2315 -- Procurement

Barton Community College will conduct all procurement activities in accordance with State and Federal laws and College policies and procedures such that students, staff, faculty, and taxpayers receive full value for each dollar of public funds spent. The College procedures conform to open, ethical, and sound procurement policies. This policy addresses general procurement standards, methods of procurement, purchase transmittal procedures, and

Barton Community College procurement policies and procedures:

1. Focus on the stewardship of public funds;
2. Advance and support the mission of the institution;
3. Promote a competitive and fair procurement environment; and
4. Are open and transparent, including adherence to the Kansas Open Records Act.

Procurement Standards

In all contracting and procurement actions, Barton Community College strives for:

Maximization of Competition. Specifications are written to allow the purchasing process to be as open as possible to qualified vendors, suppliers, and contractors.

Equal and Fair Competition. The College will provide each vendor with the same information regarding product or service needs/specifications and will keep vendor responses (*such as price quotes*) confidential until the purchase is awarded.

Best Value at the Lowest Price. Preference shall be given to Barton County vendors, who can provide like-quality products and services and whose price is within 5% of the lowest price. For purchases being made with Federal Funds, the purchase must be made at the lowest price for the product or service that best meets the needs of the requester (no preference for Barton County Vendors).

Methods or Procurement

1. **Micro Purchases** – Micro-purchase- Is defined as an acquisition of supplies or services, the aggregate amount of which does not exceed the threshold as defined in § 200.320 (Federal Register, Vol.78, No. 248/Thursday, Dec. 26, 2013/Rules and Regulations). Standard procedures for the procurement of supplies, equipment, and services on purchases the aggregate dollar amount which does not exceed $5,000 (or $2,000 in the case of construction subject to the Davis-Bacon Act):

   - Authorized employees may select supplier or vendor by an unrestricted open market process. Quotes may or may not be solicited, as determined by the department soliciting the supplies/vendor. No purchase shall be made except on the basis of quality, cost, and service. Preference shall be given to Barton County vendors, who can provide like quality products and services, and whose price is within 5% of the lowest price (not applicable if purchase is made with Federal Funds).

- To the extent practicable, the College will distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the College considers the price to be reasonable.

- Any purchase or expenditure of $1,000 or more requires the President's approval.

2. **Small Purchases** – Standard Procedures for the procurement of supplies, equipment, and services on purchases less than $50,000 but more than $5,000:

   - Purchases cannot be made without seeking at least three competitive quotes or bids. Bid specifications, and/or requests for proposals, may be used when the College determines that because of the nature and complexity of the goods and/or services, it would be in the best interest of the College to do so. No purchase shall be made except on the basis of quality, cost, and service. Preference shall be given to Barton County vendors, who can provide like quality products and services, and who meet bid specifications/quotes and whose price is within 5% of the lowest price (not applicable if purchase is made with Federal Funds). Any purchase or expenditure of $1,000 or more requires the President's approval.

3. **Purchases > $50,000** – Standard procedures for the procurement of supplies, equipment, and services on purchases of more than $50,000 not requiring Sealed Bids or Competitive Proposals:

   - Purchases cannot be made without seeking at least three competitive quotes, requests for proposals, or sealed bids, submitted on prepared specifications. No purchase shall be made except on the basis of quality, cost, and service. Preference shall be given to Barton County vendors, who can provide like quality products and services, and who meet bid specifications/quotes and whose price is within 5% of the lowest price (not applicable if purchase is made with Federal Funds). Projects with an estimated value in excess of $50,000 shall be submitted to the Great Bend Chamber Plan Room. Any purchase or expenditure of $1,000 or more requires the President's approval and purchases of $50,000 or more require Board approval.

4. **Sealed Bids** – Standard Procedures for the procurement by sealed bids (formal advertising) greater than $150,000 – usually for construction projects.

   The College must conduct a cost or price analysis before receiving bids or proposals, in connection with every procurement in excess of $150,000, including contract modifications. See also §200.323 (a-d), (Federal Register, Vol.78, No. 248/Thursday, December 26, 2013/Rules and Regulations).

