



CHADRON STATE COLLEGE

PROCUREMENT PROCEDURES
Personal Property and Contracting Services

SECTION 1. AUTHORITY

A. General. The responsibility for the purchasing, receiving, storing and distributing of all materials, supplies, movable furniture and movable equipment as well as securing services, other than consulting services, to support the activities and program of Chadron State College, unless otherwise provided, is delegated by the Board to the President of the College. The Vice President of Administration and Finance of the College shall serve as the Principal Purchasing Agent for the College and shall be responsible for the development and implementation of College processes and procedures which conform to the requirements of the Board of Trustees.

Established guidelines for procurement are derived from the Board of Trustee's Policy Manual, Policy 7010, 7015, 7016, 8064, and the State of Nebraska Purchasing Office, Lincoln, Nebraska. Any changes or revisions to Board Policy supersede these procedures.

While a staff member as a prospective user may informally seek information and confer with a vendor about the characteristics and list price of a product, negotiation for purchase of such product must be done in compliance with the College/Board of Trustee's policies. If correspondence is carried on between a prospective user and a vendor, copies of such correspondence shall be included along with other price documentation accompanying a purchase order to the extent determined appropriate by the Principal Purchasing Agent. Employees are to be aware of and follow the requirements stated in Policy #5002, "Conflict of Interest: Employment Requirements" when working with potential vendors for the campus.

Purchasing processes and procedures shall be designed to assure that all materials, supplies, equipment and contractual services, using appropriate standards and specifications, can be purchased at the most advantageous price. Where feasible and appropriate, the college shall attempt to determine its annual supply and equipment needs so that purchasing may be coordinated to realize the potential economies of standardization of materials and large scale purchases. State purchasing assistance or contracts and other procurement

procedures may be utilized where found to be advantageous. Payment will be made on satisfactory evidence that the materials have been received or the services rendered; that the designated specifications have been met; and that the price charged is correct. In that the State of Nebraska prefers that electronic payments be made to contractors and suppliers when possible, the following text shall appear on all State College Requests for Proposals, bids requests, contracts and Purchase Orders: "The College may request that payments be made electronically instead of by State warrant."

When purchases are made using federal funds, federal purchasing requirements must also be followed.

No employee of the College shall be financially interested, or have any beneficial personal interest, directly, or indirectly, in the purchase or leasing of any articles or property, nor in any firm, partnership, corporation or association furnishing them. No such person shall receive or accept directly or indirectly from any person, firm or corporation submitting any bid or to whom a contract may be awarded, by rebate, gift or otherwise, any money or other thing of value whatsoever, or any promise, obligation or contract for future regard, or compensation. (Board Policy 7010)

SECTION 2. METHOD OF PROCUREMENT

A. General. All contracts shall be bid as a single whole item. In no case shall contracts be divided or fractionated in order to produce several contracts which are of an estimated value below that required for competitive bidding. All purchases of and contracts for services, materials, supplies, or equipment, and all leases of property, shall be made in the following manner, except in emergencies approved by the Chancellor.

Notification of award for the purchase of supplies, materials or equipment shall be accomplished by means of a Purchase Order. Notification of award for leases of property or for services shall be accomplished by a notification letter, followed by an appropriate contract.

B. Competitive Bids. The Materiel Division of the Nebraska Department of Administrative Services has the authority by State law to develop standards and specifications, take bids and negotiate purchases/contracts for materials, supplies, furniture, equipment, printing, stationery, automotive and road equipment and electronic hardware and software for use by State agencies. The Department of Administrative Services has delegated purchasing authority to each State College and bidding shall follow the rules established by that office and the requirements of the Board.

C. Non-Bid Limit. No bids are required for purchases of estimated value less than five thousand (\$5,000). If it is determined by that solicitation of bids for items costing less than \$5,000 would result in better quality product or lower cost, informal bids may be secured by telephone or in writing. The \$5,000 limit pertains to one order to one vendor

at one time. Dividing orders to stay under the \$5,000 limit is not a valid reason for a no-bid purchase.

