

5.0 PROCUREMENT METHODS

A. General Solicitation Rules

This section applies to the purchase of *goods* and *services*, with some exceptions. The exclusions listed in section **3.0 B Exclusions** are exempted from this section of the Procurement Rules.

1. Solicitation Policy

It shall be the policy of the University to purchase *goods* and *services* in a manner that affords vendors a fair and equal opportunity to compete.

Solicitations should only be issued when there is a valid *procurement* need. *Solicitations* should not be issued to obtain estimates or to “test the water.”

2. Solicitation Thresholds

- i. Goods or services \$4,999 or less
Campus departments have purchasing authority.
- ii. Goods or services \$5,000 through \$50,000
Purchases are processed at the discretion of the *purchasing agent*. Three (3) quotes are required for purchases between \$10,000 and \$50,000 and for all purchases made through POs using federal funds.
- iii. Goods or services \$50,001 through \$150,000
Competition is sought via the *document quote* process.
- iv. Goods or services \$150,001 or greater
Competition is sought via either the *invitation for bid* or *request for proposal* process.

3. Solicitation Notification

An electronic *solicitation* notification system is the required method for advertising competitive *solicitations* for *goods* and *services* made through *documented quotes* (“DQ”), *invitation for bids* (“IFB”) and *request for proposals* (“RFP”). Other methods of notification may also be used at the discretion of the *purchasing agent*.

4. Specifications

Purchasing agents shall issue *goods* or *service specifications*, which are not unduly restrictive. *Brand name specifications*, *brand name or equal specifications*, or *qualified products lists* may be used in competitive *solicitations*. Furthermore, *brand name specifications* shall only be used in accordance with Section 5.E.1. regarding *sole source procurements*. When appropriate, *specifications* issued and/or used by the federal government, other *public entities* or professional organizations may be referenced by the University. Vendors may be required to certify that these standardized *specifications* have been met.

5. Solicitation Conferences

Solicitation conferences may be conducted to explain *procurement* requirements. They shall be announced in the *solicitation*. The conference should be held long enough after the *solicitation* has been issued to allow vendors to become familiar with the *solicitation* but with

adequate time before the *solicitation* due date to allow vendors time to consider the conference results in preparing their *quotes/bids/proposals*. Nothing stated at the conference shall change the *solicitation* unless a change is made by written amendment posted on the electronic *solicitation* notification system.

6. Amendments to Solicitations

Amendments to *solicitations* shall be identified as such and may require that the vendors acknowledge receipt of all amendments issued. Amendments shall be posted on the electronic *solicitation* notification system with sufficient time to allow vendors to consider them in preparing their *quotes/bids/proposals*. If the due date set will not permit such preparation, then the Office of Business Operations shall extend it.

7. Solicitation Receipt, Opening & Recording

a. Receipt

Each response shall show the date and time of receipt. Responses to competitive *sealed solicitations* shall be stored in a secure place until the due date and time, and shall not be opened upon receipt, except that unidentified responses may be opened for identification purposes. Upon verification of a *solicitation* response, the response will immediately be resealed and the reason for opening the response will be noted.

b. Opening and Recording

The competitive *sealed solicitation* opening shall be open to the public. Responses shall be opened, in the presence of one or more witnesses, as soon as possible after the date and time and at the place designated in the competitive *solicitation*.

c. Confidential Data

Confidential information includes, but is not limited to, trade secrets, privileged information and confidential commercial and financial information furnished by the vendor and which may be withheld from inspection by the University pursuant to the Colorado Open Records Act, C.R.S. § 24-72-2043 (3) (A)(IV). The vendor may submit written requests for confidentiality to the *purchasing agent* pursuant to the *solicitation* terms and conditions. Neither a response in its entirety nor price information will be considered confidential information.

- (i) The *purchasing agent* shall determine the validity of any written requests for confidentiality and shall provide a written *determination* of the findings to the vendor.
- (ii) If the *purchasing agent* and the vendor do not agree upon the nondisclosure of confidential information, the vendor may withdraw its response. After *award*, all responses shall be open to public inspection with the exception of confidential information.

d. Withdrawals of Responses & Mistakes in Responses

- (i) Withdrawal of Responses Prior to the Due Date and Time: Any response may be withdrawn prior to the specified due date and time upon written request from the offeror.

