

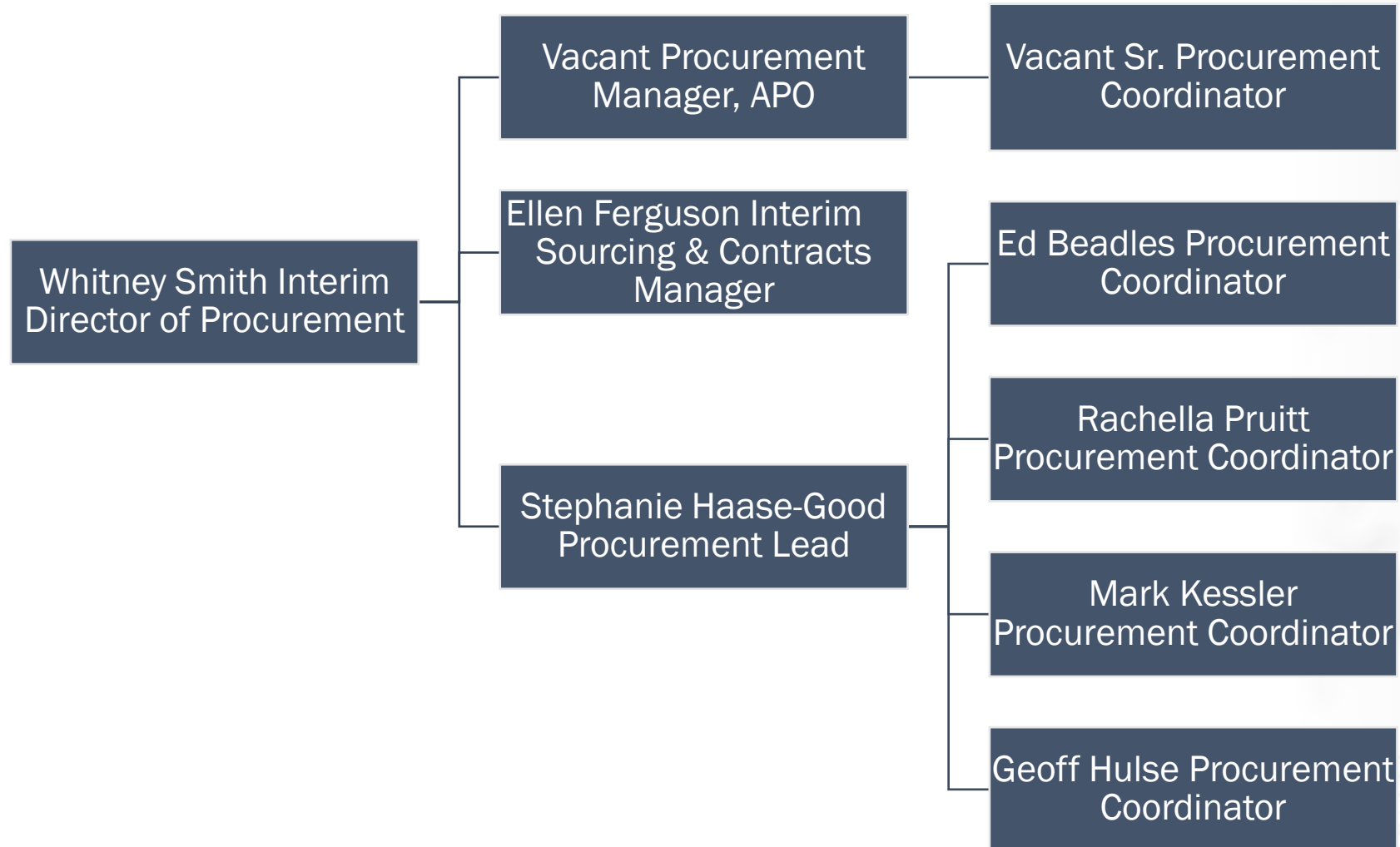


UNIVERSITY OF
ARKANSAS.

