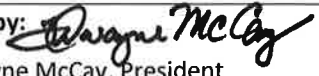


<b>Applicable Employee Classes:</b> All Florida Tech Employees	<b>Reviewed Date:</b> April 2019	<b>Approved by:</b>  Dr. T. Dwayne McCay, President
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## Competitive Bid Policy

### Purpose

Florida Tech requires Competitive Bidding when the value of a purchase reaches a certain Procurement Level. (See Procurement Levels and thresholds in TABLE A below). This process is to ensure the University carefully stewards its resources and complies with Federal Uniform Guidance and the Florida Department of Education rules. This exercise in fiduciary responsibility will be employed whenever University funds are spent, regardless of their source.

In addition, the University has other tools and methods for achieving the best price/value when making purchases. We encourage the use of these tools, which include:

- State/City/County purchasing contracts (See the FAQ at the end of this document). The University may benefit from the contracts established between these local governments and suppliers.
- Cooperative Purchasing Groups – The University is a member of specific cooperative purchasing alliances such as E&I Contractual Partners, Sourcewell, and US Communities & National IPA.
- Other Universities’ contracts and pricing agreements.
  - A list of these resources is maintained on the Financial Services/Procurement Services webpage on the Florida Tech intranet.

TABLE A at the end of this document outlines the University's Procurement Levels and their associated guidelines. Micro-Purchases and Small Purchases do NOT require Competitive Bidding but may require informal quotes or other supporting documents. Obtaining the best value is always the goal when spending University resources, irrespective of Procurement Level.

### Roles and Responsibilities – Competitive Bidding

Procurement Services is responsible for managing the University’s Competitive Bidding process and while working with the Colleges and Departments, will take the lead in coordinating the identification and qualifying of potential bidders; the preparation and distribution of the bid documents; and receiving and assessing written bids. Procurement Services will also lead in any needed negotiations, or bid reviews. Colleges and Departments are encouraged to communicate their purchasing needs and plans to the Procurement Services team as early as possible to allow enough time to conduct the Competitive Bid properly.

**IMPORTANT:** If a planned purchase rises to the Procurement Level requiring Competitive Bidding, Procurement Services must be enlisted by the College/Department to conduct the bidding process. Individuals are prohibited from initiating a purchase or soliciting quotes at this level.

**NOTE:** If the purchase involves Consulting or other Professional Services, please refer to the Consultant Contracting Procedure for more information, located on the Financial Services/Procurement webpage under Policies and Procedures.

## **Formal Requests – Competitive Bidding Documents**

Procurement Services will work closely with the University's Colleges and Departments and assist by drafting the necessary RFP (Request for Proposal), RFQ (Request for Quote), and/or RFI (Request for Information) documents. Procurement Services will help identify qualified suppliers and will direct the solicitation of bids from these suppliers. Whenever possible, RFP, RFI, and RFQ requests will be sent to at least three qualified suppliers. Each potential supplier will receive an identical bid package at the same time to ensure a fair and competitive bidding process.

## **Receiving Competitive Bids**

Bids will be received by the Procurement Services office as instructed in the Bid Package. Once received, the assigned Buyer will review and compare each bid. After this initial review, the Buyer, Purchasing Manager, or Director of Purchasing will contact the appropriate individuals within the requesting College or Department, provide them with a summary of the bid results, and involve them in the decision-making process (if appropriate and necessary). Bids or quotes submitted to the University are confidential and should never be shared with competing suppliers or outside parties.

## **Evaluating the Formal Bids or Quotes and Selecting Suppliers**

Once bids are received, Procurement Services will work with the requesting Department to select a supplier. If two or more suppliers are offering comparable products, product specifications, quantity, service, and delivery, such that no supplier distinguishes themselves other than with price, then the contract will be awarded to the lowest bidder. However, all factors are seldom equal, and it may be determined that a bid other than the lowest bid is the one providing the greatest value to the University. No set formula can be devised to be applied to all products for all orders. The quality and service requirements will vary for different orders as well. For these reasons, the act of selecting the bid that best suits the needs of the University is one that requires experience, judgment, and communication with the requesting Department.

## **Commitments and Contracts**

The University's Board of Trustees designates that only certain individuals are authorized to sign and execute contracts/agreements on behalf of the University. If not so authorized by the Board of Trustees, an employee/staff/faculty should never sign a contract/agreement for the University. Contracts and agreements should be routed through Procurement Services who will then route to the appropriate individuals authorized to sign and execute contracts.

## **Exception Process: Sole & Single Source Purchasing**

If the University is unable to identify at least two suppliers capable of providing the good or service or the supplier is the sole source for a particular purchase, the purchase must include "Sole/Single Source" documentation. Procurement Services should be consulted whenever a sole/single source purchase is being considered for a purchase. Sole/Single Purchases are the exception. Please refer to the Sole & Single Source Purchasing Procedure for more information, located on the Financial Services/Procurement webpage under Policies and Procedures.

Documentation includes written justification for the request and must be reviewed and approved by the Procurement Services Department prior to the commitment of an order.

## Placing the order

All purchases that require a Purchase Order must follow the Purchase Requisition Procedure. Additional information is located on the Financial Services/Procurement webpage under Policies and Procedures.

The following chart provides guidance on levels of procurement and thresholds for purchasing action. All dollar limits listed below are "Total Purchase Obligation."

