

Procurement and Contracting Training

August 2022

What does Procurement and Contracting do?

- We assist campus with the purchase of needed goods and/or services.
- We review your purchase request to ensure it adheres to the procurement and fiscal rules.
- We work to get what you need in timely and cost-efficient manner.
- We work with you to understand your needs so we can provide guidance on the path forward for your goods and/or services.
- We work with you if you are having trouble with receiving your goods or services.
- When you hear the words “contracts, POs, purchase order, change orders, bids”, those are things handled by Procurement and Contracting.
- Conducts fair and open competition for university procurements.
- Call or email us for assistance!

Procurement Information

- You work with us when:
 - The procurement is over \$5,000 (as a purchase order is required).
 - Where there is a contract or agreement (no matter the dollar value).
- What is a purchase order?
 - It is an authorizing document that allows vendors to fulfill the order for the purchase of goods or services.
 - It is a promise to pay for goods or services (if they are received).
- Any purchase of goods or services over \$5,000 requires a purchase order *before* authorizing the shipment of goods or start of services.*
- After-the-Fact
 - If a PO is not issued before you receive the goods or services, your procurement is an after-the-fact. You may be held personally liable for the cost of the procurement.
 - If you have an after-the-fact situation, you have to provide an explanation to the Controller on how an after-the-fact occurred and what you are going to do to avoid it in the future.

*see slide 5 for the exception to this rule

Procurement Information Continued

- Split Purchase
 - An attempt to circumvent the procurement policies and procedures by splitting a purchase into multiple One Card or Direct Pay Transactions.
- Procurement and contracting can take time, so the sooner you contact our office – the better.
- If you have any issues with vendors, with receiving goods or services against a purchase order, reach out to procurement@mines.edu so your dedicated purchasing agent can help you.

Using Mines' Logo

- Exception to the \$5,000 PO rule.
- Whenever you are ordering items that uses a Mines logo, you *must* get a purchase order – no matter the dollar amount.
 - Examples of items: hats, water bottles, banners.
- <https://www.mines.edu/webcentral/logos/>
- You cannot use your One Card to order or pay for items that have a logo. You pay the invoices from the PO.
- When ordering items with the logo, there is an approval process.
 - This logo approval policy includes all Mines copyrighted designs as well as any design that represents Mines. Even though you may have a created design (like one created by a student group) that isn't trademarked or official, it still needs to go through approval.

Procurement Thresholds

Cost:	Action:
<\$5,000	<ul style="list-style-type: none"> • Use Direct Pay or a OneCard.
\$5,000 - \$10,000	<ul style="list-style-type: none"> • 1 Quote is needed from providing vendor. • A Purchase Order is needed.
\$10,000.01 - \$50,000	<ul style="list-style-type: none"> • 3 quotes are needed. • A quote can come in any written form from a potential vendor, including an email. • A quote can be written communication or statement that the vendor is unable to provide the goods or services in a manner or time that is sufficient for the Mines project. • The additional quotes need to be similar or equivalent to the good(s) / services(s) needed. • You are able to choose the vendor that best fits your needs. Please provide a written determination of the vendor/quote you are selecting. • A Purchase Order is needed.
\$50,000.01 +	<ul style="list-style-type: none"> • Requires a public bid process. • There are several different types of bids, when you are ready to purchase your good(s) or service(s), the Purchasing Agent will work with you to determine the bid that best fits your needs. • A Purchase Order is needed.

Exclusions from Competition Requirements

The procurement rules do allow for some exclusions (except when using Sponsored Program Fund and Research Funds).

The following are a few pertinent exclusions:

- Transactions between another government entity
- Items that can only be provided by the manufacturer of existing equipment (e.g., component parts, software, warranty extensions, maintenance, or training).
- Software license renewals
- Mines hosted conference services (e.g., conference catering, meeting rooms, audio visual equipment and guest accommodations).

Bid Information

- 3 types of Bids
- Documented Quote (DQ)
 - \$50,000 - \$249,999.99
 - Posted for minimum 3 days
 - Usually based on cost, lowest bidder as long as goods/services meets or exceeds specifications.
- Invitation for Bid (IFB)
 - \$250,000 to unlimited
 - Posted for minimum 15 days
 - Usually based on cost but can have other factors.
- Request for Proposal (RFP)
 - Any cost, RFPs are based on many factors, not just cost.
 - RFP process is usually 90 days.
 - See slide 9 for additional information

Your dedicated purchasing agent will work with you to determine the best bid for your needs.

