New Bid Threshold

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Purchasing Services
Now

- Bid Threshold - $10,000
- Dept Small Order Limit - $9,999

March 1, 2007

- Bid Threshold - $50,000
- Dept Small Order Limit - $49,999
Now

• U Wide Contract Orders
• Limited to $99,999

March 1, 2007

• U Wide Contract Orders
• Limited to $249,999
Why Raise the Bid Threshold and Departmental Small Order Limit?

- Eliminate barriers
- Acquire goods faster
- Support Strategic Initiative
Three Compliance Requirements

- Basis for Vendor Selection and Reasonableness of Price
- OGC Review
- Federal Contract Attachments to PO
What is Expected/Required by Funding Sources and Stakeholders?

- **A110** – Requires Basis for Vendor Selection and Proof of Price Reasonableness

- **FAR** – Same as A110 only more specific
What is Expected/Required by Funding Sources and Stakeholders?

- Vendors – want business opportunities & fairness in vendor selection

- Taxpayers – want to avoid arbitrariness or favoritism, expect competitive process to ensure good value for taxpayer dollars
What Needs to be Demonstrated on Orders $10,000 - $49,999?

- Basis for Vendor Selection
- Reasonable Price
Orders $10,000 - $49,999

- U Stores
- U-Wide Contracts
- U-Mart (Techmart)
- Internal Svc Orgs (ISO)
- State of MN Contracts
- Federal Contracts (General Services Admins – GSA)
Orders $10,000 - $49,999

If not buying on contract or from ISO,

Complete Price Comparison Form
Exceptions

- Vehicles – contact Fleet Services
- Facilities; changes, upgrades – contact zone mgr
- Air charters – contact Purchasing
- Requests for Proposal – contact Purchasing
- Orders using federal contract funds – follow special instructions
Office of the General Counsel must approve:

- Software license agreements, leases and rentals, non-disclosure agreements, etc.

- Any changes to, additions to, or deletions from Standard Terms and Conditions on FFN forms.
Special Procedure for Orders over $10,000 using Federal Contract Dollars

Responsibilities of Preparers:

• Identify federal contract funds by fund/area/org at: http://oar.research.umn.edu/fed_contract_list.cfm

• Select attachments from grid

• Note all attachments in Justification field on FFN POT for Certified Approver’s Information
<table>
<thead>
<tr>
<th></th>
<th>Attach Flowdown</th>
<th>Attach Cert #1 Signed by Vendor</th>
<th>Attach Cert #2 Signed by Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000 +</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25,000 +</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>$100,000 +</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
Responsibility of Certified Approver:

- Note federal funds are being used.
- If over $10,000, review grid for attachments.
- Review justification field to ensure that appropriate attachments are noted.
- Optional – request to see order and/or flowdowns and signed attachments.
Retention

Retain these attachments with the department record of the order according to Records Retention Guidelines:

- Standard Ts & Cs
- Flowdowns
- Signed Certifications
Grace Period

• RXs received March 1, 2007 – July 1, 2007

  Purchasing will prepare and place orders $10,000 - $49,999.

• RXs received After July 1, 2007

  Purchasing will return RX to department with letter and link to new policy and procedures.
To download this presentation, go to:

http://purchasing.umn.edu/newbid.ppt