- (ii) Withdrawal of Responses after Due Date and Time but Prior to Award:
The Risk Manager and Director, Business Operations may allow a response to be withdrawn after the specified due date and time but prior to the *award* provided:
 - (a) The vendor provides evidentiary proof that clearly and convincingly demonstrates that a mistake was made in the costs or other material matter provided;
 - or
 - (b) The mistake is clearly evident on the response; or
 - (c) It is found by the Risk Manager and Director, Business Operations unconscionable not to allow the response to be withdrawn.
- (iii) Mistakes:
 - (a) Confirmation of Response
When it appears from a review of the response that a mistake has been made, the vendor will be asked to confirm the response. Situations in which confirmation should be requested include apparent errors or price unreasonably lower than other submitted prices. Upon acknowledgment that an error was made, the vendor may have its response considered as is or may withdraw its response if the conditions set forth in this section are met.
 - (b) Minor Informalities
Minor informalities are matters of form rather than substance, are evident from the response or insignificant mistakes that can be waived or corrected without prejudice to other vendors; that is, the effect on price, quantity, quality, delivery or contractual conditions is negligible. The *purchasing agent* may waive such informalities or allow the vendor to correct them depending on which *option* is in the best interest of the University.
 - (c) *Determinations*
Any decision to permit or deny correction or withdrawal of a response under this section shall be supported by a written *determination* prepared by the *purchasing agent*.

e. Evaluation and Award

All responses shall be evaluated as outlined in the *solicitation*. Where appropriate, *procurements* may take into account the costs for the full life cycle of any resulting *contract* to determine total expected cost. The *purchasing agent* shall ensure that the *award* decision treats all vendors equitably.

- (i) The *purchasing agent* shall make purchases from and *award contracts* to, response vendors only.
- (ii) Tie *quotes/bids*
Tie *quotes/bids* are *responsive quotes/bids* from *responsible* vendors that are identical in price, terms and

conditions and which meet all the requirements and criteria set forth in the *solicitation*:

- (a) The *award* shall be made to the vendor that is a small *business* as defined by the Small Business Administration, if identical favorable *quotes/bids* are received.
- (b) If more than one tie *quote/bid* is from a small *business* or if none are, the *award* shall be made to the *local business* if identical favorable *quotes/bids* are received from local and non-*local business*.
- (c) If more than one tie *quote/bid* is from *businesses* that meet or do not meet (a) or (b) above then the *award* shall be made to the *minority (MBE) owned, women (WBE) owned or hub zone (HZ) business* if identical favorable *quotes/bids* are received from *MBE/WBE/HZ business* and a non-*MBE/WBE/HZ business*.
- (d) If more than one tie *quote/bid* is from a *business* that meet or do not meet (a), (b) or (c) above then the *award* shall be made to the *in-state business* if identical favorable *quotes/bids* are received from in-state and out-of-state *businesses*.
- (e) If none of the above applies, the *purchasing agent* shall flip a coin in the presence of another person to determine the *awarded vendor*.

8. Cancellation of Solicitations

a. Reasons for Cancellations

Any *solicitation* may be cancelled in whole or in part at any point in the process when it is in the best interest of the University as determined by the Risk Manager and Director, Business Operations. Approval to cancel will be obtained from the Risk Manager and Director, Business Operations prior to cancellation. The reason(s) for doing so shall be made part of the file and may include, but are not limited to, the following:

- (i) The University no longer requires the *goods or services*;
- (ii) The University no longer can reasonably expect to fund the *procurement*;
- (iii) Proposed amendments to the *solicitation* would be of such magnitude that a new *solicitation* is desirable;
- (iv) Ambiguous or otherwise inadequate *specifications* were part of the *solicitation*;
- (v) The *solicitation* did not provide for consideration of all factors of significance to the University;
- (vi) Prices exceed available funds and it would not be appropriate to adjust quantities or qualities to come within available funds;
- (vii) All otherwise *acceptable bids or proposals* received are at clearly unreasonable prices;
- (viii) The University has reason to believe that the *bids or proposals* may not have been independently arrived at in

open competition, may have been collusive or may have been submitted in bad faith. In this case, a notice of rejection shall be sent to all vendors that submitted *bids* or *proposals*; or

(ix) The number of responses is not sufficient to ensure *adequate competition*.

b. Notice

When a *solicitation* is cancelled, notice of cancellation shall be posted on the electronic *solicitation* notifications system.

c. Disposition of Bids or Proposals

When *bids* or *proposals* are rejected or a *solicitation* is cancelled after *bid* or *proposals* are received, the *bids* or *proposals*, which have been opened, shall be retained in the *procurement* file. *Bids* and *proposals*, which have not been opened, shall either be returned to the vendors (upon request) or shall be disposed.

