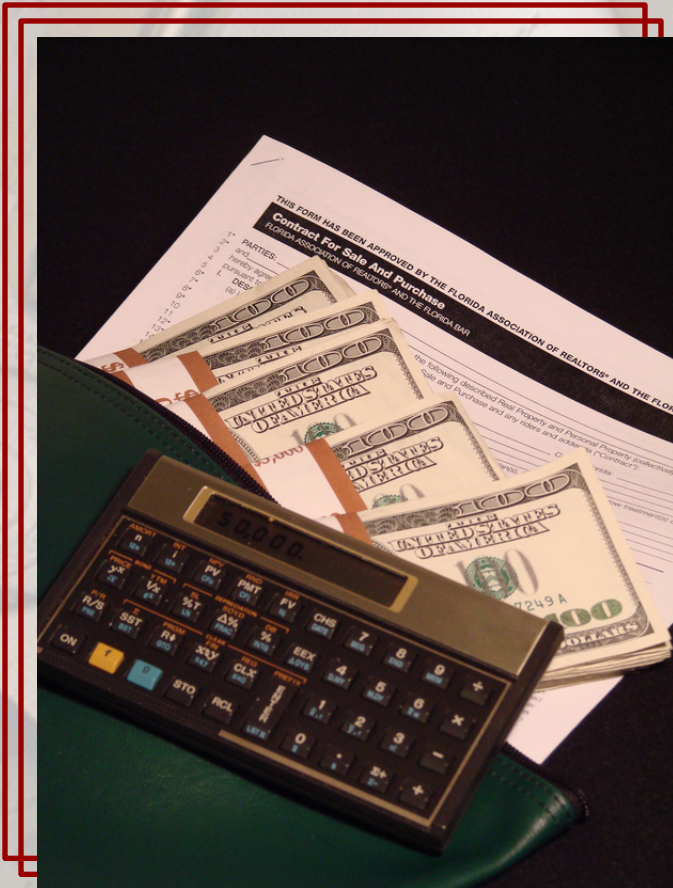


PURCHASING 101



Where to Start...

- Determine what you're buying.
- Where do I go to purchase?
 - a. Can I buy it from the Warehouse?
 - b. Can I buy it on District Contract?
 - c. Can I buy it on State Contract?

a. Warehouse:

Online catalogs are/will be available on the district web page for most custodial, instructional, and child nutrition products, as well as information technology equipment.

If an order can be fulfilled thru the warehouse, create a stores inventory order (SIOEUB) for product to be delivered to your school/department.

Is the Purchase on a current District or State Contract?

b. District Contracts:

Schools are required to use District Contracts (regardless of dollar amount) when the contract offers products and/or services that meet requirements.

c. State Contracts:

State Contracts are an excellent source to procure goods and services. You can access a list of the State Contracts either thru a link on the District purchasing web page or on the state purchasing website at:

www.purchasing.utah.gov.

Click on the “State Contracts” link and search by keywords.

*Remember that State Contracts are not mandatory.

Purchasing Rules

- Less than **\$1,000** - get one quote
- Between **\$1,000** and **\$7,000** - get three verbal/written quotes
- Between **\$7,000** and **\$25,000** - get three written quotes
- Greater than **\$25,000** - execute bid process and get School Board approval

Is the Total Purchase Less than \$1,000 ?

School/Department may select the best source without seeking competitive quotes, however, since public funds are being used, Purchasing encourages you to get quotes.

Note: School Districts commonly receive discounts, be sure to ask.

Is the Total Purchase Greater than \$1,000 and Less than \$7,000?

- School/Department shall obtain competitive quotes and purchase item/service from supplier offering the lowest quote meeting specifications. Quote forms are available on the district purchasing webpage.
- Three (3) verbal or written quotes are required. It is strongly recommended to reference a quote number.
- Quotes must be included in the purchase requisition notes and maintained as part of public procurement record (for auditing purposes).

Is the Total Purchase between \$7,000 - \$25,000?

- Request for written quotation must be sent out to potential vendors with specifications.
- Must receive 3 written quotes and attach to requisition.