   - ***Cost analysis*** is the review and evaluation of cost to determine whether it is reasonable, allocable, and an allowable cost. *Cost analysis* involves an examination of all the elements used in calculating a contract's total estimated cost. For example, when fixed price contracts are based on cost estimates, grantees should perform a cost analysis to determine the reasonableness of the prices. Every cost element listed in the vendor's offer must be examined. Additional cost analysis should be done if there are contract modifications that introduce new conditions or more current information is needed.

- ***Price analysis*** involves a comparison of marketplace prices. There are various ways to conduct a price analysis. These include comparing offered prices including discounts with those listed in commercial catalogs, or with those recently submitted for similar services. It can be done, for example, by comparing the price quotes submitted by vendors, or by telephoning other vendors to obtain their market price, or simply comparing published market prices.

Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder who bid, conforming will all the material terms and conditions of the invitation for bids, is the lowest price. Preference shall be given to Barton County vendors, who can provide like quality products and services, who meet bid specifications/quotes and whose price is within 5% of the lowest price (not applicable if purchase is made with Federal Funds). Any purchase or expenditure of $1,000 or more requires the President's approval and purchases of $50,000 or more require Board approval.

The sealed bid method is the preferred method for procuring construction if the following conditions apply:

- A complete, adequate and realistic specification or purchase description is available;
- Three or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- The invitation for bids will be publically advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of;
- All information, except that classified as confidential and/or proprietary, will become public information at the time that the Bid is awarded in accordance with applicable sections of the federal "Freedom of Information Act (FOIA)";
- Requests for information or review of the documents shall be made to the Vice President of Administration or his/her designee. An appointment to review the file shall be made with the Vice President of Administration at a mutually convenient and reasonable time. The reviewer shall not take possession of any of the documents in the file. All proprietary information shall be removed from the file prior to the review;
- Any and all bids may be rejected if there is a sound documented reason; and
- Bonding requirements must be met.

5. **Competitive Proposals** – Standard Procedures for procurement by competitive proposals greater than $150,000.

The College must conduct a cost or price analysis before receiving bids or proposals, in connection with every procurement in excess of $150,000, including contract modifications. See also § 200.323 (a-d). (Federal Register, Vol.78, No. 248/Thursday, Dec. 26, 2013/Rules and Regulations).

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. Preference shall be given to Barton County vendors, who can provide like quality products and services, and who meet bid specifications/quotes and the price is within 5% (not applicable if purchase is made with Federal Funds). Any purchase or expenditure of $1,000 or more requires the President's approval and purchases of $50,000 or more require Board approval. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from a number of qualified sources;
- The College must have a written method for conducting technical evaluations of the proposals received and for selecting the recipients;
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered;
- The College may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitor's qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection faction, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort; and
- Bonding requirements must be met.

For items which require quotes or bids (Greater than $5,000, #2, #3, #4 and #5 above), bid/quote requests must be solicited from all Barton County vendors. Other requests may be solicited using the following options:

- Vendors that have previously done work for the College
- Local Yellow page listing
- Regional Yellow page listing
- Internet Business listings
- Vendors that respond to plan rooms, architects, newspaper requests for bids, etc.

Barton Community College reserves the right to refuse any and all bids and to award bids that are in the best interest of the College as determined by the College.

Contractor Bonding & Equal Opportunity Employer

(K.S.A.) 60-1111 requires that any contracts for construction projects, improvements, or building repairs in excess of $100,000 be bonded. Contractor shall provide sufficient surety bond in a sum not less than the sum total of the contract.

(K.S.A.) 44-1030 requires that any contract for construction projects, improvements, or building repairs in excess of $100,000 include the provision that the contractor shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, national origin or ancestry; and in all solicitations or advertisements for employees, the contractor shall include the phrase, "equal opportunity employer".