B. Procurement Procedures for Purchases Totaling \$150,000 or Less

Procurements shall not be artificially divided so as to constitute small-dollar purchases as defined under this section. All purchases, including small-dollar purchases, are subject to the requirement that prices paid be fair and reasonable (C.R.S. §24-30-202(2)).

1. Small-dollar purchases - purchases totaling \$4,999 or less

The University has developed the following mechanisms for the purchase of most *goods* and some *services* totaling \$4,999 or less. Split purchases are prohibited.

- a. The University Procurement Card – This is the preferred method for all purchases of goods \$4,999 or less.
 - i. Faculty and staff may obtain a *procurement card* based on the discretion of their Department Head, Vice President or Director. Graduate students may also obtain a *procurement card* with a stipulated *contract* start and end date. Other persons of interest may be given a *procurement card* on a case-by-case basis. The *procurement card* is to be used only by the person to whom the card was issued.
 - ii. All use of the Colorado School of Mines *procurement card* must comply with the University's financial policies, *procurement* rules and direct charging policies (applicable to sponsored grants and *contracts*). Specific purchases that are prohibited on the *procurement card* include (but are not limited to):
 1. Personal purchases
 2. Transactions split to work around the \$4,999 Single Purchase Limit
 3. Alcohol
 4. Travel (Unless using the OneCard, the Event Card, or a waiver has been issued)
 5. Chemicals
 6. Purchases made from a *contract* without an authorized signature

7. Telecommunications
 8. Cash or cash-type transactions such as gift cards
 9. Purchases that violate mandatory price agreements
 10. Purchases involving the University's Trademark or Logo.
- iii. *Procurement card* holders are *responsible* for obtaining appropriate supporting documentation. For every transaction the cardholder must obtain an itemized receipt that includes the:
1. Purchase Date
 2. Vendor name
 3. Transaction ID
 4. Description of items purchased
 5. Quantity and price of items purchased
 6. Any applicable fees and shipping
- The type of *procurement card* being used will determine where and how the supporting documentation must be maintained. The Controller's Office website provides more detailed information.
- iv. The department is responsible for all charges made on *procurement cards* issued to cardholders within their supervision. **If it is determined that a charge is made on the *procurement card* that is against any University Policies, the cardholder may be personally liable for the unauthorized charge.**
- v. Misuse of the *procurement card* according to the financial and *procurement* policies will result in the cardholder being issued a Violation Notification. Violations are given out on a weighted system (from 15-150 points per violation) based on the type of violation. If a cardholder receives 150 points worth of violations within two years, the card will be suspended for a minimum of six (6) months pending the completion of *procurement card* re-training. Continued misuse of the *procurement card* beyond a two-year period may result in the permanent suspension of the card at the discretion of the Controller. **Card abuse resulting in fraud will result in a permanent suspension and must be immediately reported to the Controller and the Internal Audit Department.**

The Controller must approve any exceptions to these rules regarding the use of the *procurement card*.

- b. Direct pay request – University departments may work directly with the Accounts Payable unit within the Controller's Office for purchases \$4,999 and under were the *procurement card* is not an option.
- i. A direct pay request and related invoice(s) may be submitted to Accounts Payable with documented authorization to pay and the appropriate index and account code to be charged.
 - ii. The Accounts Payable unit will determine whether documentation is adequate to make a payment or if additional information is required before payment is made.

- c. *Field purchase orders* – In cases where the *procurement card* or a direct pay request is not an option, University departments may issue *field purchase orders* from pre-printed stock for purchases up to \$1,000. *Field purchase orders* and related supporting documentation should be submitted directly to the Accounts Payable unit for payment processing.

2. Purchases of goods or services totaling \$5,000 through \$50,000

[Includes purchases less than \$5,000 where neither the *procurement card*, a direct pay request, nor a *field purchase order* will suffice.]