D. Informal Bids. Informal bids (letters, phone calls, etc.) are required for estimated value equal to or exceeding five thousand dollars (\$5,000) but less than fifty thousand dollars (\$50,000). Informal bids are price quotations for goods or services which are secured by telephone calls or letters to potential vendors or from the vendors' published material. If the bids are obtained by telephone, the College is required to document such bids in writing. All orders shall be bid FOB Chadron, and written documentation on these bids shall be retained for five years. If the anticipated quotation amount could exceed fifty thousand dollars (\$50,000), the Competitive Formal Bid process should be used.

F. Competitive Formal Sealed Bids. Competitive formal sealed bidding is required when purchases are of an estimated value in excess of fifty thousand dollars (\$50,000). Competitive formal sealed bids are price quotations secured from vendors by means of a "Quotation Request Form." A minimum of 15 calendar days shall elapse between the time formal bids are advertised or called for and the time of their opening. Bids are opened publicly at the time and date specified in the Quotation Request. Facsimile quotations or e-mails are not allowed during this process.

G. Exceptions to the Bidding Process. Items may be purchased without competitive bidding when the price has been established by the federal General Services Administration or participation in a contract previously competitively bid by government or multi-state compact contract including other State Colleges or higher education institutions.

Used vehicles, used equipment, used materials, or used supplies may be purchased by a non-bidding process up to the amount of fifty thousand dollars (\$50,000) Documentation justifying the purchase should be kept on file by the College for future reference.

Library acquisitions may be purchased by a non-bidding process when comparable pricing is checked through the Library's automation software or other specialized price comparison software available specifically for library acquisitions.

Repairs of less than fifty thousand dollars (\$50,000) for equipment, vehicles, furnishings, Information Technology hardware/software/systems and facilities/grounds are not required to follow competitive bidding procedures. Repairs under fifty thousand dollars (\$50,000) require negotiation to assure quality work is performed at a reasonable price.

H. Requests for Proposals (RFP). A Request for Proposal (RFP) process includes a detailed description of the items/supplies/services/systems desired, but important factors other than cost are made part of the process and considered in the award of the contract. For the purpose of Board policies, an RFP can be considered a form of bidding, and may be used when formal or informal bidding is required. The exception to that is when a proposal is received through an RFP process for the purpose of selecting a design/construction consultant or contractor in Board policies 8066 and 8071. In such

cases, the proposals are not considered “bids” since the final contract amount is derived through negotiations with the highest ranked firm.

SECTION 3. CONTRACTS

A. General. A contract is necessary whenever a legal relationship is established consisting of rights and duties that go beyond the sale transaction details. Thus a contract is NOT required when there are not terms beyond the documentation of purchase details, such as 1) definition of items/scope, 2) delivery of the items/services, and 3) the timing of billing and payment.

The following purchases do NOT require a contract when the purchase is below fifty thousand dollars (\$50,000); lodging, airfare, advertising, repair of vehicles, equipment, furnishing, facilities/grounds, and Information Technology hardware and software systems.

College departments and units are responsible for negotiating contracts prior to submission to the Vice President for Administration and Finance. The NSCS standard contract forms are to be used for the initial review draft. (See “*Contract for Services Guidance and Instructions*” found at www.nscs.edu) In cases where there are no alternatives to using vendor contract forms, the applicable provisions of the appropriate NSCS form needs to be incorporated into the initial review draft. If an online user agreement is required for purchase, the terms and conditions are to be reviewed by the College department or unit prior to review and approval by the Vice President for Administration and Finance.

The Board of Trustees is responsible for all contracts. No contract may commit funds for a future fiscal year unless specific funding has been identified in a Legislative appropriation bill or an appropriate escape clause has been inserted in the contract.

No contract, purchase agreement or lease/purchase agreement that requires Board approval shall be signed or finalized in any form until the Board has authorized the College to enter into such an understanding.

Contracts, Memorandums of Understandings, or Agreements establishing collaborative, educational partnerships between the Colleges and external entities must be approved in advance by the Board and signed by the Chancellor. Contracts that are solely for the purpose of exploring the potential for future substantive contracts do not require approval of the Board and shall be signed by the President.