1. **Sole Source/Single Source Procurement**

In cases where there is no practical value in soliciting competition for materials or equipment and where only one source is available, it is possible to make the purchase without formal bidding. Standard Procedures for the procurement of supplies, equipment, and services through solicitation of a proposal from only one source:

- Sole Source-Defined
  Sole Source is procurement in which only one vendor is capable of supplying the commodity or service. This may occur when the goods or services are specialized or unique in character. Written justification will be provided. 'Sole' means 'the one and only'.

- Single Source-Defined
  Single Source procurement will be followed when, although three or more vendors supply the commodities or services, the department selects one for substantial reasons, eliminating the competitive bidding process. 'Single' means 'the one among others'.

The Vice President of Administration will evaluate each request and make a determination whether a sole source/single source acquisition is appropriate. The Sole Source/Single Source procurement procedures may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the College; or
- After solicitation of a number of sources, competition is determined inadequate.
- A Sole Source Justification Letter is submitted to the Vice President of Administration for review and approval.
- The Sole Source purchase is approved in writing by the President or the Vice President of Administration.

Any purchase or expenditure of $1,000 or more requires the President’s approval and purchases of $50,000 or more require Board approval.

Careful distinction must be used when determining between "sole source" and "sole product." If only one product will do the job, but that product is available from different vendors, a "sole source" acquisition is not appropriate. Contact the Vice President of Administration for additional information or clarification.

Sole Source Justification Form

Submit a *Sole Source Justification Form* to the Vice President of Administration that includes:

- A product description, including quantity and technical features.
- History of prior purchases and their nature (competitive vs. noncompetitive)
- Statement as to the unique circumstances that require award by noncompetitive bid/proposal.
- An explanation of why the product is unique, if applicable: either (a) The product has special technical qualities, essential to the proposed use/function, and no acceptable substitutes are available from another supplier/manufacturer; or (b) The product is a replacement or auxiliary part to match existing specialized equipment with unique physical design and quality requirements serving a particular function/use.
- Proof of no known equal, including a description of attempts to find an equal from other vendors and verification/information of only one available source.
- An explanation that the purchase price is reasonable: (a) Attach documents that prove that the manufacturer offers the best price available because a purchase from a distributor includes the distributor's mark-up. (b) Attach a written certification letter from the vendor that its sales price is the best price it offers to any similarly situated educational or non-profit customer.
- Description of the efforts made to find competitive sources.
- Statement as to the efforts that will be taken in the future to promote competition for the requirement.
- Letter must be approved by the supervising Dean and Vice President of Administration.

Other Purchase Guidelines and Requirements

See also, Barton Procedure 2130 – Requisitions, including flowcharts

College Credit Cards, Credit Memos, Purchase Orders, Requisitions

Barton- Issued Credit Cards

Under limited circumstances, the College makes available, subject to approval by the Vice President of Administration, a College-issued credit card for individuals who place orders on behalf of the College and routinely travel on College business.

Credit Memos

A vendor may issue a credit under the following conditions:

- The buyer returned goods to the vendor,
- There is a pricing dispute or marketing allowance, or
- Other reasons under which the vendor may reduce the amount that the buyer owes under the terms of an earlier invoice.

The buyer (Barton employee) must complete a *Transmittal* Form to document the transaction and ensure that the credit is applied to the appropriate account or they may attach it to a current invoice to apply to the payment.

Purchase Orders/Requisitions

Vendors may require a purchase order to authorize a purchase transaction prior to the purchase. When accepted by the vendor, a requisition is typically used for this purpose and it becomes a contract binding on both parties.

The requisition sets forth the description, quantities, prices, discounts, payment terms, and other associated terms and conditions. The buyer (Barton employee) must complete a *Requisition* form and receive supervisor approval prior to submitting to the vendor.

Requisitions

The College requires the submission of a completed and approved Requisition Form in order to process payments or reimbursements. Designated employees shall access and complete the Requisition in PAWS.

See Barton Procedure 2130 – Requisitions, for additional information, including flowcharts.

Employees as Vendors

The basic principle underlying procurement ethics is that those in public service should use their positions for the College benefit and not for their own private gain or the private gain of another. The use of Barton Community College employees to provide goods or services is strongly discouraged. ANY purchases from an employee should show evidence of competition and be approved in advance by the Vice President of Administration.