Purchases of these types are processed at the discretion of the *purchasing agent*. Requestors are encouraged to include a recommended vendor at the time of the request. Requestors are required to include 3 quotes supporting the requestor's recommendation for all purchase requests between \$10,000 and \$50,000 and for all purchase requests above \$3,500 made using federal funds. The *purchasing agent* may evaluate the supporting documentation and place the order with any vendor that the *purchasing agent* determines serves the best interest of the University considering cost and other factors.

3. Purchases of goods or services above \$50,000 but less than \$150,000

- a. The above shall be purchased using the *documented quote* process unless there is a written *determination* by the *purchasing agent*, approved by the Risk Manager and Director, Business Operations, that a *Request for proposal*, *Invitation for Bid*, or *sole source procurement* better meets the needs of the University.
- b. For *goods* and *services procurements*, neither the *solicitation* nor the vendor's response constitutes an "offer"; therefore, *responsiveness* at the time of receipt is not an absolute criterion. The *purchasing agent* will determine whether or not a response is *acceptable* and may compare the relative value of competing response, not solely the price. The ensuing purchase order or change order shall constitute an offer. The vendor may accept by performance, unless the purchase order or change order expressly requires acceptance by written acknowledgment.
- c. The choice of vendor for *goods* and *services* must be based on which *acceptable* response is most *advantageous* to the University with price/cost being a consideration. The basis for selection must be documented and will be final.
- d. *Documented quotes* must be advertised in accordance with Section 5.A.3. *Solicitations* must remain posted for a minimum of three (3) working days unless the Risk Manager and Director, Business Operations provides a written *determination* that a lesser time is required in order to meet an immediate University need.
- e. The *purchasing agent* may negotiate with any vendor to clarify its *quote* or to effect modifications that will make the *quote acceptable* or make the *quote* more *advantageous* to the University. However, in the negotiation process the terms of one vendor's *quote* shall not be revealed to a competing vendor and

- all *quotes* will be kept confidential until a purchase order or change order is issued.
- f. *Quotes* may be submitted electronically when the terms of the *solicitation* permit electronic submission.
 - g. *Competitive reverse auctions. Contracts for goods and services may be awarded by competitive reverse auction if the purchasing agent determines that adequate competition can be achieved.*

C. Procurement Procedures for Purchases totaling over \$150,000

1. Invitation for Bids (IFB)

- a. Use of Invitation for Bids
Invitation for bids is a method of *procurement* that results in a *contract* being *awarded* to the lowest *responsive bid* from a *responsible bidder* based on the *specifications* set forth in the *solicitation*. Typical reasons why an *IFB* may be used include:
 - (i) The *award* will be made on the basis of price; or
 - (ii) It is not necessary to conduct negotiations with the responding bidders about their *bids*.
- b. Solicitation Time
 The minimum time for the *IFB* opening date shall be not less than fourteen (14) calendar days after posting the *solicitation* on the electronic *solicitation* notification system. When special requirements or conditions exist, the Risk Manager and Director, Business Operations may shorten the *IFB* time, but in no case shall the time be shortened in order to reduce competition. *Solicitation* periods of less than fourteen (14) calendar days shall be documented as to why a reduced *IFB* period was required.
- c. Advertisement
IFBs must be advertised in accordance with Section 5.A.3.
- d. Late Responses
 Responses received after the due date and time shall not be opened and shall be rejected as late.
- e. IFB Opening
 The name of each bidder, the *bid price(s)* (unless otherwise provided in the *invitation for bids*), and other information deemed appropriate by the *purchasing agent* shall be read aloud at the time of the *IFB* opening. Reading of all *bid* item prices may not be reasonable or desired (e.g., in the case of lengthy or complex *IFBs*). The decision not to read all *bid* prices shall be made by the *purchasing agent*. The name of each bidder, amount of the *bid*, delivery date, name(s) of witness(es) and other relevant information shall be entered into the record and the record shall be available for public inspection. Prior to *award*, copies of pricing information not read aloud at the *IFB* opening shall be made reasonably available for inspection, if requested. Other information related to a *bid*, or the *bid's responsiveness*, may be withheld from inspection until questions concerning such information are resolved. After *award*, all *IFB/bid* documents and a complete *bid* analysis shall be open to public inspection except to the extent the

University has approved a bidder's request that information be held confidential as set forth in Section 5.A.7.c.