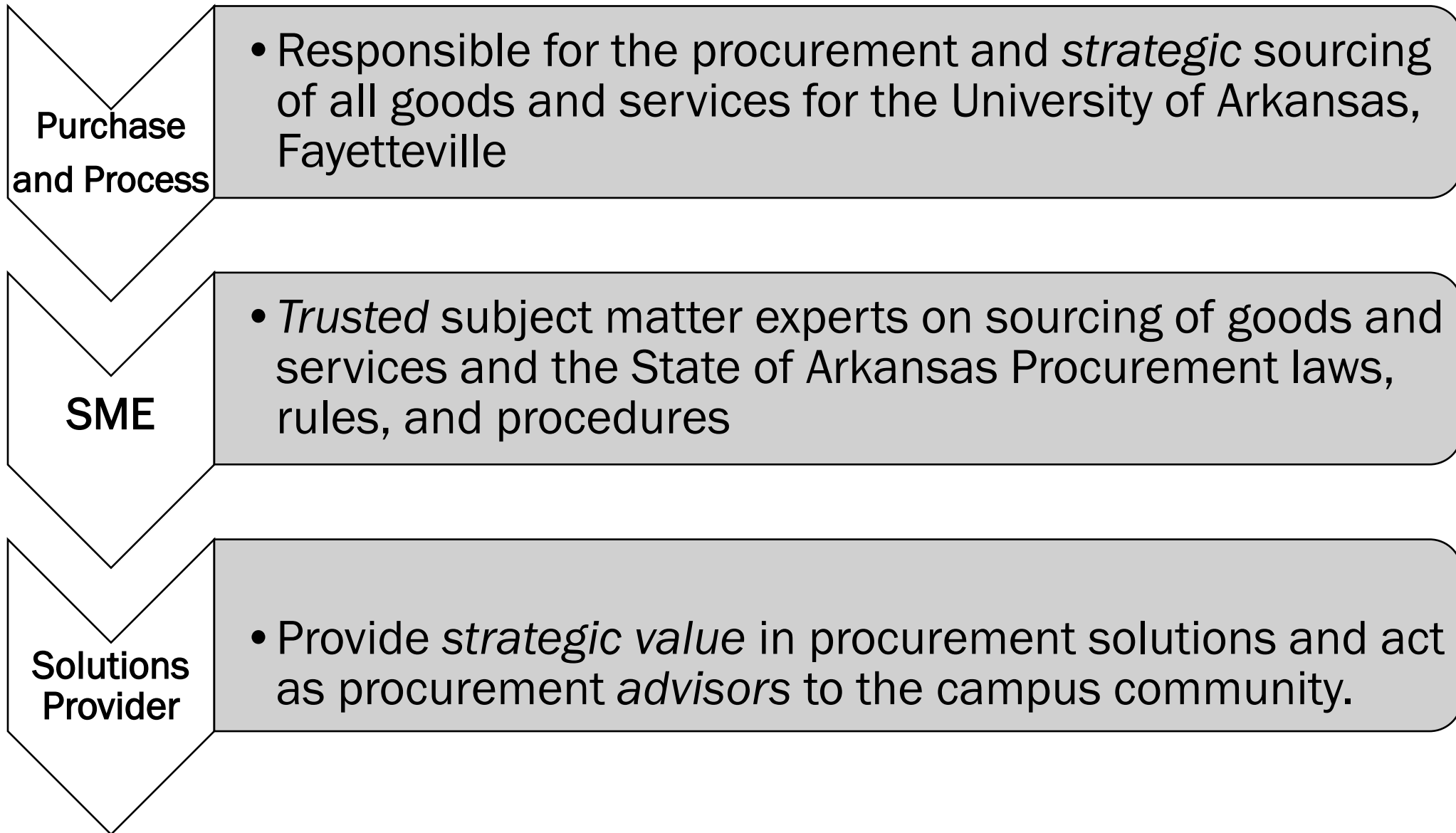
University of Arkansas Procurement Training State of Arkansas Laws Basic Procurement Process



Business Services Procurement Team



Role of the Procurement Organization



Arkansas Procurement Law



Arkansas Procurement Law



- Includes, but is not limited to:
 - Printing specifications
 - Bidding and awarding procedures
 - Review and reporting procedures
 - Vendor Performance Reporting
 - Cooperative purchasing
 - Minority and Women-Owned Businesses
 - Construction procurement procedures
 - Sole Source

