

NUMBER: 580

SUBJECT: PROCUREMENT POLICY AND PROCEDURES

APPROVAL DATE OF LAST REVISION: SEPTEMBER 15, 2008; JANUARY 24, 2011; JANUARY 26, 2015

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580.1 – INTRODUCTION AND PURPOSE

The Bridgerland Technical College (BTECH) Procurement Policy and Procedures are designed to assist BTECH procurement agents (any employee who is involved in the process of procurement) to comply with the requirements of the Utah State Procurement Code as outlined in §63-56-1, etc., of the Utah Annotated Code. The underlying purposes and policies of the procurement code are: “to simplify, clarify, and modernize the law governing procurement by this state; to ensure the fair and equitable treatment of all persons who deal with the procurement system of this state; to provide increased economy in state procurement activities; and to foster effective broad-based competition within the free enterprise system.”

To the extent that it is reasonable and practical for specific procurement, the use of State Contracts or cooperative purchase agreements is strongly encouraged and will always be considered as satisfying the bid requirements.

580.2 – POLICY

BTECH purchasing agent(s) (any employee involved in initiating a Purchase Order) are encouraged to follow the procedures outlined below to facilitate departmental procurement needs.

580.2(a) – Multiyear Contracts -- Policy

Purchases and/or RFP's must comply with the multiyear contracts provision of the Utah Code, Title 63G, Chapter 6a Part 12 Section 1204.

580.3 – PROCEDURES

The following is an *outline* for purchasing activities. As such, it is a procedural *pattern* which, when followed, should result in the best product being obtained at the lowest possible prices. Even though it is written in a step-by-step form, it does not preclude the use of good judgment and/or common sense.

Preliminaries:

- (1) BTECH maintains a conflict of interest disclosure form and a process designed to identify potential related party transactions between the institution and its employees. Employees are required to complete a “Disclosure Statement of Possible Conflict of Interest Form” for all reasonably foreseeable potential conflicts of interests. This form includes the names of the parties involved as well as a description of involvement.
- (2) The process of budget checking is centralized, meaning that all persons needing a Purchase Order must obtain them from the Accounting Office. A budget check is first performed to ensure that proper funds are available before the Purchase Order is issued. Each month a budget report is printed for the department heads to see what funds have been spent and what is available to them.
- (3) BTECH has created a Purchasing Committee to evaluate the procurement transactions to ensure no single individual has the authority to approve purchasing decisions above the minimum thresholds outlined in section 580.3-(5) below. The Purchasing Committee authority does *not* involve either (1) judgments as to the departmental needs (as assessed by the department head) or (2) the availability of departmental funds required for the purchase. The Purchasing Committee's *sole* responsibility is to ensure compliance with the spirit of BTECH's Procurement Policy and Procedures.

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Process:

(1) Department head determines needs and develops a cost estimate (formal or informal depending on the need).

(2) Purchase Order threshold testing:

(a) Is this a non-Custom Fit purchase?

(b) If a non-Custom Fit purchase:

\$0-\$1,000 no bid required

\$1,000-\$5,000 two (2) telephone or Internet quotes required (include documentation with Purchase Order) no Purchasing Committee approval required

\$5,000-\$50,000 three (3) written bids required and approval by at least two (2) current members of the Purchasing Committee

\$50,000 + Purchasing Committee approval required (see steps 6-11 below)

(c) If a Custom Fit Purchase:

Generally, the procurement thresholds identified in section (5)(b) above apply to Custom Fit procurement except in instances when (1) the Custom Fit Program is selecting vendors to provide contract training for Custom Fit clients, and/or (2) when Custom Fit is reimbursing its clients for training costs incurred by the company pursuant to a Custom Fit Training Agreement. In these instances, the specific training needs of the client will carry substantial weight in the procurement process. Because of the proprietary nature of some company-specific training needs, the procurement of that training will be accomplished through negotiations between the BTECH Custom Fit representative and the company contact in an effort to arrive at the most economical decision while still securing the most appropriate training to meet the specific company needs. It is assumed that the Custom Fit client company will perform their own due diligence in identifying the appropriate source of training for their specific needs because of their substantial participation in the cost of such training. Accordingly, additional flexibility beyond the thresholds identified in items (5)(b) above will be considered appropriate within the Custom Fit Program in the two circumstances identified earlier in this paragraph. The Custom Fit Director will consult with the Purchasing Committee Chair to determine when additional flexibility is acceptable.

(d) If a purchase on a Federal or State grant:

If the purchase is a Federal or State grant expenditure where the amount of the purchase order is greater than \$25,000, the prospective vendor must not be debarred from working with federal contracts or grants. BTECH will check to ensure the vendor is not debarred by going to the following link and searching on the vendor name:

https://www.sam.gov/portal/SAM/?portal:componentId=290e7118-9386-4239-a33d-8a3a1439207c&interactionstate=JBPNs_r00ABXc0ABBfanNmQnJpZGdlVmlld0kAAAAAQATL2pzZl9uYXZpZ2F0aW9uLmpzcAAHX19FT0ZfXw**&portal:type=action##11

This link (www.sam.gov) is the “search records” tab of the SAM - System for Award Management website.

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- (3) If the purchase is to be over the \$50,000 threshold, the department head should complete (as far as possible) the Bid Request Form and submit it to the Purchasing Committee Chairperson.

The use of the Bid Request Forms at this stage of the process is intended to better focus the details of the proposed purchase. Department heads are encouraged to consult with Purchasing Committee members regarding this, and any other, aspect of the purchasing process.