All contracts for capital construction projects must follow the criteria stipulated in Policies 8063 through 8068.

All contracts related to revenue bond facilities will be in accordance with the indentures, statutes, and related Board policies.

B. Limitations/Exemptions. Certain contracts do not require review and approval by the Board. An exempt contract shall be defined as any of the following:

1. Any contract with individual students for room and board or deferred payment program.
2. Any student internship, practicum or workforce training grant agreement.
3. Any community service and service learning contracts.
4. Any Northwest Nebraska Teacher Academy agreements (NENTA).
5. Any articulation agreements to determine course equivalencies in accordance with Board Policies.
6. Any bus chartering contracts.
7. Any contract for the purchase of food and consumable food service items used in the regular course of business in the operation of the College.
8. Any contract for the purchase of supplies and commodities used in the regular course of business operations of the College.
9. Any contract for the purchase of installation services including repairs and maintenance agreements or movable equipment including computer hardware, and computer software services, licenses and maintenance agreements where the total cost does not exceed one hundred thousand dollars (\$100,000).
10. Any contract for the purchase of utilities, gasoline, oil, or diesel fuel used in the regular course of business operations. Utilities shall include trash services, cable television and internet services.
11. Any contract dealing with the sale of College personal property if Board Policy 7014 is followed. Any sale of real property where the sale price does not exceed twenty-four thousand dollars (\$24,000).
12. Any granting of a lease or rental agreement to an external party, if the annual proceeds are less than twenty-four thousand (\$24,000) in accordance with Board Policy 8027.
13. Any contract relating to the staging or performance of any cultural, artistic, musical, scholarly, recreational, or intercollegiate athletic event (at home or away).
14. Any contract for the purchase of material to be added to the collection of any College library.

15. Any contract that does not exceed twenty-four thousand dollars (\$24,000), whereby the College will provide services to an external party including, but not limited to, instruction, consulting, planning, technical assistance or program development courses.
16. Any contract with the state or federal government for the provision of Financial Aid.
17. Any contract associated with an emergency approved by the Chancellor.

All exempt contracts shall be signed by the President or the Vice President for Administration and Finance. In the event that the President and Vice President for Administration and Finance are not able to sign on behalf of their respective institution, the Chancellor is authorized to execute a contract on behalf of the institution. The Chancellor or Vice Chancellor for Finance and Administration or General Counsel are authorized to sign exempt contracts for the System Office. A list of exempt contracts over fifty thousand dollars (\$50,000) authorized and signed by the College or System Office shall be provided to the Board of Trustees in the proper format.

All other contracts, once approved by the Board, shall be signed by the President or Vice President for Administration and Finance and then by the Chancellor or Vice Chancellor for Finance and Administration, or General Counsel.

C. Consulting Services. The Board of Trustees recognizes the value and financial savings that may accrue from the use of experienced consultants to the Board, staff and faculty on special aspects of College and System Office programs. Since no institution can include in its personnel appointments all the highly qualified and widely experienced people on all phases of College or System Office operations, the Board will therefore contract from time to time as appropriate with individuals or groups for special consulting services.

The President is delegated the responsibility for selecting and negotiating on behalf of the Board, consulting contracts under thirty-five thousand dollars (\$35,000). Such contracts shall be signed by the President or Vice President of Administration and Finance. In the event that the President and Vice President of Administration and Finance are not able to sign on behalf of their respective institution, the Chancellor is authorized to execute a consulting contract on behalf of the institution. For consulting contracts where the total cost is estimated to be between thirty-five thousand dollars (\$35,000) and seventy thousand dollars (\$70,000) such contracts shall be approved by the Chancellor and signed by the President or Vice President of Administration and Finance and then by the Chancellor or Vice Chancellor for Finance and Administration or General Counsel. The Chancellor is delegated the responsibility for selecting and negotiating on behalf of the Board, consulting contracts for the System Office or system wide contracts. All consulting contracts exceeding seventy thousand dollars (\$70,000) that are covered under this policy shall follow a competitive bid RFP process and be approved by the Board. These contracts, once approved by the Board, shall be signed by the President or Vice President of Administration

and Finance and then by the Chancellor or Vice Chancellor for Finance and Administration or General Counsel.