Arkansas Procurement Law

Purchasing Methods



- **Small Order Purchases (purchases \$20,000 and under)**
 - These purchases may be made without bidding, but competition should be used to the maximum extent practicable.
 - This limit does not apply to state and institution contract items and printing.
 - CANNOT be repeated to avoid the bidding process.
- **Competitive Quote Bids (purchases \$20,000.01 to \$74,999)**
 - A minimum of three (3) bids must be received.
 - One should be a minority vendor if available for that commodity.
 - Pursuant to Ark. Code Ann. § 19-11-234 the State of Arkansas encourages all small, minority, and women owned business enterprises to submit competitive bid quotes
 - Departments must use the [Bid Quote Request Form](#) and [Bid Quote Tab Sheet](#) when requesting bids.

Arkansas Procurement Law

Purchasing Methods



Competitive Sealed (formal) Bids (purchases exceeding \$75,000)

Formal Bids are processed by Request for Proposal (RFP) or Invitation For Bid (IFB).

- **Request for Proposal (RFP) – Goods and Services**
 - Apply to purchases of goods and services, or services only, not covered by a state contract and leases or leases with the option to purchase
 - Require formal competitive sealed bidding by the Procurement Office.
 - The average processing time is three (3) to twelve (12) months
 - Award based on selection criteria
- **Invitation for Bids (IFB) – Goods**
 - Apply to purchases of goods not covered by a state contract and leases or leases with the option to purchase
 - Require formal competitive sealed bidding by the Procurement Office.
 - The average processing time is one (1) to (2) months
 - Award based on best/lowest COST ONLY (must meet/exceed minimum specs)

Arkansas Procurement Law

Purchasing Methods



Competitive Sealed (formal) Bids (exceeding \$75,000)

- **What is Formal Bidding?** Commodity purchases, leases or services which exceed \$75,000. Formal Bids are processed by Request for Proposal (RFP) or Invitation For Bid (IFB). All formal bids should include a Strategic Sourcing component.
- **Average Process Time?** Formal bids must be developed, advertised, the responses evaluated, and the bid awarded.
 - **RFP** - three (3) to twelve (12) months. Award based on selection criteria.
 - **IFB** - one (1) to two (2) months. Award based on best/lowest COST ONLY (must meet/exceed minimum specs).
- **Department Planning.** Departments should allow time for the above procedures when anticipating their purchasing needs.

It's never too early to work with Procurement on your Sourcing Strategy.

- **What is Strategic Sourcing?** Adding strategy to your purchase.
- **What are the benefits to you?** Savings in money, time, and resources.
- **Want to Learn More?** To learn more about the University of Arkansas's Strategic Sourcing contact Ellen Ferguson, Interim Contracts and Sourcing Manager, Business Services. ellenf@uark.edu

Arkansas Procurement Law Purchasing Methods



- **Competitive Sealed (formal) Bids (exceeding \$75,000) Con't**
- Ready to place a FORMAL BID?
- Where to start? Go to our [Formal Bids](#) and select "Click Here to Complete the First Step"



[Click Here to Complete the First Step](#)