Or

- Send detailed specifications to the Purchasing Department. Please include detailed specs, quantity required, date required (if applicable) and delivery location. Include a valid account number with budgeted and allocated funds.
- Send a suggested list of recommended suppliers (if known) including contact information, e-mail address and phone number.

Is the Total Purchase Greater than \$25,000?

- Detailed specifications must be sent to the Purchasing Department for formal bid.
- Must be publicly advertised 10 business days before bid opening.
- Selection criteria to be determined before bid is published, and if applicable, a selection committee appointed to review the final bids.
- Must receive approval from the Board of Education.

Did your quote include shipping costs?

Indicate at time of quote preferred shipping arrangements.

Options:

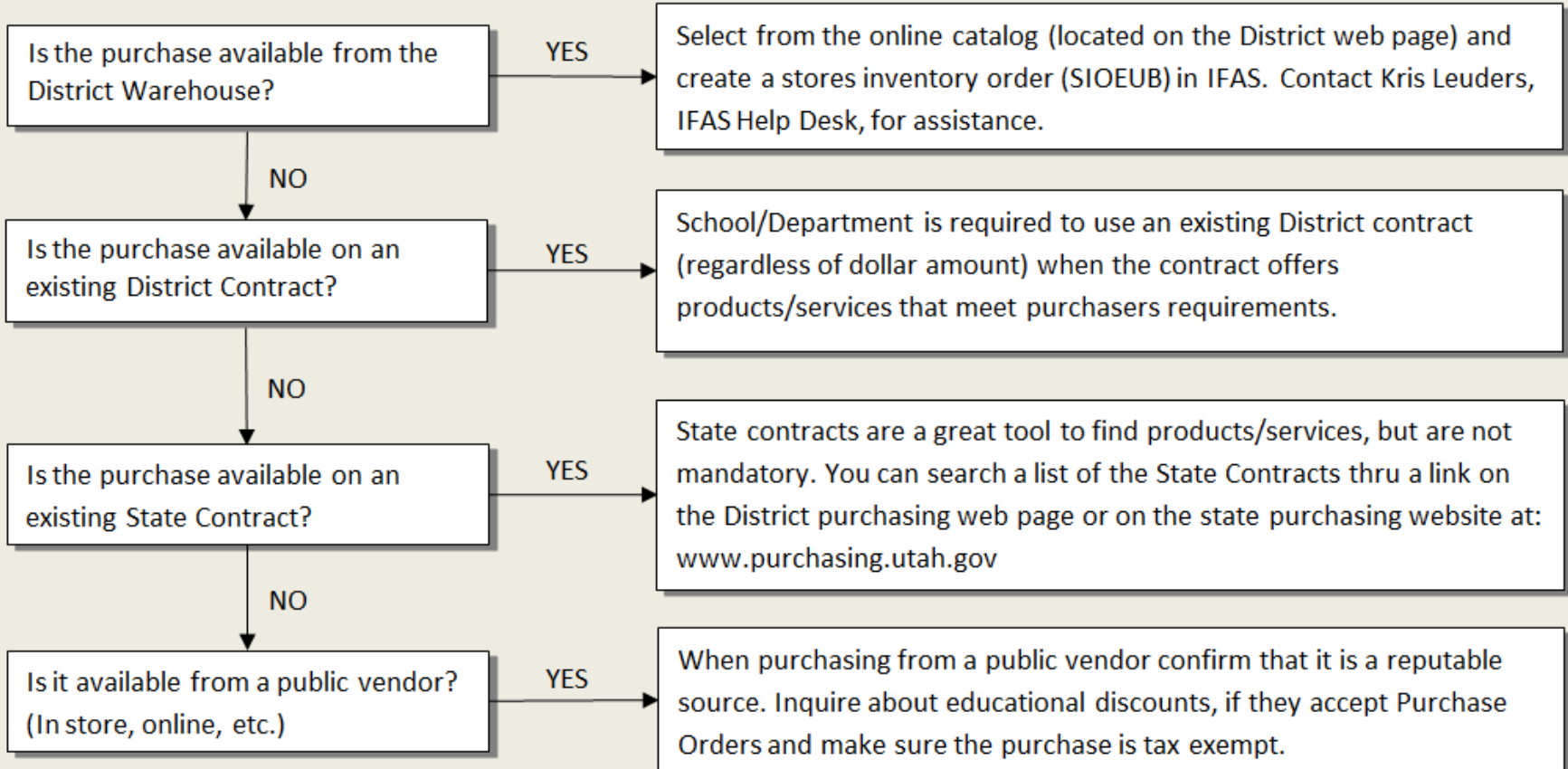
- **FOB Destination Freight Prepaid** (Preferred)
- **FOB Origin** (District pays and arranges freight from the vendor; which can increase overall cost. We assume liability when it leaves the vendor.)
- **Free Shipping**

