

**Fort Hays State University
Purchasing Office**

PURCHASING PROCEDURES MANUAL

1.0 DEPARTMENTAL PURCHASING AUTHORITY

Listed below are guidelines to follow beginning July 1, 2010, when FHSU becomes exempt from certain purchasing regulations imposed by the State of Kansas.

1. The following processes for purchases and University procedures to attain goods and services remain unchanged:
 - a. All computers, printers, parts, and software are processed through a Lotus Notes CTC Request Form. This includes sole source boxed software, software maintenance and software licensing.
 - b. All printing requests are processed through Printing Services.
 - c. All FHSU designs on promotional items require approval by University Relations before the order is placed.
 - d. All current FHSU established contracts are in effect until renegotiated or expired, i.e., Chartwells, Follett, Pepsi.
 - e. State Use items such as toner cartridges, binders, and other selected office supplies must be purchased from designated state use vendors. These items and all other office supplies are still purchased through Central Purchasing.
(Refer to <http://www.fhsu.edu/purchasing/State-Use/>.)
 - f. Professional and consultant service contracts remain the same. Contracts exceeding \$5,000 shall be bid by the FHSU Purchasing Office unless determined to be a sole source.
(Refer to <http://www.fhsu.edu/purchasing/prior-authorization/>.)
 - g. The University retains the ability to use State contracts for any and all purchases and should use such contracts if it provides the desired quality of goods at the lowest possible price. Please see a complete list of State contracts at <http://www.fhsu.edu/purchasing/contracts/>.
 - h. Travel transactions, including registration, lodging, airfare, etc. follow previously established guidelines. Motor Pool/Enterprise comparison form is now called FHSU Vehicle Rental Comparison. It will be completed for private vehicle mileage reimbursement purposes only. The traveler is not required to use Enterprise as a rental company.
(Refer to http://www.fhsu.edu/bus_off/vehicle-comparison/)
 - i. Subscriptions, memberships, and other non-commodity items follow previously established guidelines.
 - j. The P-Card will be used for purchases. An IFAS PR will be submitted if the vendor does not accept credit cards.
 - k. Lease of Real Property between a state educational institution and any other party for vacant space that is less than 10,000 square feet or between a state educational institution and any other party for a term not to exceed 24 months in accordance with amended Senate KSA 76-769.

The following guidelines have been established:

1.1 \$0 through \$4,999.99

All purchases under \$5,000, including shipping and handling, must be researched for best quality at the lowest price. This is the total purchase transaction for an item or any given project (i.e., furniture for a room, promotional items needed for the semester, etc.), including contract services. Orders shall not be split to avoid the \$5,000 and over competitive bid process. Order splitting is a violation of state law and University purchasing policies.

A. Central Purchasing.

Please see Central Purchasing policies:

<http://www.fhsu.edu/purchasing/State-Central-Purchasing/>.

B. The department will be responsible for the following:

1. Order ALL office supplies through the Central Purchasing site:
<https://bigcat.fhsu.edu/cp/>
2. Purchases other than office supplies from \$0 to \$4,999.99:
 - a. Purchases from \$0 to \$999.99 should be for the best quality at the lowest price with no documentation required.
 - b. Purchases from \$1,000 to \$4,999.99 do not require further documentation unless the purchase price is higher than a state contract price. A Lotus Notes Workflow Price Justification Form must be filled out justifying the higher than state contract purchase price. Best quality at the lowest price still applies.
3. When ordering products, use the office delivery address, which is the 911 emergency address. Departments can locate their office delivery address at the following site:
<http://www.fhsu.edu/purchasing/addresses/>. This should be the main department office address, not a faculty member's office. List their name in parenthesis after the department name.

If you leave your delivery address location unoccupied, please put a note on the door for packages to be delivered to a neighboring office, since a signature may be required.

- a. The P-Card will be used for purchases. An IFAS PR will be submitted if the vendor does not accept credit cards. The Lotus Notes Workflow P-Card Request form can be used to raise your P-Card limits, if necessary.
- b. The invoice/receipt is sent to Accounts Payable.

4. The department's first-class mailing address for FHSU printed envelopes and stationery, and the address for FHSU incoming United States Postal Service mail should remain 600 Park Street.