SECTION 4. BID ADVERTISING

All public lettings made by the College shall meet the requirements of state statute for such activities.

Advertisement for bids shall fix the day and time upon which bids shall be returned, received and opened. When a public contract is awarded to the lowest bidder, a resident bidder shall be allowed a preference over a nonresident bidder from a state which gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder. This provision shall not apply to any contract for any project upon which federal funds would be withheld because of such provision.

All contractors bidding on public letting shall file with the bid form a statement that he/she is complying with, and will continue to comply with, fair labor standards in the pursuit of his/her business and in the execution of the contract on which he/she is bidding. If it is shown that any contractor submitting a bid has not complied with the fair labor standards in pursuit of his/her business, such lack of compliance shall be the basis for disqualification of bid.

All contractors and vendors wishing to enter into a contract with the College must establish and provide proof of a drug-free workplace policy or submit a statement that they are in compliance with the State of Nebraska's Drug-Free Workplace requirement.

All contractors shall register and use a federal immigration system to determine the work eligibility status of new employees physically performing services within the State of NE.

All bids shall be FOB Chadron State College. Since freight charges may vary, it should be the responsibility of the vendor to compute this charge.

All written bid requests should have the statement: "Chadron State College hereby reserves the right to waive any formalities or informalities in the best interests of the College."

SECTION 5. AWARD OF BID

A. Determining Lowest Responsible Bidder. All purchases required to be based on competitive formal bids, shall be made to the lowest responsible bidder, taking into consideration the best interest of the College, the quality of the articles proposed to be supplied, their conformity with specifications, the purposes for which required, and the times of delivery. In determining the lowest responsible bidder, in addition to price, the

College may develop criteria specific to a purchase or may give the following elements consideration where applicable:

1. The ability, capacity and skill of the bidder to perform the contract required;
2. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
3. Whether the bidder can perform the contract within the time specified;
4. The quality of performance of previous contracts;
5. The previous and existing compliance by the bidder with laws relating to the contract;
6. The life-cycle costs of the personal property in relation to the purchase price and specifications of the item;
7. The performance of the personal property, taking into consideration any commonly accepted tests and standards of product usability and user requirements;
8. Energy efficiency ratio as stated by the bidder for alternative choices of appliance or equipment;
9. The information furnished by each bidder concerning life-cycle costs between alternatives for all classes of equipment, evidence of expected life, repair and maintenance costs, and energy consumption on a per-year basis;
10. The results of the United States Environmental Protection Agency tests on fleet performance of motor vehicles. Each bidder shall furnish information relating to such results; and
11. Such other information as may be secured having a bearing on the decision to award the contract.
12. In accordance with state law, when a State contract is to be awarded to the lowest responsible bidder, a resident disabled veteran or a business located in a designated enterprise zone under the Enterprise Zone Act shall be allowed a preference over any other resident or nonresident bidder if all other factors are equal. Resident disabled veteran means any person (a) who resides in the State of Nebraska, who served in the United States Armed Forces, including any reserve component or the National Guard, who was discharged or otherwise separated with a characterization of honorable or general (under honorable conditions), and who possesses a disability rating letter issued by the United States Department of Veterans Affairs establishing a service-connected

disability or a disability determination from the United States Department of Defense and (b)(i) who owns and controls a business or, in the case of a publicly owned business, more than fifty percent (50%) of the stock is owned by one or more persons described in the subdivision (a) of this paragraph and (ii) the management and daily business operations of the business are controlled by one or more persons described in subdivision (a) of this paragraph.

B. Rejection of Low Bidder. A person may recommend the bid of an apparent low bidder not be accepted; however, their recommendation must be defended in writing and based on the failure of the bidder to conform with these conditions.

C. Rejection of Bidders. Any or all bids may be rejected by the College including the bid of any bidder who has failed to perform a previous contract with the College or the State of Nebraska. In any case where competitive bids are required and all bids are rejected, and the proposed purchase is not abandoned, new bids shall be called for as in the first instance.