**TABLE A**

Procurement Level	Threshold & Guidelines
1. Micro-Purchases \$0- \$5,000	<ul style="list-style-type: none"> <li>• No quote or estimate documentation is necessary, but the use of Preferred Suppliers is suggested.</li> <li>• Capital purchases must be on a Purchase Order (PO). <i>See FAQs below.</i></li> <li>• Requisitions are required for computers, iPads, tablets, etc.</li> <li>• P-Card is the preferred payment method.</li> <li>• See separate P-Card Procedure for additional rules.</li> <li>• Total Purchase Obligation applies. <i>See FAQs.</i></li> </ul>
2. Small Purchases \$5,001-\$15,000	<ul style="list-style-type: none"> <li>• Purchase Order (PO) must be used unless travel related expense.</li> <li>• P-Card may be used for travel.</li> <li>• Two Informal quotes are required.</li> <li>• Requesting Department obtains informal quotes and sends to Procurement Services along with the requisition.</li> <li>• We strongly encourage purchasers to use our Preferred Suppliers/Consortiums for obtaining informal quotes.</li> </ul>
3. Competitive Bids \$15,001 and Greater  <b>Requires Procurement Services Involvement prior to any discussions with suppliers</b>	<ul style="list-style-type: none"> <li>• Requires Procurement Services involvement from the beginning (before creating the purchase requisition).</li> <li>• Requires (3) Written formal quotes/or RFP reviewed and/or initiated by Procurement Services.</li> <li>• Purchase Orders are required.</li> </ul>
4. Large Purchases \$100,000 or greater	<ul style="list-style-type: none"> <li>• Request for Proposal (RFP) with the evaluation method may be required (sealed bids if deemed necessary).</li> <li>• Consult with Procurement Services</li> </ul>
5. Purchases from a Sole or Single Source	<p>Sole or Single Source is the Exception process to follow when the above guidelines cannot be achieved because of:</p> <ul style="list-style-type: none"> <li>• Emergency situation</li> <li>• No competition for required good or service (no other company can provide)</li> <li>• See Sole/Single Source Procedure for more information</li> <li>• Use of Single or Sole Source purchase process must be <b>pre-approved</b> by Procurement Services.</li> </ul>

## **FAQs and definitions:**

**Capital Equipment** –Any item with a value over \$5000 and with a useful life greater than one (1) year.

**Preferred Supplier** –See Vendor Selection guidelines. A list of Consortiums is located on the Purchasing website.

**Certificate of Insurance or Waiver** –Required, only if the supplier is coming on University Property.

**Informal Quotes** – Include printout from a supplier website, emailed quote from a rep at a company, detailed notes about a phone conversation with a supplier, picture of prices at a local store.

**State/City/County Government negotiated contracts** – using public entities already vetted supplier and price list. These can be located on the Financial Services/Procurement webpage under eMarketPlace.

**New Supplier** –New Supplier Package must be filled out and submitted to Procurement Services, located on the Financial Services/Procurement Services webpage.

**Total Purchase Obligation**- the total amount of the Purchase order, as opposed to each individual line item value.

When is a P-Card OK for purchasing?

- If the item is not Capital Equipment.
- If the item is not on the "Restricted Purchases" list.
- If goods or services that are Micro-Purchases.
- For travel.
- See P-Card (Procurement Card) Rules for additional rules on restrictions. These can be located on the Office of Financial Services/Procurement webpage.

When is a Purchase Order required?

- For all purchases except Micro-Purchases.
- The supplier requires a PO number to order.
- Purchasing an item from the Restricted Item list (see P-Card Procedure, located on the Financial Services/Procurement webpage under Forms and Documents).
- Capital Purchases.
- Purchases that require competitive Bidding.
- Equipment over \$1,000 for Florida State Grants must be purchased on a PO.

## **A competitive bid is not required for the following:**

The following commodities and services are exempt from competition.

1. Academic reviews.
2. Lecturers, Guest Speakers, Honorariums.
3. Auditing services.
4. Legal services, including attorney, paralegal, expert witness, appraisal, arbitrator, or mediator services. Written approval from the General Counsel is not required for private attorney services acquired by the University.
5. Health services involving an examination, diagnosis, treatment, prevention, medical consultation, or administration. Prescriptive assistive devices for medical, developmental or vocational rehabilitation including, but not limited to prosthetics, orthotics, and wheelchairs, provided the devices are purchased based on an established fee schedule or by a method that ensures the best price, taking into consideration the needs of the client.
6. Services provided to persons with mental or physical disabilities by not-for-profit corporations organized under the provisions of s. 501(c) (3) of the Internal Revenue Code.
7. Family placement services.
8. Services or commodities provided by the Federal Government, the State, instrumentalities of the State, other states, political subdivisions or entities, colleges, and universities.
9. Continuing education events or programs that are offered to the general public for which fees have been collected to pay all expenses associated with the event or program.
10. Purchases from firms or individuals that are prescribed by state or federal law or specified by a granting agency.
11. Extension of an existing contract.
12. Renewal of an existing contract, if the terms of the contract specify renewal option(s).
13. Implementation, programming, or training services available from the owner of copyrighted software or its agent.
14. Regulated utilities and government franchised services.
15. Regulated Public communications.