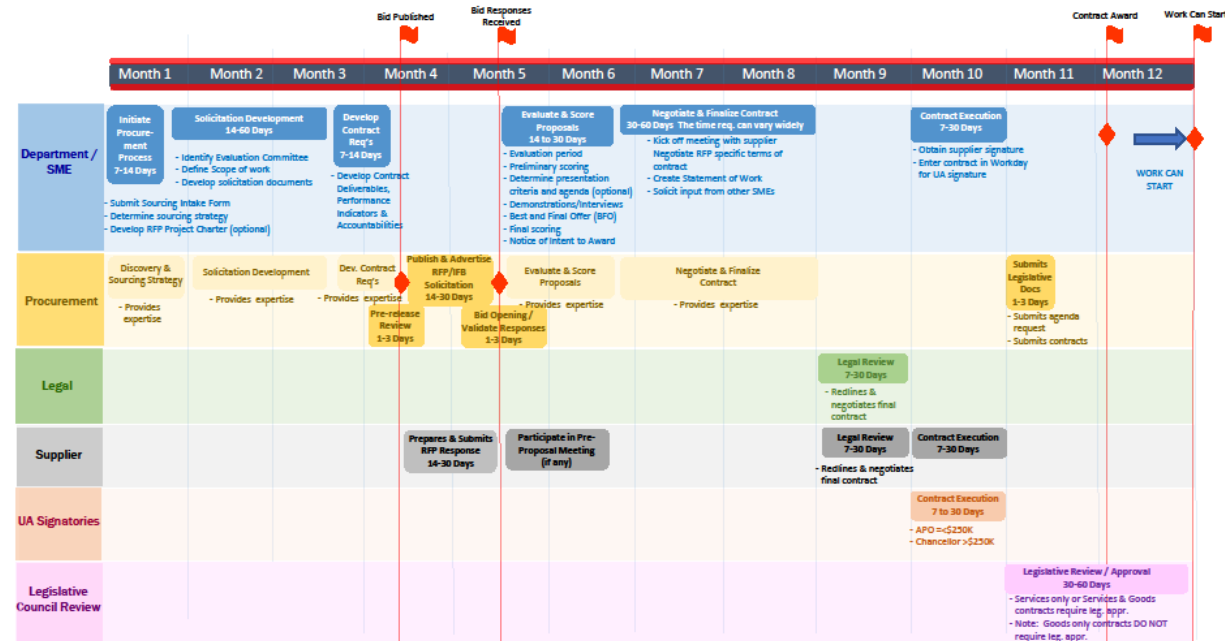
Formal Bid (RFP)

- Roadmap (located on the [Formal Bids page](#))



Visit our RFP Roadmap located on the [Formal Bids](#) page for details on RFP:

- Tasks
- Milestones
- Roles and Responsibilities
- Timelines



Arkansas Procurement Law

Purchasing Methods



- **Sole Source**
 - A good or service that is only available from a specific manufacturer or company and there are no other similar products from other manufacturers that can provide the desired result of the product or service being purchased.
 - Discouraged
 - Use GovSpend for research (ask your PC for assistance)
 - Allowed when:
 - 1. If item/service is only available by a single supplier
 - a. Item only is available from manufacturer.
 - b. Item only is available from specific distributor of manufacturer.
 - 2. If item/service needed due to compatibility with existing products or equipment
 - 3. If item is being repaired and there are “hidden damages” that weren’t evident at time repair started or the repair can only be done by the manufacturer for warranty purposes.
 - 4. If there are unique performance requirements that must be met. (explanation as to why the feature is needed is required.)
- **Documentation Needed:**
 - 1. Sole Source Justification form completed
 - 2. Letter from vendor stating that they are the only vendor able to provide the good/service needed.
 - 3. Memorandum from principal investigator as to the need for the specific requirements the product must have (continuity of ongoing research, compatibility, etc.).
 - 4. Any other documentation that supports the claim that a product/service is a sole source.



Arkansas Procurement Law - Printing

- “The printing, stationery, and supplies purchased by the General Assembly and other departments of government shall be under contracts given to the lowest responsible bidder, below such maximum price and under such regulations as shall be prescribed by law.” – Amendment 54, Arkansas Constitution
- Departments are not permitted to take their own bids on constitutional items regardless of dollar amount. For the convenience of ordering departments, the Departmental Supplies section of the Bookstore stocks many State Contract items and can special order others from the state contract holder for office supplies
- “Printing” means –
 - “the process of transferring images, by the use of standard industrial type printer ink, upon documents such as letterhead, envelopes, pamphlets, booklets, and forms”
- **This applies to wet (soy) ink on dry paper, not digital printing (toner used by digital copiers).**
 - State of Arkansas Procurement Laws and Rules, July 2019

Printing vs. Digital Printing/Copying



- Definitions:
 - **Printing:** Wet (soy) ink onto dry paper via a printing press
 - **Copying/Digital Printing:** Dry ink (toner) on paper
- Per Amendment 54 of the Arkansas Constitution, **ALL printing must be bid by the Procurement Office** regardless of cost.
Contact ellenf@uark.edu.
- Call PMC Solutions 575-2404 for copying and digital printing needs.

