

ADMINISTRATIVE PRACTICE LETTER

Section VII-A.1
Issue 1
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Effective 5/30/07

SUBJECT: Purchasing Procedures FAQ

Who is authorized to purchase for the University?

Only those employees specifically designated (by APL IV C. or otherwise designated by their supervisor) are authorized to make purchases in the name of the University. Unauthorized purchases become the obligation and financial responsibility of the individual who made the commitment.

How can I find what I'm looking for? Does the University have contracts that I can use for my department needs?

There are over 100 contracts for many things that are needed on a regular basis at your University. To view these contracts go to:

<http://www.maine.edu/system/stratProcure/UniversityContracts.php>

Check with your campus business or purchasing office for any restrictions on using these contracts.

What is competitive purchasing and why do we have to do it?

As a public institution we use the competitive purchasing process to keep costs at a minimum and to give interested and qualified vendors an equal opportunity to supply goods and services to the University. As a taxpayer, you want the University to get the biggest bang for the buck and the competitive process insures that it will happen. As well, if you own a business you want to have a fair shot at getting the business of the University through a process that offers a level playing field.

Are there exceptions to the competitive process?

Yes, there are exceptions and they usually fall into the categories described below:

Emergency Purchases. While there is an exception for procurements of bona fide emergencies arising from unforeseeable causes, emergency purchases should be made on the basis of competitive procurement whenever practicable. Appropriate documentation must be kept on the justification for any emergency purchase greater than \$10,000 that does not use a competitive process.

Sole Source Purchases. Sole source purchases are made when goods or services, because of unique characteristics or other reasons, are available from only one source. Compatibility with existing equipment sometimes comes into play on sole-source justifications. The authorization and justification for these purchases must be documented and maintained on a sole source form available on the UMS Procurement website. When wondering if a procurement is a sole source, think about your justification being front page news (sometimes that happens). Would everyone who reads it agree that there is only one place to obtain those goods or services?

Purchases for Resale. Textbooks, course related materials, clothing, beverages and other items purchased for sale to students or the public.

Approved Contracts: Purchases from UMS approved contracts. Systemwide contracts are sought when there is a large volume of purchases common to all campuses. This allows us to leverage the expenditures of the larger campuses for the benefit of the State. If the University has such a contract for what you need, you may buy off that contract without further process. See the UMS Procurement website for details (http://www.maine.edu/system/stratProcure/strategic_procurement.php) or call 973-3313.

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What are the dollar thresholds for obtaining quotes, bid and proposals?

Although purchases with a total cost less than \$10,000 do not require 3 written quotations, it is highly recommended that designated employees obtain quotes from several sources to obtain the best price, unless the purchase is made from an approved university contract.

Purchases with a total cost equal to or greater than \$10,000 and less than \$50,000 require at least 3 written quotations. Purchases of goods or services with total costs greater than or equal to \$50,000 will be made only after a formal sealed competitive process administered by the Office of Strategic Procurement.

What if I don't know how much my purchase will be?

Consult with vendors; search the internet; ask your campus purchasing representative for advice. If the expected **total** cost may cross a threshold, e.g. \$10,000 or \$50,000 – play it safe by following the appropriate process for orders at or above that threshold. You will avoid having to retrace your steps and re-quote or re-bid your requirement.

How do I get quotes?

There is a form and instructions for obtaining quotes on the website of the Office of Strategic Procurement (http://www.maine.edu/system/stratProcure/strategic_procurement.php).

What is the difference between a Request for Bid (RFB) and a Request for Proposal (RFP)?

Request for Bid (RFB): refers to the document issued to solicit bids when the goods or services being procured can be precisely described. Price is generally the determining factor in the award provided all other criteria set forth in the RFB are met. There is a public opening of the bids. The award is made to the lowest responsible and responsive bidder, unless in the judgment of the authorized purchasing agent, the best interests of the University would not be served by such an award.

Request for Proposal (RFP): refers to the document used to solicit proposals from vendors when a product or service cannot be specifically defined. Price may or may not be the determining factor. The award will be made to the vendor whose proposal is determined to best meet the needs of the University taking into consideration the evaluation criteria set forth in the RFP. There is no public opening of proposals and all proposals are kept confidential until an award is made, at which time the winning proposal becomes public information.

What is a protest?

If a bidder feels as if a competitive process was in some way unfair, he/she may submit a protest of the award in writing to the UMS Director of Strategic Procurement within 5 business days of the date of the notice of award. The Director reviews the process to see if the protest is valid. If it is, the Director may stay the award.

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Is the competitive process different if I am obtaining the services of a consultant?

Yes, it is much less formal. The following steps need to be taken:

Identify possible providers (at least 3, if possible) of the service. A legal advertisement in an appropriate newspaper is one way to identify viable providers if 3 are not known.

Solicit proposals in writing from all identified providers. The solicitation should include one due date for all proposals, the description of services needed (including any required reports or other deliverables, desired outcomes, the time frame for work to be completed, and any insurance requirements), time frames of work to be performed, minimum qualifications required, selection criteria (qualifications, cost, references, etc.), any insurance requirements and a copy of the Contract for Professional Services with any applicable attachments (for information only – not to be filled out). Obtain from each provider a summary of their qualifications, references, the cost of obtaining the service, and any other pertinent information.

Using the stated criteria, select the desired provider from among those submitting proposals. Fill out the Contract for Professional Services and obtain signatures of both parties. (See the actual APL for details on this.) Retain documentation of the selection process.