2.0 COMPETITIVE BID THRESHOLDS

2.1 Informal Bid Process - \$5,000 through \$24,999

- A. Purchases with a total price from \$5,000 to \$24,999.99, including shipping and handling, for an item or any given project (i.e., furniture for a room, promotional items needed for the semester, etc.), including contract services, must be bid by using the informal bid process.
- B. Orders shall not be split to avoid the \$5,000 to \$24,999.99 competitive informal bid process. Order splitting is a violation of state law and university purchasing policies.
- C. The department should obtain three bids via fax, email or phone. If the item is on state contract, include a state contract vendor as one of the bidders.
- D. The department will submit the Lotus Notes Workflow Informal Bid Form, including a detailed description / specifications of the purchase or service contracts and real estate leases in accordance with amended Senate KSA 76-769. Send a copy of the printed quotes received from the vendors to the Purchasing Office. The posting requirement will be waived if the Purchasing Office determines the Informal Bid Process is complete.
- E. If the Purchasing Office determines the bid needs to be posted, the specifications will be used to publicly post a bid on the FHSU Purchasing website, <http://www.fhsu.edu/purchasing/bids/>, for a minimum of three (3) business days. The vendor information on the Lotus Notes Workflow Informal Bid Form will not be posted. If a vendor provided the department with a quote prior to the bid, the vendor must submit their final bid to the FHSU Purchasing Office by the bid closing date. The Purchasing Office will scan and attach the bid responses and an Excel spreadsheet of the results to the Informal Bid Form and forward them to the department for review.
- F. The department will respond to the email indicating whether they accept the low bid or provide a justification for not accepting the low bid. The Purchasing Office will notify the department by email of the awarded vendor. The Purchasing Office will assist the department with placing the order to the vendor using the department's delivery address.
- G. If the awarded vendor accepts the P-Card, the P-Card Bank ID and cardholder information on the Informal Bid Form will automatically increase the P-Card limit as necessary. The Lotus Notes Workflow P-Card Request form is not needed. The Lotus Notes Workflow P-Card Purchase Order form will be completed, and the Purchasing Office will fax the order to the awarded vendor, referencing the quote and the department's delivery address. The vendor will contact the Purchasing Office 48 hours prior to shipment. The Informal Bid Form will be approved by FHSU Purchasing, notifying BPC Requests (Accounts Payable) to increase the P-Card limit. Approval of the Informal Bid Form will be notification that the order has been shipped and billed.

Please see the template for the Informal Bid Process:
<http://www.fhsu.edu/purchasing/State-Informal-Bid/>.

The Informal Bid Process can be waived for purchases such as sole source with approval of the Purchasing Office.

Please see Section 4.0, Exception to the Competitive Solicitation Process or the template for the Prior Authorization Process:
<http://www.fhsu.edu/purchasing/prior-authorization/>.

2.2 Formal Bid Process - \$25,000 or more

Single purchases of goods and services or contracts exceeding one (1) year or costing \$25,000 or more are considered to be “large purchases” and are purchased or procured utilizing more formal quotation methods.

- A. Purchases with a total price from \$25,000 and over, including shipping and handling, for an item or any given project (i.e., furniture for a room, promotional items needed for the semester, etc.), including contract services, must be bid by using the formal bid process to seek competitive bids by one of the following processes:
 - 1. Request for Quotation (RFQ)
An RFQ is generally utilized when the supplies, materials, equipment, goods, property or services are to be acquired on a one-time basis.
 - 2. 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. Request for Proposals (RFP)
Competitive Sealed Proposals are generally utilized when multiple factors exist that make it difficult or impossible to write a specification; terms and conditions 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. 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 Controller and/or the Director of Purchasing and the Vice President for Administration and Finance or his designee.
- B. Orders shall not be split to avoid the \$25,000 competitive bid process. Order splitting is a violation of state law and university purchasing policies.
- C. The department will submit an IFAS Bid PR and send an email to purchasing@fhsu.edu, attaching the detailed bid specifications in a Word document or an Excel spreadsheet. Mixed case letters are preferred. Please

provide a list of suggested vendors. If the item is on state contract, include a State contract vendor as one of the bidders.

