any, have been established. Implementation shall also include notification and training for campus departments.

All communications with the campus community shall be issued through or approved by Procurement Services to insure consistency and that all systems and processes are set up and in place to process transactions in accordance with University and State of Kansas business requirements.

Approved recommendations, after proper notification of the campus community, may include enforcement across all funding sources including KU Center for Research and KU Endowment funds. Enforcement related to KU Center for Research and KU Endowment funds shall not occur unless approved by the Vice Provost for Administration and Finance and the Vice Chancellor for Research and Graduate Studies or their designees. Utilization and enforcement by the KU Medical Center shall be pursuant to KU Medical Center processes as appropriate.
6.0 EVALUATION AND AWARD

6.1 Lowest Responsible Bidder

Generally, awards are made to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the bid. In the case of a tie between an in-state and an out-of-state vendor, the award shall always be to the in-state vendor. In the case of a tie between 2 or more in-state or 2 or more out of state vendors, the tie shall be broken by a flip of a coin. Documentation regarding how the tie was broken shall be maintained in KU Procurement Services.

6.2 Exceptions to Lowest Bidder

Negotiated procurements shall be awarded to the vendor the review committee determines best meets the needs of the University. Other factors beyond price may include evaluation of specifications, comparative performance examinations, vendor references, experience, financial strength, etc.

6.3 The Kansas Reciprocal Preference Law

Some states provide a preference for vendors within their borders and add a percentage to bids received from outside states. Where that happens, the University will respond in like manner by adding the same percentage to bids received from vendors who are domiciled in the state with the preference.

Domiciled means where a corporation is chartered or incorporated or where a sole proprietor or partnership is located or has its permanent headquarters. Bidders domiciled in states other than Kansas who have a "significant Kansas economic presence" for one year preceding the bid date, may be considered a Kansas domiciled bidder.

6.4 Bid and Award Information

All solicitations shall be opened publicly at the time and place specified in the solicitation documents. Vendors may attend the public openings and record the information released at that time. When opening responses to RFPs only the name of the vendor’s submitting proposals will be made public. In all other solicitations, vendor and price information will be made public.

It is normally not possible for staff to immediately confirm and analyze submittals after the solicitation opening. A final copy of the solicitation tabulation may be accessed by suppliers registered with The University of Kansas through the University eBid system. For Suppliers who are not registered in The University of Kansas eBid System, a solicitation tabulation may be requested in writing or via email to the buyer listed in the solicitation document. The Request must state the solicitation number, solicitation title, and solicitation opening date. No solicitation tabulation information will be provided over the telephone.
7.0 PUBLIC NOTICE

KU Procurement Services shall place a generic advertisement in the Kansas Register that runs each and every week. The advertisement shall provide public notice of the fact the University of Kansas has competitive solicitation opportunities available and provide the website address, the location of the public bulletin board at KU and a telephone number to contact for specific solicitation opportunity information.

Each competitive solicitation opportunity that requires public notice be given pursuant to these KU Procurement Procedures shall be posted on the website and on a public bulletin board located in KU Procurement Services. The public bulletin board shall be designated as the official public notice mechanism for purposes of complying with the public notice requirement. Other notice methods may be used in addition to the website and public bulletin board on an optional basis.
8.0 VENDOR RELATIONS

8.1 Registration

Vendors interested in competing for the university’s business are encouraged to become registered with the KU Procurement Services Department by completing and submitting a Supplier Registration Application Form. Instructions regarding the application process can be found on the KU Procurement Services website. The application form requires vendors to supply information such as; company name, address, tax ID number, contact person name(s), applicant’s business category, and indicate the commodities and services they would be interested in providing to the university.

KU Procurement Services requires that vendors send notification of any changes in company status, including change of name, address, telephone number, personnel listed on the application, and addition or deletions of commodities supplied. Failure to keep vendor information current may result in the vendor not receiving competitive solicitations or even removal from the vendor file. Submission of a vendor application form does not guarantee the submitting vendor that solicitations in which they may be interested will be sent to them. It is the vendor’s responsibility to monitor opportunities as they become available and obtain the documents as they are released.

8.2 Vendor Shows

Vendor shows, which shall be defined to include open houses, product exhibits, and product demonstrations, must be approved in advance by the KU Chief Procurement Officer in order to:

a. Protect the integrity of the University’s procurement process;

b. Protect the viability of University-wide contracts and price agreements;

c. Ensure fairness to all vendors.

The sponsoring University department shall notify the KU Chief Procurement Officer as far in advance as possible but at least ten (10) calendar days prior to the vendor show. A vendor show is a product demonstration or exhibit to which more than one University department is invited by a vendor for the purposes of marketing supplies, materials, equipment, goods, property or services. A product or equipment demonstration to a single University department is not a vendor show. The KU Chief Procurement Officer has the final authority to determine what constitutes a vendor show.

8.3 Vendor Suspension

The KU Chief Procurement Officer may issue a written determination to suspend a vendor from doing business with the University pending an investigation to determine whether cause exists for debarment in accordance with approved operating procedures.

A written notice of the suspension, including a copy of the determination, shall be sent
to the suspended vendor with a copy to the KU Vice Provost for Administration and Finance.

The suspension period will be effective upon issuance of the notice of suspension.

8.4 Vendor Debarment

A vendor may be debarred for any of the following reasons:

a. Conviction of a criminal offense in relation to obtaining or attempting to obtain a University contract or in the performance of such contract;

b. Conviction under State of Kansas or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records or receiving stolen property;

c. Conviction under State of Kansas or Federal antitrust statutes arising out of the submission of bids or proposals;

d. Willful material failure to perform in accordance with the terms of one or more contracts following notice of such failure, or a history of failure to perform, or unsatisfactory performance of one or more contracts;

e. The vendor is currently under debarment by any other governmental entity that is based upon a settlement agreement or a final administrative or judicial determination issued by a Federal, state or local governmental entity.

Following completion of the investigation to determine whether a vendor has engaged in activities that are cause for debarment, the KU Chief Procurement Officer may debar the vendor for a period of time commensurate with the seriousness of the findings in accordance with approved operating procedures.

A written notice of debarment shall be sent to the vendor. The notice shall:

a. State the debarment period; and

b. Inform the debarred vendor that any person(s) representing the debarred vendor during the debarment period may conduct no business with the University and that any solicitation responses received from the debarred vendor during the debarment period shall not be considered.

The debarment period will be effective fourteen (14) days after the notice of debarment is sent to the debarred vendor.
9.0 Delegations

The KU Chief Procurement Officer may delegate the authority granted to the KU Chief Procurement by the KU Procurement Policy. Any such delegation shall be in writing stating the effective date of the delegation, the scope of the delegation and the end date of the delegation. If a delegation of authority is issued a copy shall be provided to the KU Vice Provost for Administration and Finance.