f. Award

All *goods* and *services* shall be evaluated for acceptability against the *specifications* and/or *brand name* used as a reference and other evaluation criteria as set forth in the *IFB*. Following *determination* of acceptability, *bids* shall be evaluated to determine which bidder offers the lowest costs to the University in accordance with the *specifications*, taking into account any life-cycle cost formulas stated in the *IFB*.

g. Multi-Step Sealed IFBs

A multi-step *sealed IFB* is a two-phase process. The first phase (technical phase) is composed of one or more steps in which bidders submit un-priced technical offers to be evaluated by the University. The second phase considers only those bidders whose technical offers were determined to be *acceptable* during the first phase. At this time, those price *bids* will be opened and considered. The process is designed to obtain the benefits of competitive *sealed bidding* by *award* of a *contract* to the lowest *responsive, responsible* bidder and at the same time obtain the benefits of the *request for proposal* procedure through the *solicitation* of technical offers and the conduct of discussions to evaluate and determine the acceptability of technical offers.

h. Best Value IFBs

(i) Use of the *best value IFB*:

A *best value IFB* is used where the *IFB* specifically allows for *enhancements, options* and/or *alternatives*. A *best value IFB* must include a base *bid* statement.

(ii) Written *Determination*:

The *purchasing agent* shall provide a written *determination* for approval to the Risk Manager and Director, Business Operations prior to the use of a *best value IFB*. The written *determination* must explain why the *best value IFB* is appropriate for the *good* or *service* being solicited.

(iii) Evaluation:

The criteria or formula for evaluation must include objective consideration of the costs and savings and/or benefits associated with *enhancements, options* or *alternatives*. Based on the evaluation of the cost of the base *bid*, the dollar value of *enhancements, options* or *alternatives* and the *determination* of which best meet the needs of the University, an *award* shall be made to the bidder providing the *best value* to the University.

i. Competitive Reverse Auction Contracts

Contracts for *goods* and *services* may be *awarded* by *competitive reverse auction* if the *purchasing agent* determines that *adequate competition* can be achieved.

2. Request for Proposals

- a. Use of Request for Proposals (RFP)

RFPs will be used for the *solicitation* of competitive *sealed proposals* over \$150,000 that are evaluated on the basis of factors that include but are not limited to price. Evaluations shall be based on the factors set forth in the *RFP* in order to determine which *proposal(s)* best meet(s) the needs of the University.

 - (i) *Written Determination* – The *purchasing agent* must provide a written *determination* for approval to the Risk Manager and Director, Business Operations prior to the use of an *RFP*. The written *determination* must explain why the *RFP* is the proper method of *solicitation*.
 - (ii) *Evaluation Committee* – A committee of no less than three (3) individuals shall evaluate all *responsive proposals*.
- b. Solicitation Time

RFPs will be open for a minimum of thirty (30) calendar days unless the Risk Manager and Director, Business Operations approves a shortened timeframe in writing.
- c. Advertisement

RFPs will be advertised in accordance with Section 5.A.3.
- d. Late Responses

Responses received after the due date and time shall not be opened and shall be rejected as late.
- e. RFP Opening

There shall be a public opening at a date and time specified in the *RFP*. The *purchasing agent* shall read the name of all proposers submitting responses. A witness shall be present. All information other than the proposers' names remains confidential until posting of the notice of intent to *award*.

D. Competitive Negotiation

Contracts or recurring small dollar *procurements* may be awarded by *competitive negotiation* as defined on page 34.

1. Allowable Use

- a. A *contract* may be awarded by *competitive negotiation* after an unsuccessful *invitation for bids* or *request for proposals* process if the Risk Manager and Director, Business Operations determines that time does not permit *re-solicitation*.
- b. Small dollar *procurement* agreements (small dollar *procurements* that are recurring and are not expected to exceed 50,000 per department per year) may be awarded by *competitive negotiation* with donor, small, local, minority, women or *hub zone businesses* when it is in the best interest of the University to do so and in accordance with Section 8 of these rules.

2. Unsuccessful IFB/RFP processes

- An *Invitation for bid* or *request for proposal* process is unsuccessful if:
- a. All offers received are unreasonable or uncompetitive;

- b. The low *bid* exceeds available funds as certified in writing by the appropriate fiscal officer;
- c. The *solicitation* has been properly cancelled in accordance with the provisions of Section 5.A.8.; or
- d. The number of *responsive* offers is not sufficient to ensure *adequate competition*.