An Employee acting as a potential vendor or an employee who has a relative who is a potential vendor, must disclose this relationship via the form titled Annual *Conflict of Interest Disclosure Form* on an annual basis so long at the relationship exists.

Purchases with Federal Funds

All purchases with Federal funds over $5,000 must be made using the applicable Method of Procurement (#2, #3, #4, #5, or #6) identified above. The process must comply with all Federal requirements including fair and open competition. The College may not specify a specific brand name, vendor, or company. The Request for Proposal (RFP) shall not contain brand-name-only competition.

- Requests for Quotations (RFQs) may be used to solicit offers from vendors to establish pricing and terms/conditions. RFQs may be solicited informally via facsimile, electronic mail, written documentation or verbally.

- Request for Bids (RFBs) may be used to solicit offers from vendors for goods and services that exceed $20,000 and done on a formal basis with a written RFB document

through a sealed bidding process. All formal bids shall be open to the public and results shall be considered public information after a bid is awarded or all bids are rejected.

- Requests for Proposal (RFPs) may be used where and whenever the College determines that because of the nature and complexity of the goods and/or service to be acquired, it would be in the best interest of the College to seek proposals rather than quotations or bids. In this event, the College reserves the right to accept or reject any and all proposals, in whole or in part, to take exception to any RFP specifications, to make an award based solely on the proposals received, or to negotiate further with one or more vendors. The College also reserves the right to negotiate a contract with the selected vendor which is at variance with the RFP.

Equipment Purchase Requirements

- § 200.33 - Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds $5,000.
- The requestor must submit a *Technology Request* Form and contact the Chief Information Officer prior to ordering any technology equipment and/or software to be purchased with College funds. The technology equipment being purchased must be compatible with existing College equipment, purchased and deployable in an acceptable timeframe, purchased from a reputable manufacturer, have a warranty, and fit within the Technology department support guidelines. See also Barton Procedure 2112 – IT Purchases and Projects
- The award will be made on the basis of price and other price-related factors.
- If the low price is not selected, the College provides just reasoning explaining the rationale behind the selection.
- Competitive quotations provide the following detail: like, kind, and quality merchandise from separate vendors (minimum of three);
- If three competitive quotes are not available, documentation as to why the normal procurement process was not followed;
- Presidential approval prior to processing purchase;
- Board or applicable supervising agency approval prior to processing purchase, as applicable;
- If sealed bids are issued, there is at least a ten-day grace period granted while bids are being collected, before they are opened (in compliance with § 200.320 (a));
- If sealed bids are issued, at least two institutional personnel, outside of the Office of the Vice President of Administration need to be present at the opening of the sealed bids (in compliance with § 200.320 (a)).

Supply Purchase Requirements

- § 200.94 - Supplies means all tangible personal property other than those described in § 200.33 Equipment.
- A computing device is a supply if the acquisition cost is less than $5,000, regardless of the length of its useful life. See also §§ 200.20 Computing devices and 200.33 Equipment.
- All supply purchases with College or Federal funds must be made using the applicable Method of Procurement (#1, #2, #3, #4, #5, or #6) identified above.

Contact(s):
Vice President of Administration, Chief Information Officer (electronic and information technology purchases)

Related Form(s)

- *Annual Conflict of Interest Disclosure Form*
- *Requisition* – electronic form located in PAWS
- *Sole Source Justification Form*
- *Technology Request Form*

References

§§ 200.317 – 200.326, 200.33, Appendix II to §200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards (Federal Register, Vol.78, No. 248/Thursday, December 26, 2013/Rules and Regulations).

Barton Procedure 2112 – IT Purchases and Projects
Barton Procedure 2130 – Requisitions

Acknowledgment: Barton County Community College gratefully acknowledges the permission of Laramie County Community College to utilize its Contracting *& Procurement Procedures Manual* as a reference in the development of the Procurement procedures.

Relevant Policy or Procedure(s): 1310 – Fiscal Expenditures

Approved by: President

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