D. Less Than Three Bids. If articles are to be purchased by competitive formal bidding, the College shall prepare standards and specifications for these articles in such a manner it will be possible for three (3) or more manufacturers, vendors, or suppliers to submit competitive bids. If a requisition for articles exceeds fifty thousand dollars (\$50,000) and bids cannot be obtained from three (3) bidders, bids may be accepted from a fewer number of bidders than three upon documentation of the bidding process.

SECTION 6. CAPITAL CONSTRUCTION AND INFORMATION TECHNOLOGY (IT) BIDS

The Board shall, within the limits prescribed by law, prepare specifications, advertise projects, evaluate and award all bids for capital construction projects and information technology related purchases in the System. No College employee or Board member shall furnish or cause to be furnished any technical information, or solicit proposals and/or prices or take advantage of any type of action, which would or could be construed to give a direct or indirect advantage or disadvantage to a potential bidder for a College Project. No person shall attempt to influence in any way or participate or assume responsibility in the evaluation of proposals and selection of contractors when participation constitutes a conflict of interest.

A. Open Solicitation – Construction Projects and Information Technology related purchases with a total project cost less than thirty thousand dollars (\$30,000)

Competitive bidding is not required. The College may contract directly with a responsible contractor after negotiating a contract price that is reasonable and within budget.

B. Informal Procedure – Construction Projects and Information Technology related projects with a total project cost between thirty thousand (\$30,000) and one hundred thousand dollars (\$100,000)

Three or more quotations for the project shall be solicited from responsible bidders. Original quotations may be obtained in writing or verbally. Any verbal quotations must be followed up with a written or faxed confirmation for the project files. A fixed bid receipt date or public opening is not required. A formal contract shall be executed for the project after negotiating a price.

C. Formal Procedure – Construction Projects and Information Technology related purchases exceeding one hundred thousand dollars (\$100,000)

Specifications: All specifications and plans for buildings to be renovated or constructed, are to be prepared by professional architects and/or engineers when required by state law. The specifications and plans shall be prepared in such a manner that the completed building, landscaping and parking facilities, including the cost of equipment and fixtures necessary for the project, or the completed renovation cost shall not exceed the amount authorized for that purpose. Specifications for information technology related purchases may be prepared by College employed technicians or hired consultants.

Advertising: A minimum of fifteen (15) calendar days shall elapse between the time formal bids are first advertised or called for and the time of their opening. Bids shall be submitted in a sealed envelope and opened in public so bidders and interested parties may be present. Procedures for advertising, bid opening, and bid evaluation will be conducted as detailed in Board Policy 8064.

D. General Information Capital Construction and Information Technology Formal Procedure – Construction Projects and Information Technology (IT) Bids

Procedures for bid evaluation and contract will be conducted as detailed in Board Policy 8064.

All Capital Construction bids must be reviewed by the Vice President for Administration and Finance prior to bid. All Information Technology projects must be reviewed by the Chief Information Officer.

SECTION 7. EMERGENCY PROCUREMENTS

Emergency shall mean any situation where it is necessary to enter into a contract to (a) avoid the loss of life, health, safety or property, (b) respond to time limits established by an external authority, (c) ensure the continuation of an essential College service, function, utility, facility or computer/software system, or (d) avoid, correct, or repair a situation

outside the control of the College including detrimental negligence or acts of an employee, natural or manmade disasters, and security or data compromise.

Proposed emergency purchases shall be documented by the College unit or department, and submitted to the Vice President of Administration and Finance for approval by the Chancellor. The Chancellor may also approve the suspension of bidding requirements as appropriate for each emergency.

SECTION 8. SOLE SOURCE PROCUREMENTS

A sole source purchase is when there is only a single feasible or sole source for supplies or services. A single feasible or sole source exists when:

1. Supplies are proprietary and only available from the manufacturer or a single distributor.
2. Additions to a system must be compatible with the original equipment or software.
3. Factory authorized maintenance must be utilized in order to maintain validity of a warranty.
4. Only one (1) type of computer software exists for a specific application.
5. The software or materials are copyrighted and are only available from the publisher or a single distributor.
6. The services of a particular provider are unique, (i.e. entertainers, authors, etc.)
7. Based on current research, it is determined that only a single distributor services the region in which the supplies are needed.