- D. The specifications will be used to publicly post a bid on the FHSU Purchasing web site, <http://www.fhsu.edu/purchasing/bids/>, for a minimum of seven (7) business days. The Purchasing Office will send the bid document to the suggested vendors. If a vendor provided the department with a quote prior to the bid, the vendor must submit their final bid to the FHSU Purchasing Office by the bid closing date.
- E. After the bid closes, the Purchasing Office will send the bid responses and an Excel spreadsheet of the results to the department for review.
- F. The department will respond indicating whether they accept the low bid or provide a justification for not accepting the low bid. Once the awarded vendor is determined, the Purchasing Office will update the IFAS PR with the awarded vendor, specified product and pricing information. The budget authority will approve the PR for a second time, and the Purchasing Office will fax the order to the vendor.
- G. The order will be delivered to the department's delivery address. Once the order is received, the IFAS Receiving Copy is completed.
- H. The invoice is sent to Accounts Payable.
- I. The Formal Bid Process can be waived for purchases such as sole source with approval of the Purchasing Office. Refer to <http://www.fhsu.edu/purchasing/prior-authorization/>.
- J. Contact the Purchasing Office with any questions.

Please see the template for the Formal Bid Process:
<http://www.fhsu.edu/purchasing/State-Formal-Bid/>

Please see the template for the Prior Authorization Process:
<http://www.fhsu.edu/purchasing/prior-authorization/>

3.0 TYPES OF COMPETITIVE TRANSACTIONS

The FHSU Controller and/or Director of Purchasing may utilize any of the following processes to conduct competitive solicitations either informal or formal. The FHSU Controller and/or Director of Purchasing 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)

An 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)

Competitive Sealed Proposals are generally utilized when multiple factors exist that make it difficult or impossible to write a specification; terms and conditions 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 FHSU Controller and/or Director of Purchasing 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 Controller and/or the Director of Purchasing and the Vice President for Administration and Finance or his designee.

3.5 Direct Competitive Negotiation

Direct Competitive Negotiations are only to be utilized, after an unsuccessful RFQ, IFB or RFP process, if the FHSU Controller and/or Director of Purchasing determines that time does not permit re-solicitation.

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 vendors 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 in accordance with approved operating procedures. The FHSU Controller and/or Director of Purchasing 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 Professional and Consultant Services

All professional and consultant services are to be acquired under the "Professional Services Sunshine Act".

PROFESSIONAL SERVICES:

As used in the act, Professional Services means services performed under a contract with a state agency by any:

- a. Certified Public Accountant
- b. Attorney, or
- c. Consultant

Consultant means an individual or firm providing contractual services in the form of professional or technical advice or opinions. Professional services do not include the services of persons who assist in the preparation of expert testimony for litigation or who act as expert witnesses in litigation.

All contracts for professional and consultant services that exceed \$5,000 shall be bid (negotiated) by the FHSU Purchasing Office in accordance with the provisions of K.S.A. 75-37,102 (Procurement Negotiating Statute) except when the FHSU Controller or Director of Purchasing determines the services to be exempt from bidding (sole source).

3.7 Standard Information required for all Formal 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 FHSU Purchasing website with the relevant web address listed in the bid document. If the web address method is utilized, a contact 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 without competition is authorized for purchases \$5,000.00 and over 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 completing a Prior Authorization Form on Lotus Notes. This document shall be submitted to FHSU Purchasing Office for review and approval.

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 Prior Authorization Form. This document shall be submitted to FHSU Purchasing Office for review and approval.

4.3 Cooperative Purchasing Agreement(s)

The FHSU Controller and/or Director of Purchasing 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 FHSU Controller and/or Director of Purchasing may approve a single purchase or approve ongoing participation in a cooperative purchasing agreement.

Cooperative Purchase approval shall be accomplished by completing a Prior Authorization Form. This document shall be submitted to FHSU Purchasing Office for review and approval.

4.4 Used Equipment

Used equipment is broadly defined by the State of Kansas 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 bid 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. Used equipment available from more than one source, refer to Section 1.0 Departmental Purchasing Authority.

To purchase used equipment, departments shall complete a Prior Authorization Form. Once complete, this form shall be submitted to FHSU Purchasing Office for review and approval.