Request for Proposal (RFP)

- An RFP is a great tool for different types of procurements.
- Examples of when to use an RFP
 - New software
 - Final selection includes more factors than just lowest price.
 - Most types of services.
- Timeline for an RFP
 - Approx. 3 months – 4 months.
 - Can be cut down but it just depends on the situation on how quickly an RFP process can take.
 - The timeline includes working on the scope of work, posting, presentations, contracting.
- Requires a committee of a minimum of 3 people.
- Include people in the RFP process that have a stake in what you are looking to buy.
- Plan ahead! Involve Procurement and Contracting early on in your planning process. We can assist in the planning stages.

Think you need to do an RFP? Contact your dedicated purchasing agent at procurement@mines.edu.

Ready to start a purchase?

- Review the Procurement Thresholds for the necessary action needed.
- Gather all necessary documentation for your procurement.
- To start your request email procurement@mines.edu
- Include in your email:
 - Any quote(s)
 - Index number(s) to be used
 - Account code(s) to be used
 - Vendors email address (if not on the quote)
 - Any pertinent information that will help us with your procurement
- Your dedicated purchasing agent will assist you with the next steps. If a Bid is necessary, your agent will work with you on the bid process.

Other items that impact your procurement

- Equipment Review Process

- <https://www.mines.edu/operations/equipment-review-approval/>
- You are responsible for submitting the ticket.
- Used for some equipment purchases. There are parameters around what needs review.
- Most large pieces of equipment need review.
- You can submit your purchase request at the same time you put in the equipment review ticket. If you do that, please let us know you submitted the ticket (and include the number) in your email.
- Equipment review process must be completed before we can proceed with the purchase.

- Software Acquisition Process

- <https://helpcenter.mines.edu/TDClient/1946/Portal/KB/ArticleDet?ID=80691>
- When purchasing software, you are responsible for submitting the ticket.
- Used when new purchasing software (installed on a computer or in the cloud).
- This review involves looking to see if we already have the software on campus, data exchange, privacy, etc.
- This may take time and involves the vendor we're purchasing from answering ITS' questions.
- Cannot move forward with purchase until the process is nearly complete, especially if there is a contract involved (which for software, many times there is a contract).

I know exactly what I want

- Procurement understands that at Mines, some purchases are very specific to research or teaching, but we still need to follow procurement and fiscal policies.
- We ensure you get the goods or services that meets or exceeds your specifications. This means obtaining the correct number of quotes (per slide 6) or when the cost necessitates, going out for solicitation.

I think I have a sole source

- A sole source is a good or service that is so unique in character that there is no other available source to acquire similar goods or services. Only one vendor possess the capability to meet the required specifications of the goods or services.
- A *sole source* is slightly different than *sole brand*. A sole brand request is when you are request the purchase of a specific brand.
- A sole source requires procurement to obtain approvals. It is sometimes hard to get approved. Our goal is to provide fair and open competition. We would rather put out a bid with minimum specifications so vendors can offer equivalent or better goods or services that meet or exceed specifications.
- If you are requesting us to process a procurement as a sole source:
 - Review the *Mines Sole Source Justification Guidelines for Goods/Services*.
 - Complete the *Mines Sole Source Justification Certification for Goods/Services*.
 - Send the form with your emailed request to procurement@mines.edu (review slide 9).

Using Grant / Research Funds

- All goods and services listed in your proposal (that are not a subaward) are subject to procurement and fiscal rules.
- Uniform Guidance states that all purchases made with grant or research funds must follow university procurement rules.
- Grant funds are routinely audited so adhering to the rules is important.
- Procurement Exclusions cannot be used when using Grant funds.

I've got my purchase order, but I need to make changes to it. What do I do?

- This is called a Change Order.
- Procurement processes the change order against the purchase orders.
- Examples of when you might need a change order:
 - You need to add additional items to a one-time order of goods or services.
 - You have a multi-year contract that has payments each fiscal year. The funds are added each year per the contract.
 - You realized you used the incorrect index number or account code.
- When you need something about a purchase order adjusted
 - Complete the *Change Order Request Form*.
 - Email the completed form to procurement@mines.edu
 - Your dedicated Purchasing Agent will complete the change order.

I've received the goods or services. What's next?