Documentation to purchase based on sole source without competitive bids or proposals shall be documented by the College unit or department, and approved by the Vice President for Administration and Finance in consultation with either the Vice Chancellor for Facilities and Information Technology, or the Vice Chancellor for Finance and Administration.

SECTION 9. SPECIFICATIONS

A. General. This section is intended to remind departments of the significant role proper preparation of specifications plays in the purchasing process. A specification that is so restrictive only defeats the objectives of centralized procurement. The following information briefly explains the purpose of a specification and the various types of specifications which can be utilized. Additional assistance may be obtained from the College Purchasing Agent.

B. Specifications. A specification relates the technical and descriptive requirements of a product and its intended use or application. Specifications describe what is required or desired and thus, what the successful bidder is to furnish. Specifications are the communication media between the buyer and seller and the basis on which bids are prepared. Specifications provide a control to assure that the proper quality level is

purchased (i.e. that the quality level is suited to the items intended use and that unnecessary features and frills are not included.) Specifications are public records that serve to keep the purchasing process open by allowing the public to see exactly what is being purchased. Specifications are used during the evaluation of bids to determine whether or not bids are responsive. Any bid that does not substantially meet the requirements set forth in the specifications cannot be considered for the award.

Types of Specifications.

1. Brand Name Specifications – brand name, model number, or some other designation is cited that identifies a specific product of a manufacturer as an example of the quality level desired. Items equaling or surpassing the quality level are understood to be acceptable. Brand name specifications should always be accompanied by a phrase such as “or equivalent” or “similar in design, construction and performance.”

The Quotation Request should identify the most prominent characteristics which are to be used in comparing brands and determining the award.

The disadvantages of a brand name specification are that they may lessen objectivity in the process of evaluation and award, reduce equality of opportunity among bidders, and often discourage competition.

2. Qualified Products List – various brands are examined, approved and placed on a list. When a Quotation Request is issued, the bidding is limited to those vendors whose products are on the list. The purpose of this type of specification is to determine in advance those products which comply with specifications or otherwise are acceptable.

The advantages of qualified products lists are that the evaluation of bids is greatly simplified, and the price and performance capability of the bidder becomes the determinants. Also, any questions from suppliers whose products are determined to be unacceptable are handled prior to issuing the Quotation Request.

The disadvantages of qualified products lists are that the competition is limited to those products on the list, and qualified products lists deal only with products on the market and therefore do not ordinarily encourage or take advantage of innovation.

3. Samples – under this procedure, bidders are invited to offer their price and a sample of the product against a general descriptive specification. The samples are then subjected to various kinds of comparisons ranging from visual inspection and evaluation to chemical and physical laboratory test to in-use applications. Data and relative performance results are documented, and determinations are made on the best value.

4. Designation of Special Purpose – utilized when it is necessary to purchase an item for a special purpose when no items of that kind are normally produced or marketed. Most frequently, a normal specification is accompanied by a questionnaire asking what modifications bidders would offer to make to their product to make it most suitable for the particular need. Prospective suppliers compete based on an impartial evaluation of the alternatives offered by all who respond.
5. Design Specifications – set the requirements for the item to be purchased by detailing the characteristics that the item must possess. The specification is so detailed that it describes how the product is to be manufactured. Its use is essential where a structure or product is to be made to meet the purchaser's design.
6. Performance Specifications – set out the performance requirements a product is to meet. Performance requirements describe the capabilities that are necessary to satisfy the intended use for the article. Performance specifications are the most preferred type of specification. They encourage ingenuity, innovation and cost reduction on the part of the manufacturer or producer.

Established guidelines for procurement are derived from the Board of Trustee's Policy Manual, Policy 7010, 7015, 7016, 8064, and the State of Nebraska Purchasing Office, Lincoln, Nebraska. Any changes or revisions to Board Policy supersede these procedures.

Dale Grant
State Deputy Purchasing Agent