Common Procurement Methods

- Request for Information (RFI)
- Request for Quotation (RFQ)
- Invitation for Bid (IFB)
- Request for Proposal (RFP)
- Multi-Step Bid (MSB)
- Sole Source

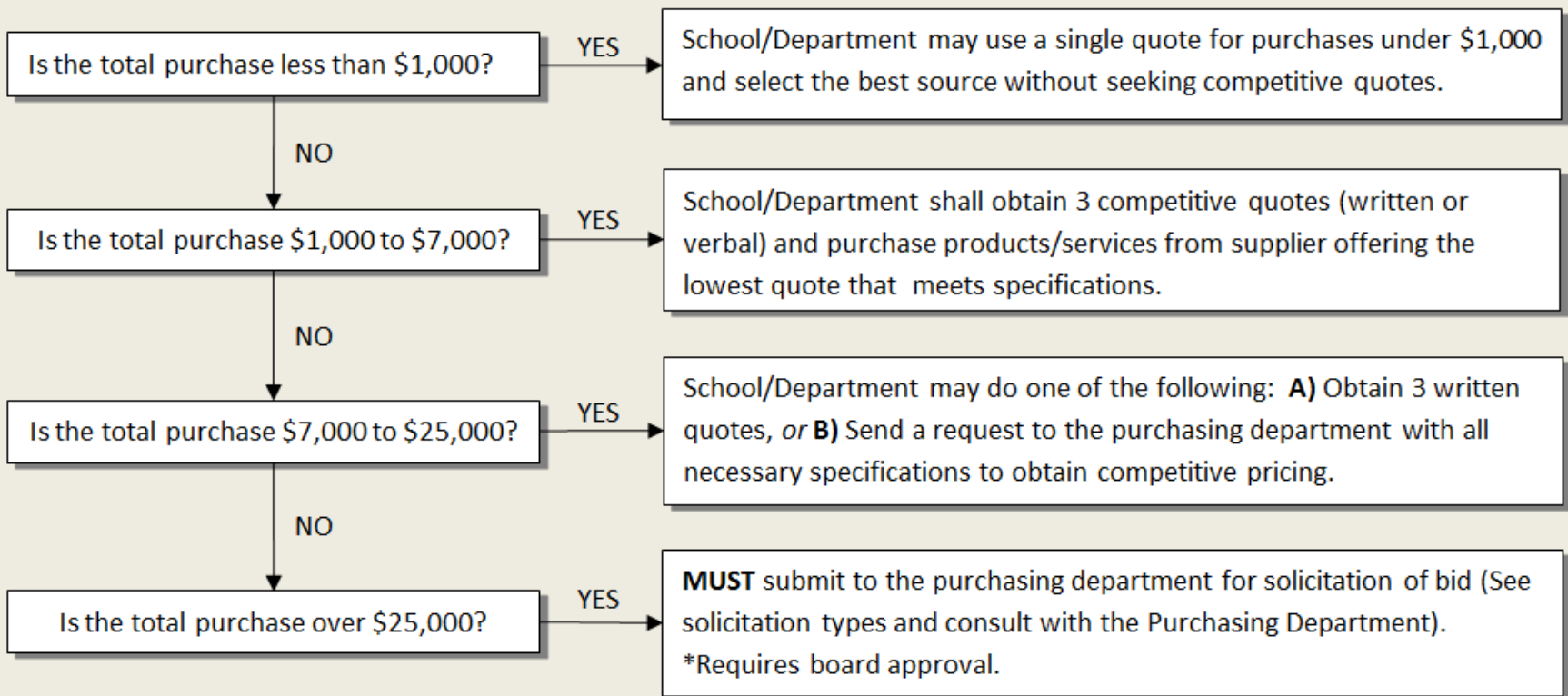
* Work with Purchasing to determine which method is best for your requirements.