- (4) The Purchasing Committee evaluates the appropriate Bid Request Form and makes any needed suggestions to the department head.
- (5) The department head:
- (a) Makes any necessary revisions to the Bid Request Form.
 - (b) Attaches a copy of "Instructions to Bidders" to the Request Form, and these two (2) documents constitute an 'invitation to bid.'
 - (c) This 'invitation to bid' is forwarded to the vendors along with a cover letter from the Department Head (if needed).
- (6) Purchasing Committee receives the bids and convenes a 'public bid opening' meeting, consisting of the department head, the Purchasing Committee, and any interested vendors. This meeting is an 'opening of bid' *only*. It need *not* be a public evaluation of the bids nor an occasion where vendors are awarded contracts. The 'bid opening' meeting is to determine such things as: which vendors responded? Were bids received prior to deadline? Were proper precautions taken to ensure the secrecy of bids? Questions from vendors regarding competitors' bids are handled by the Chairperson of the Purchasing Committee.
- (7) The department head evaluates the opened bids at his/her convenience on the basis of price and specifications. The Bid Score Matrix may be used as the primary tool in this evaluation.
- (8) The Purchasing Committee verifies the department head's decision through the use of the Bid Score Matrix (if used) and permission is granted to the department head to issue the purchase order.
- (9) The department head issues the purchase order and *at the same time* submits all accumulated documentation (Bid Request Forms, opened bids, Bid Scoring Matrix, etc.) to the Accounting Department.
- (10) When the purchase is completed by delivery and the department head is satisfied with the results, the Purchase Order is ready to be paid. The department head then submits the appropriate copy of the Purchase Order to the Accounting Department with the appropriate boxes and blanks completed. **Note: State contracts and cooperative purchase agreements are not within the jurisdiction of the Purchasing Committee because they already satisfy the requirements of the procurement process.**

580.4 – BIDDING STEPS

580.4.1 – Instructions to Bidders

- (1) Each bidder must submit a signed, written bid indicating comprehension and compliance with the bid specifications by the date and time so specified by Bridgerland Applied Technology College (BTECH).
- (2) Each bidder shall submit bids for all items listed on the specification where ever possible. Preference will be given to bidders who are bidding all items specified.
- (3) Substitutions or "equivalent to" bids must contain documentation with the bid showing how the substitution meets or exceeds the specifications in order to be considered.
- (4) Bids shall include all labor and materials, equipment, shipping, unloading, and freight inspections unless

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otherwise noted on the bid specification sheet. The intent of the bid documents is to include all costs necessary for proper and complete installation of the items bid. Suppliers are to abide by and comply with the true intent and meaning of all specifications and drawings taken as a whole and are not to avail themselves to the detriment of the work, through any manifestly unintentional error or omission, should any exist. All minor details of the work that are not indicated or specifically mentioned but are obviously necessary for the proper operation of the item, shall be considered as incidental and as being part of the work.

- (5) BTECH reserves the right to (1) purchase greater quantities of items at the quoted prices in a bid, and (2) purchase only specific items contained within a bid at the quoted prices.
- (6) All equipment/furnishings shall be guaranteed, in writing, free of materials and manufacturing defects for a minimum period of one (1) year from the date of final acceptance unless a shorter time is previously approved by the BTECH purchasing committee. Repair or replacement of such defects, to the satisfaction of the department head, shall be completed at no additional cost and within a reasonable time agreed upon by the department head.
- (7) BTECH is a division of the state of Utah and is, therefore, exempt from sales tax. A copy of the BTECH Sales Tax Exemption Certificate will be provided upon request.
- (8) All bids must be sealed. Bids that are faxed will be sealed by the BTECH FAX operator. Bids should be sent to the attention of the appropriate department head with the address or FAX number indicated.
- (9) Bids may be withdrawn prior to the time fixed for opening. Negligence on the part of the bidder in preparing the bid confers no right for the withdrawal of the bid after it has been opened.
- (10) Specifications, proposal forms, and other information are on file for examination at BTECH.
- (11) The contract documents are complimentary, and what is called for by any one shall be as binding as if called for by all.

580.4.2 – Evaluation

- (1) All bids will be evaluated on the basis of the bid specifications; consequently, only bids complying with bid specifications will be considered.
- (2) If the Purchasing Committee cannot reach a conclusion regarding the "equivalent to" product(s), the program's advisory committee members may be asked to make the final determination or the item may be rebid.
- (3) All bids will be evaluated on the basis of a price/quality scoring matrix as designed by the department head.
- (4) BTECH reserves the right to accept or reject any bids and reserves the right to waive any technicalities or formalities in any bid or in the bidding process.
- (5) Evaluation results are available upon request within a reasonable period of time. Prices are considered proprietary and, therefore, not disclosed.

580.5 – PURCHASE/DELIVERY

- (1) A Purchase Order for the items covered by this proposal shall be initiated by BTECH as soon as possible following the bid opening date. The Instructions to Bidders and General Conditions are considered binding on the Purchase Orders issued.

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- (2) A penalty of up to 10 percent of the item cost may be assessed per day (\$100 maximum per day) as liquidated damages against a Supplier default if Supplier is found to be negligent in fulfilling the terms of the Purchase Order. Liquidated damages will be decided upon and assessed by BTECH.
- (3) In the event of a Manufacturer/Supplier default or failure to perform according to the terms and conditions of the Purchase Order resulting from this proposal, BTECH reserves the right to procure the articles or services agreed to from other sources, and the Manufacturer/Supplier shall be liable and responsible for any difference in cost between the Purchase Order and the open market price that may be incurred by BTECH.
- (4) All deliveries by suppliers shall be coordinated with the department head.