

**University of Kansas  
Purchasing Services**

**PURCHASING PROCEDURES MANUAL**

## 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 KU Purchasing Services website under [Searchable 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. The process for obtaining prior authorization can be found on the KU Purchasing Services website under [Forms](#).

KU Purchasing Services also maintains a list of contracts and pricing agreements that are available for use by departments on an optional use basis. A listing of these contracts may be found on the KU Purchasing Services website under [Searchable 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. Departments are, however, encouraged to seek competition whenever feasible.

If the required commodity or service is not available from a mandatory use contract and if the department does not wish to use one of the available preferred or optional use contracts or pricing agreements, a purchase requisition shall be submitted to KU Purchasing Services for purposes of seeking competitive bids if the estimated cost of the transaction exceeds \$5,000. The process for submitting a purchase requisition is detailed on the KU Purchasing Services website [main page](#).

If a purchase requisition is required, the typical process will be to seek competitive bids using one of the various processes described in section 3. If a department feels the transaction meets the criteria for a non-competitive award, a Prior Authorization Form shall be completed and submitted to KU Purchasing Services in lieu of a purchase requisition. A description of the criteria for non-competitive awards is contained in Section 4. The process for submitting a Prior Authorization Request is detailed on the KU Purchasing Services website under [Forms](#).

## **2.0 COMPETITIVE BID THRESHOLDS**

### **2.1 Informal Solicitations- up to \$50,000**

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, are considered to be “small purchases” and may be procured utilizing informal solicitation methods.

Informal solicitations shall be made by soliciting three or more vendors by telephone, telephone facsimile, e-mail or sealed bid following at least three working days' public notice (See Section 7). Verbal quotations 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 a file being created that contains documentation 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 a copy of the Purchase Order issued.

The KU Director of Purchasing may waive the three-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, the bid file shall be documented in a manner that clearly details the rationale utilized to justify the waiver.

### **2.2 Formal Solicitations**

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 quotation methods.

#### **2.2.1 \$50,000 or more**

Formal solicitations shall be made by soliciting three or more vendors using a sealed bid process following at least seven- calendar days public notice. The solicitation shall be in the form of a written specification and the vendor's response must be submitted in writing in accordance with the bidding process and procedures contained in the bid solicitation. All formal solicitations shall result in a file being created that contains documentation 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 a copy of the Purchase Order issued.

The KU Director of Purchasing 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, the bid file shall be documented in a manner that clearly details the rationale utilized to justify the waiver.

## **3.0 TYPES OF COMPETITIVE TRANSACTIONS**

The KU Director of Purchasing may utilize any of the following processes to conduct competitive informal or formal solicitations. The KU 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)**

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 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 Associate Vice Provost/Comptroller or their designee and the KU Director of Purchasing 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 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 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 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.

### **3.5 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 \$25,000 shall be bid (negotiated) by the State of Kansas Division of Purchases in accordance with the provisions of K.S.A. 75-37,102 (Procurement Negotiating Statute) except:

- a. When the State of Kansas Director of Purchases determines the services to be exempt from bidding (sole source).
- b. When the contract for services is not anticipated to exceed \$25,000 in any fiscal year. Such a contract shall be entered into by the university on the basis of their own competitive negotiations (using the RFP process detailed in section 3.4) with at least two individuals or firms unless the Chancellor of the University of Kansas determines that competitive negotiations are not in the best interest

of 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 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 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 completing a Prior Authorization Form and Sole Source Questionnaire prior to making the purchase. These documents, once complete, shall be submitted to KU Purchasing Services 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 and Emergency Purchase Questionnaire. These documents, once complete, shall be submitted to KU Purchasing Services for review and approval.

### **4.3 Cooperative Purchasing Agreement(s)**

The KU 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 KU 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 and Cooperative Purchase Questionnaire. These documents, once complete, shall be submitted to KU Purchasing Services 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 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.

To purchase used equipment, departments shall complete a Prior Authorization Form and Used Equipment Questionnaire. Once complete, this form shall be submitted to KU Purchasing Services 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 KU Director of Purchasing for review and approval. To be eligible for approval the department must:

- Demonstrate a need for the authority requested.
- Have approval from the Vice Provost or university administrator to whom the department ultimately reports.
- 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.
- Agree to adhere to the University of Kansas Purchasing Procedure Manual as delegated competitive bid transactions are processed at the department level.
- Require that all personnel involved in the purchasing process participate in training sessions, sponsored by KU Purchasing Services.
- 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 KU 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 KU Director of Purchasing.

### **5.1 Revocation of Delegated Competitive Bid Authority**

Delegated competitive bid authority is subject to continuing review by the KU 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 KU 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. In the case of a tie bid between an in- state and an out- of- state vendor, the bid shall always be awarded to the in-state vendor. In the case of a tie bid 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 included in the bid file.

### **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 bid documents. Vendors may attend the public bid openings and record the bid information at that time. When opening responses to RFP's 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 bids after the bid opening. A final copy of the bid tabulation may be requested by sending a letter to KU Purchasing Services along with a \$3 check made payable to the University of Kansas 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**

KU Purchasing 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 bid opportunities available and provide the website address, the location of the public bulletin board at KU and a telephone number to contact for specific bid opportunity information.

Each bid opportunity that requires public notice be given pursuant to these KU Purchasing Procedures shall be posted on the website and on a public bulletin board located in KU Purchasing 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 web site 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 Purchasing Services Department by completing and returning a Vendor's Registration Application Form. A copy of this form and instructions regarding the application process can be found on the KU Purchasing Services website under [Information for Vendors](#).

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

KU Purchasing 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 bid 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 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 KU Director of Purchasing 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 Director of Purchasing has the final authority to determine what constitutes a vendor show.

### **8.3 Vendor Suspension**

The KU 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 KU Associate Vice Provost/Comptroller.

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 Director of Purchasing 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.