Purchasing 101 - Express

AN INTRODUCTION TO
PROCUREMENT POLICY & BEST PRACTICES

Lisa Deal, Procurement Director
TODAY’S AGENDA:

- Stewardship
- Quote Levels
- Competitive Solicitations
- Sole Sources
- Adopting (Piggy-backing) Contracts
- Reviewing Contracts (SLAs and SOWs)
- Managing a Contract
- Q&A
STEWARDSHIP:

- Whose funds are being spent?
  - color of money

- What does a granting agency expect UF to do as the steward of their funds?
  - FAR – Federal Acquisition Regulations
  - ONR – CPSR – Contractor Purchasing System Review

- Best purchasing practices
  - Competition brings best value
  - Contracts have clearly defined deliverables
United States Munitions list

Items

- ITAR & USML
- Restricted access, technology control plan (TCP)
- Is alternate equipment available
- Division of Sponsored Research
  - Karen Priola, Phone: (352) 273-0288
    Email: kbyer@ufl.edu
- Asset Management,
  - Becky Sundeen, Phone: (352) 294-1145
    Email: rsundee@ufl.edu
STARTING THE PROCUREMENT PROCESS:

Requisition (Purchase Order) > PCard > Unencumbered

- Is there an existing contract, such as University, State, or other contracts?
  - Check myUF Market
  - Check the Procurement Services website: www.purchasing.ufl.edu

- Additional quotes are not required if covered by a University, State or other publicly solicited contract.
- Terms & Conditions have already been negotiated
- Contact the Procurement Services Helpdesk at (352)392-1335 or procurement@ufl.edu for help.
QUOTE LEVELS:

- Up to $10,000 – No additional quotes required
  - Asset threshold: $5,000
  - Best Business Practice: Always get quotes

- $10,000 - $74,999 – Three quotes

- $75,000 and above – Required*: Public Competitive Solicitation

*Florida Board of Governors & UF Regulation
TOTAL PURCHASE ABOVE $75,000:

Board of Governors Regulation 18.001 & University of Florida Regulations 6c1-3.020(4)a: “All contracts... at or exceeding $75,000 shall be awarded pursuant to a competitive solicitation...”

RFI – Request for Information (2-3 weeks)
• Information gathering only.
  Describes the desired result and vendors may propose multiple solutions.

ITB – Invitation to Bid (4+ weeks)
• Used for well defined commodities and/or services.
  Awarded based on price alone.

ITN – Invitation to Negotiate (12+ weeks)
• Describes the desired result and vendors may propose multiple solutions.
• Best Value - price is not the sole consideration.
• UF has the ability to negotiate with the vendor.
ADOPTING OR “PIGGY-BACKING” - USE OF A COMPETITIVELY BID CONTRACT:

- If a Vendor can provide pricing based on a publicly, competitively bid contract then it does not require public solicitation.
- The quote from the Vendor should always reference the contract number. Procurement needs to review the contract in advance.
- Examples:
  - State Contracts
  - Other schools or governmental entities
  - Educational cooperatives and consortiums (E&I, US Communities, NASPO, GSA Schedule 70)

Competition Brings Best Value
“SOLE SOURCE” PURCHASE:

- A sole source means the item/service is **unique** and that the Vendor is the **sole provider** (in the world) from whom the item/service can be obtained.
- The sole source form is available from the Procurement website and must include:
  - Vendor quote
  - Reasonable price justification: i.e. historical pricing, cost analysis, comparable price
  - A thorough explanation written in *layman’s terms* – what is unique and **how it is relevant to the work being done**
- The sole source form must be written and signed by the decision maker.
- The form is publicly posted and open to protest for 72 hours.
CONFIRMATION ORDERS:

When product/services are received and no PO is in place.

- Bad Business Practice
  - University isn’t covered by terms & conditions
  - Vendor waits for payment
  - Violation of UF Policies
- Requires a justification as to why the PO is after the fact.
- May be reported on Departmental Scorecard
SELECTING A VENDOR:

WATCH OUT FOR:

CONFLICT OF INTEREST - Florida Statute 112.313(3)
Ensure you aren’t selecting a vendor in which you, your spouse or child have a personal, financial or managerial interest.

NO GRATUITIES!!!! - BOG Regulation 18.001 (8)
Do not accept any gifts or gratuity of any kind

“It shall be a breach of ethical standards for any employee of an University to accept, solicit, or agree to accept a gratuity of any kind, form or type in connection with any contract for commodities or services…”

- UF Regulation 6C1-1.011
- UF Policy on “Conflict of Interest and Outside Activities”
- UF Procurement Directives and Procedures
CONTRACTUAL AGREEMENTS:

- Different types of contracts:
  - Sales agreements
  - Maintenance agreements
  - License agreements
  - Service agreements
  - Independent contractors (Individuals)

- UF prefers to use UF contract rather than vendor-provided contracts (see Procurement website)
REVIEWS CONTRACTS SLAs & SOWs:

- Customer (UF) Responsibilities
- Payment terms*
- Privacy Policies
- Confidentiality
- Indemnification
- Beginning & Ending Dates
- Automatic Renewals/Escalation
- Governing Law & Venue
- Audits
- Termination Clause
- Limitation of Liability
- (SOWs) Timeline to Completion
- Milestones

*Fl Statute 215.422(14)
MANAGING A CONTRACT:

The contract is executed, now what?

• Meet with the vendor regularly
• Discuss service level requirements
• Provide feedback – be honest
  ◦ If you need help, contact Procurement
WE CAN HELP!

Involve Procurement Services early on all purchases, especially large or complicated purchases and/or contracts.
QUESTIONS?
Question: I am gathering quotes from several vendors and I am wondering whether I can share information about vendor responses with other vendors?

Best Answer: In order to maintain a professional business relationship you should not share supplier’s prices and terms with other vendors. You can provide the vendor information after the job has been awarded.

By law, vendors are entitled to request public records.