3. Participants

The *competitive negotiation* process shall include all vendors who responded to the *solicitation* or any re-*bid* and may include other vendors capable of filling the University's needs. The University may also actively encourage small, local, women, minority, in-state or *hub zone businesses* to participate in the competitive negotiation process or partner with vendors who originally responded to the *IFB* or *RFP*.

4. Times and Locations

Procurement services may set reasonable times and locations for participation in the *competitive negotiation*, reflecting the fact that time constraints are the basis for the *competitive negotiation* process.

5. Separate Negotiations

Each vendor with whom *procurement services* negotiates shall be given a fair and equal chance to compete. Negotiations shall be conducted separately and independently with each vendor and in no case shall the terms of any vendor's offer be communicated to any other vendor until intent to *award* notice has been issued. Any change in requirements shall be communicated to all vendors.

6. Elimination from Process

A vendor may be eliminated from the process upon a *determination* that its offer is not reasonably suspected of being selected for *award*.

7. Award

The *award* shall be made to the vendor whose offer is most *advantageous* to the University. The Risk Manager and Director, Business Operations shall make a written *determination* that identifies the nature of the discussions with each vendor and that states why the selected offer is the most *advantageous* to the University.

E. Exceptions to Competitive Solicitation Processes

1. Sole Source Procurements

Procurement without competition is authorized under limited conditions and subject to written justification documenting the conditions, which preclude the use of a competitive process. A *sole source procurement* is justified when there is only one *good* or *service* that can reasonably meet the need and there is only one vendor who can provide the *good* or *service*. A requirement for a particular proprietary item (i.e., a *brand name specification*) does not justify a *sole source procurement* if there is more than one potential vendor for that *good* or *service*.

Price is not a consideration to justify a *sole source procurement*. In cases of reasonable doubt, competition will be solicited.

- a. Continuing need for Sole Source
Procurement services shall take reasonable steps to avoid using *sole source procurement* except in circumstances where it is both necessary and in the best interests of the University. *Procurement services* shall take action, whenever possible, to avoid the need to continue to procure the same *goods* and/or *services* without competition.
- b. Sole Source Procurement Procedures
 - (i) The requesting department shall submit a sole source justification detailing why the *procurement* is a sole source along with any other pertinent information regarding the *sole source procurement*; e.g. vendor *quote*, requisition, literature, etc.
 - (ii) *Procurement services* is the final authority of the approval of *sole source procurements*.
 - (iii) The *purchasing agent* shall publish all *sole source procurements* for at least three (3) days on the electronic *solicitation* system to allow vendors an opportunity to comment on the validity of the sole source.
 - (iv) The *purchasing agent* has a duty to negotiate the most favorable price, terms and conditions notwithstanding the sole source nature of the *procurement*. The *purchasing agent* is required to make a written *determination* that the price is fair and reasonable.

2. Emergency Procurements

When an emergency condition exists that prevents the use of a competitive *procurement* method, the University may conduct a *procurement* on an emergency basis. Emergency *procurements* may be negotiated on a sole source or limited competition basis as dictated by the circumstances surrounding the emergency.

- a. Determination of Need
An emergency condition justifies the use of an emergency *procurement* when that conditions threatens one (1) or more of the following:
 - (i) The functioning of the University, or its programs;
 - (ii) The preservation or protection of property; and/or
 - (iii) The health or safety of any person(s) or animal(s).

Emergency *procurements* do not include: *procurements* that need to be rushed because of a failure to plan ahead; end of fiscal year *procurements*; or, end of grant/*contract procurements*.

- b. Authority to Make Emergency Procurements
The University may make emergency *procurements* when an emergency condition arises and the need cannot be met through normal *procurement* methods, provided that whenever *practicable*,

approval by the Risk Manager and Director, Business Operations shall be obtained prior to the *procurement*. In the event an emergency arises after normal working hours, the University department shall notify the Risk Manager and Director, Business Operations on the next working day. If the Risk Manager and Director, Business Operations determines that all criteria for an emergency *procurement* were not met, then the *procurement* will be processed as an “*after-the-fact*” *procurement* as set forth in Section 7.