5.0 DELEGATED COMPETITIVE BID AUTHORITY

Departments, on an individual basis, may request delegated competitive bid authority in an amount not to exceed \$25,000. For a department to receive delegated competitive bid authority it must submit a written request to the FHSU Director of Purchasing for review and approval. To be eligible for approval the department must:

- a. Demonstrate a need for the authority requested.
- b. Have approval from the Dean or university administrator to whom the department reports.
- c. Submit a plan that identifies the individual(s) designated as the department's chief purchasing official and that shows adequate staffing capability to handle the delegated competitive bid authority. The individual chiefly responsible for purchasing must possess sufficient purchasing ability to accommodate the department's particular needs and be knowledgeable of public procurement's issues and trends.
- d. Agree to adhere to the Fort Hays State University Purchasing Procedure Manual as delegated competitive bid transactions are processed at the department level.
- e. Require that all personnel involved in the purchasing process participate in training sessions, sponsored by FHSU Purchasing Office.
- f. Agree to allow periodic audits of departmental records to insure compliance with the terms of the delegated competitive bid authority.

After reviewing the above requirements, the FHSU Controller or Director of Purchasing will assess the needs and capabilities of the requesting department and grant or deny delegated competitive bid purchasing authority. If approved, a formal memorandum of understanding outlining the scope and terms of the delegated competitive bid purchasing authority will be prepared and shall be signed by the head of the department and the FHSU Controller or Director of Purchasing.

5.1 Revocation of Delegated Competitive Bid Authority

Delegated competitive bid authority is subject to continuing review by the FHSU Controller and/or Director of Purchasing and may be rescinded for failure to comply with any of the above requirements or failure to correct noted deficiencies within a reasonable time period. Delegated competitive bid authority may also be revoked should a department's chief purchasing officer position be downgraded or become vacant or if the FHSU Controller and/or Director of Purchasing feels the department does not have the staff required to adequately perform the work associated with the delegated competitive bid authority.

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.

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, 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 State of Kansas responds in like manner by adding the same percentage to bids received from vendors who are not "domiciled" in Kansas. In case of a tie bid, the bid is always awarded to the Kansas vendor.

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 Award Information

All solicitations shall be opened publicly at the time and place specified in the bid documents. Vendors may attend the public bid openings and record the bid information at that time. It is normally not possible for staff to immediately analyze bids after the bid opening. If a vendor cannot attend the public bid opening in person, a copy of the bid tabulation may be requested by sending a letter to FHSU Purchasing Office along with a \$3 check made payable to the Fort Hays State University to cover processing costs. The letter must state the bid number, bid title, and bid opening date. No bid tabulation information will be provided over the telephone.

7.0 PUBLIC NOTICE

FHSU Purchasing Office shall place a generic advertisement in the Kansas Register as needed. The advertisement shall provide public notice of the fact Fort Hays State University has bid opportunities available and provide the website address, the location of the public bulletin board at FHSU and a telephone number to contact for specific bid opportunity information.

Each bid opportunity that requires public notice to be given pursuant to these FHSU Purchasing Procedures shall be posted on the website and on a public bulletin board located in FHSU Purchasing Office. The public bulletin board shall be designated as the official public notice mechanism for purposes of complying with the public notice requirement.

8.0 VENDOR RELATIONS

8.1 Registration

Vendors interested in competing for the University's business are encouraged to become registered with the FHSU Purchasing Office by completing and returning a Vendor Information Sheet. A copy of this form and instructions regarding the application process can be found on the FHSU Purchasing Office website <http://www.fhsu.edu/purchasing/vendors/>.

The application form requires vendors to supply information such as; company name, address, FEIN or SS number, contact person's names and phone numbers, applicant's business category, and indicate the commodities and services they would be interested in providing to the university through the competitive bidding system.

FHSU Purchasing Office 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 bid solicitations or even removal from the vendor file.

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 FHSU Controller and/or Director of Purchasing 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 FHSU Controller and/or Director of Purchasing as far in advance as possible but at least ten (10) business 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 FHSU Controller and/or Director of Purchasing has the final authority to determine what constitutes a vendor show.

8.3 Vendor Suspension

The FHSU Director of Purchasing 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 FHSU Controller.

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. 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 of 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 FHSU Controller and/or Director of Purchasing may debar the vendor for a period of time commensurate with the seriousness of the findings.

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 the date of the written notice being sent to the debarred vendor and all University departments.