- Tip: don't pay any invoices until you've received all goods or services (and everything is in working order).
 - Exception is when there is an agreement upon payment schedule (example – large, high dollar equipment where the vendor wants a prepayment).
- Once you've received all the goods and / or services, submit your invoice(s) for payment
 - <https://helpcenter.mines.edu/TDClient/2657/maps/Requests/ServiceDet?ID=51146> – link to submit invoice
 - You will include the purchase order number in your payment request.
 - The payment is paid against the purchase order.
 - If you have a purchase order, do not make any payments with your One Card.

Contracts / Agreements

- Are documents that legally bind Mines to obligations.
- Generally, coincides with a procurement action.
- May have a monetary value, no cost, may be a donation.
- **Do not sign vendor contracts or agreements!!!**
 - In all cases, the contract or agreement must be reviewed by the proper department. Generally, this is Procurement and Contracting.
 - Office of General Counsel (Legal) will review some types of contracts but Procurement reviews most of the contract types listed in the third bullet.
 - You are not authorized to sign these type of contracts (no matter the situation) on behalf of Mines. You may be held personally liable if you sign a contract on behalf of Mines.
- Procurement and Contracting reviews, negotiates terms and conditions, and obtains signatures on contracts.
- A contract may be necessary due to the cost or nature of your procurement or required by vendors.

Contracts / Agreements continued

- If it is an expenditure contract, there is usually a purchase order as well.
- Contract review and negotiations of contracts / agreements can take time.
- What the contract / agreement review consists of:
 - Removal of terms and conditions that Mines cannot agree to (whether by state statutes or board prohibition).
 - Terms that are not in Mines' best interest.
 - Clear and concise scope of work, requirements.
 - Working with you on any business unit decisions (things like cancellation of the contract, limitation of liability).
- Procurement sends the contract, with contract changes to the vendor for review and negotiations and obtaining final signatures.
- Things that impact negotiation timelines:
 - If the vendor doesn't have experience working with government entities.
 - The requirement of federal flow down language.

Factors to be aware of

- Not leaving enough time to properly review and process your request – including time necessary to conduct a bid. Getting Procurement involved early, especially with large purchases helps the process.
- Emailing your dedicated agent directly instead of sending your request to procurement@mines.edu.
- Obtaining necessary approvals
 - Equipment Approval Process <https://www.mines.edu/operations/equipment-review-approval/> (you are responsible for)
 - Software Acquisition Process <https://helpcenter.mines.edu/TDClient/1946/Portal/KB/ArticleDet?ID=80691> (you are responsible for)
 - Grant Usage – Procurement obtains
 - Capital Asset Usage – Procurement obtains

One Card / Direct Pay Programs

- These programs are run by Mines Administrative Processing Services (MAPS) not Procurement and Contracting.
- One Card
 - Mines' credit card program
 - Typically used to pay for purchases less than \$4,999.99
 - Purchases must be reconciled and submitted monthly in Chrome River
 - <https://helpcenter.mines.edu/TDClient/2657/maps/Requests/ServiceCatalog?CategoryID=16232> or email maps@mines.edu
- Direct Pay
 - Payment process for purchases up to \$4,999.99. For purchases for \$5,000.00 or more, contact Procurement (procurement@mines.edu) for assistance with required Purchase Orders.
 - To make a Direct Pay payment, send invoice to <https://helpcenter.mines.edu/TDClient/2657/maps/Requests/ServiceDet?ID=51146>

MAPS also assists with other services on campus including new hire paperwork, travel reimbursements, employee reimbursements, journal entries and other services.

Your Procurement and Contracting Team

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Danielle Davis, Procurement Manager, ddavis@mines.edu

Megan Averch-Popp, Senior Purchasing Agent

Departments: FA&O, President's Office, and RTT

Melissa Dichard, Purchasing Agent

Departments: Student Life

Joann Heimerman, Purchasing Agent

Departments: Infrastructure & Operations, Provost Office (Academic Affairs)

Theryn Ridge, Senior Purchasing Agent

Departments: Academic Departments, Centers

Reach them at procurement@mines.edu

<https://www.mines.edu/business-operations/purchasing-procurement-services/find-your-purchasing-agent/>

Let us know how we can help!

Questions?

Email: procurement@mines.edu

Website: <https://www.mines.edu/business-operations/purchasing-procurement-services/>