- c. Limits of an Emergency Procurement
The emergency *procurement* shall be limited to the *procurement* of only the types of items and quantities or time period sufficient to meet the immediate threat and shall not be used to meet long-term requirements.
- d. Documentation
As soon as *practicable*, the University department shall prepare a written justification, to be approved by the Risk Manager and Director, Business Operations, that sets forth the justification for the emergency *procurement*. The justification shall include the following:
 - (i) The basis for the emergency *procurement* including the date the emergency first became known;
 - (ii) A listing of the *goods* and/or *services* procured;
 - (iii) A description of the efforts made to ensure that *proposals* or offers were received from as many potential vendors as possible under the circumstances; and
 - (iv) The basis for the selection of the vendor.
- e. Procedures
 - (i) The procedure used shall be selected to assure that the required *goods* and/or *services* are procured in time to meet the emergency. Given this constraint such competition as is *practicable* shall be obtained.
 - (ii) Any *acceptable* form of *solicitation* (e.g. written, faxed, electronically transmitted, phoned, etc.) may be used to obtain *proposals* for an emergency *procurement*.

3. University Wide Price Agreements

- a. The Risk Manager and Director, Business Operations may issue University-wide price agreements for *goods* and *services* for use by all University departments. Such price agreements may include, but are not limited to University initiated agreements or cooperative agreements. The purpose of such agreements is to promote efficiency and savings that can result from leveraging the University’s buying power.
- b. University price agreement pricing is based on the University’s overall anticipated volume of purchases during the agreement

period. In order to assure the University of the least total cost of *goods* or *services*, all University departments are required to order needed *goods* or *services* from University price agreements where applicable.

- c. *Procurement services* is responsible for publicizing all University-wide price agreements and for monitoring compliance.

4. Cooperative Purchasing Agreements

- a. The Risk Manager and Director, Business Operations may approve the purchase of *goods* or *services* from a cooperative purchasing agreement if he/she finds that such purchase is in the best interest of the University after considering the competitiveness of pricing under the *contract* and the efficiencies and cost savings of using the *contract*.
- b. The University may participate in, conduct, sponsor or administer a cooperative purchasing agreement. This includes, but is not limited to, agreements with any of the following:
 - (i) The federal government or an agency or other instrumentality of the federal government;
 - (ii) The State of Colorado, another state, or an agency or other instrumentality of the State of Colorado or another state;
 - (iii) A bi-state or multi-state agency;
 - (iv) A county, municipal corporation or other political subdivision of the State of Colorado or any other state, or an agency or other instrumentality of the political subdivision;
 - (v) Other institutions of higher education; or
 - (vi) A cooperative or organization established for the purpose of establishing *contracts* to aggregate the common requirements of similar institutions for maximizing economies of scale when soliciting *bids* or *proposals*. Examples include the Educational and Institutional Cooperative and the Western States Contracts Alliance.
- c. The Risk Manager and Director, Business Operations may approve a single purchase or approve ongoing participation in a cooperative or consortium purchasing agreement as a University-wide price agreement. The Risk Manager and Director, Business Operations has the final authority to approve the University's participation in cooperative or consortium purchasing agreements.

F. Price Cost Analysis

Price cost analysis is required when there is no competition (such as a *sole source procurement* or when only one response is received to a *solicitation*). The *purchasing agent* must ensure that the price the University is paying is fair and reasonable by completing a price cost analysis. *Procurements*, where appropriate, should take into

account the costs for the full life cycle of any resulting *contract* to determine total expected cost. Additionally, federal laws mandate that the University perform price cost analysis under certain conditions.

If, after analysis, the *purchasing agent* does not feel the price to be paid is fair and reasonable, he/she will either seek competition or negotiate with the vendor to lower the price.

G. Demonstration or Sample Agreements

Equipment requested by University department from vendors, or offered by vendors to University departments, on a trial, loan, demonstration or evaluation basis does not constitute a commitment to purchase said equipment. The University department shall be *responsible* for advising the vendor that, for purchases totaling over \$5,000 a purchase order or change order will be issued at the discretion of the *purchasing agent*, and that competitive purchasing procedures shall be used as required by University policies and procedures. If the vendor who loaned the equipment is the successful vendor, new equipment must be supplied unless otherwise specified.

All moving, handling, transportation and applicable installation costs associated with equipment of this nature are the sole responsibility of the vendor unless otherwise specified. The University will not incur any costs associated with equipment that is on trial, loaned, demonstrated, tested or evaluated unless otherwise specified.

Any agreement, which is required by the vendor, shall be executed by the appropriate *purchasing agent*, regardless of dollar value of the equipment.