PURCHASING FLOW CHART



PURCHASING FLOW CHART (Cont.)

When a source has been found, observe the following guidelines:



Request for Information (RFI):

- Surveying the marketplace to assist with future specification development
- Determine qualifications of potential vendors
- Verify that the solution will meet the need
- No pricing is to be requested
- No Award

* Schools/Departments are not required to send RFI's through Purchasing.

Request for Quotation (RFQ)

- Low Dollar/Risk; may be written or verbal (telephone, fax or e-mail quotes)
- A mandatory public posting is not required but may be used (determined by Purchasing Agent)
- Bid Online or BidSync may be used thru the Purchasing Department
- Method of Award: Low cost quote meeting minimum bid specifications

* Specifications on RFQ must be written to obtain adequate competition.
Avoid specifications that favor a particular vendor.

Invitation for Bid (IFB):

- Solicitations where requirements are well defined and detailed for goods and/or services.
- Formal process by the Purchasing Department
 - Written documents
 - Public openings
 - Bid must be posted for a minimum of 10 calendar days.
- Method of Award: Determine which bidder can provide the goods/services in accordance with the minimum specifications, in the time required at the lowest price.

Request for Proposal (RFP)

Uses:

- Specifications can't be clearly defined.
- Several possible solutions may meet school/department needs.
- Cost is the main factor in determining award.

Method of Award:

- Best Offer (Best Value)
- Point Based Evaluation (determined before RFP is posted).
- Evaluation Team

Evaluation:

- Technical Evaluation (per criteria and points posted in the RFP specifications)
- Cost Proposal Evaluation
- Opportunity for Best and Final Offers (BAFO)
- Award to Offeror receiving the Highest Total Points

Examples: - Architects
- Contracted Services

Multi-Step Bid Process (MSB)

- Obtain benefits of the competitive sealed proposal procedure through the solicitation of technical offers and Invitation for Bid procedure through pricing offered.
- Combination of the RFP and IFB process
- Method of Award: Two phase/step process
 - Step One – Technical proposal (any vendor meeting the technical requirements moves to step two).
 - Step Two – Bid Process (low bid receives award)

Example: Security Systems, General Contractors

Sole Source Procurement

A Product or Service Unique and Easily Established as One of a Kind

*Utah Code R33-3-401 Conditions for use of sole source procurement.

- Sole source procurement shall be used only if a requirement is reasonably available from a single supplier.
- A requirement for a particular proprietary item does not justify a sole source procurement if there is more than one potential vendor or bidder for that item.
- Purchase requires written justification from the using department.
- Purchases greater than \$1,000 must be pre-approved by the purchasing department using the Sole Source Request Form.
- It is not a Sole Source if multiple distributors exist.

Sole Source Product:

Manufactured and marketed by a person or firm having exclusive right to manufacture and sell the product. i.e. iPad

Sole Source Determination

All sole source requests estimated to be \$25,000 and above must be posted for public comment, by the Purchasing Department, through public advertisement.

Questions to ask regarding sole source:

- Can program requirements be modified so that competitive products or services be used?
- Is product available from only one source and not merchandised through wholesalers, jobbers or retailers?
- Must items be interchangeable or compatible with in-place items?
- Is item/service unique and possess specific characteristics that can be filled by only one source?

Do's and Don'ts

DO:

- Remember it's tax payer \$, be responsible
- Follow the law
- Keep good documentation
- Plan ahead. Everyone gets frustrated with 'need it yesterday!'
- When in doubt, call purchasing

DON'T:

- Artificially divide purchases to avoid quote/bid requirements
- Accept gifts from vendors
- Play favorites