Arkansas Procurement Law

– Services Contracts



Professional/Consultant and Technical/General Services are now known collectively as “Services Contracts”.

Definitions:

- Professional - services that are professional in nature and generally require that the provider have some type of specialized training or license/certification.
- Consultant - the giving of advice by the contractor on a particular problem or problems facing the agency.
- Technical/General - work accomplished by skilled individuals involving time, labor and a degree of expertise, where performance is evaluated based upon the quality of the work and the results produced; work performed to meet a demand.

Dollar Thresholds:

\$0 - \$24,999

Does not require Services Contract Form.

(Note that the \$20,000 bid threshold **does** apply.)

\$25,000 – \$49,999

Services Contract Form + attachments required.

Reported to State Procurement and Legislative Council.

\$50,000 – Up

Services Contract Form + attachments required.

Approval by Legislative Council required.

Processing time increased by 6-8 weeks.

Contact Ellen Ferguson ellenf@uark.edu for further information regarding Services Contracts.

[Professional Technical and General Contract Services](#)

Arkansas Procurement Law

– Mandatory Exclusive Jurisdiction



Exclusive Jurisdiction (Mandatory): We are **REQUIRED** to procure certain items from the [mandatory state contract\(s\)](#) managed by the Office of State Procurement.

- Tires
- Ammunition
- Amendment 54 items (printing)
- Paper products (bio-based, bulk/copy paper, envelopes)
- Vehicles
- Paper towels, toilet tissue

Arkansas Procurement Law

– Minority & Women-Owned Businesses



- The use of Minority and Women-Owned Businesses are encouraged in all procurements. Refer to [MWOB Resources](#) for more information.
- The University strives to spend 15% of its operating budget with minority and women-owned businesses. We track this spend and provide reports on a bi-annual and annual basis.
- Purchases of up to **\$40,000** can be made without competitive bidding if using an Arkansas Economic Development Commission **certified** minority or woman-owned business enterprise (ACA 15-4-315).
 - Refer to AEDC Website for a list Certified Minority & Women-Owned Businesses [here](#).

Arkansas Procurement Law – Exemptions



These commodities and services (and others) are EXEMPT from Arkansas Procurement Law (19-11-203), meaning no bidding requirements apply.

- Advertising (except for extensive advertising campaigns)
- Commodities procured for resale
- Certain fees (medical, legal, etc.)
- Inbound freight, shipping, and storage charges
- Membership in professional, trade, and other similar associations
- Services of visiting speakers, lecturers, and performing artists
- Travel expense items
- Utility services per Arkansas Public Service Commission

Arkansas Procurement Law

– Cooperative Contracts



19-11-249 Cooperative Purchasing

Procurement has a more efficient approval process for using cooperative contracts. We highly encourage use of these contracts which serve the needs of educational procurement by providing efficiencies, lower costs, sustainability and lower risk. A list of available cooperative contracts which you can navigate can be found on the [Procurement Contracts](#) page.

- Plan & prepare
 - Be sure to contact your Procurement Coordinator for guidance.
 - Plan on potential processing period
- Let us help
 - Creating the required Economic Justification for use of the Cooperative Contract.
- Approval process
 - Is prepared by the Procurement Coordinator with assistance from the department.
 - Could take up to 10 business days or longer for final approval
- Cooperative use
 - Is authorized after the Cooperative is approved/signed in Procurement Office
- Proceed
 - Department will submit request on Workday
 - PC will create comments in reference to Coop Contract usage/number/expiration date

Procurement at the University of Arkansas



Procurement Coordinators



- All departments have a designated contact in the Procurement Office. If you have questions, concerns, or need assistance, please contact your Procurement Coordinator. You can find out who your Procurement Coordinator is on the [Procurement BU Assignment Page](#)

Purchasing Authority



- All purchases from university company cost centers, Regardless of funding source, are subject to regulations and procedures as mandated in Arkansas procurement law 19-11-201.
- The Procurement Office is the sole purchasing authority for the University of Arkansas.
- Only purchases authorized by this authority are legal obligations of the University.

Signature Authority



- Anything requiring a University signature **must** be reviewed by General Counsel and signed by the APO or someone with Delegated Signature Authority per [VCFA Fayetteville Policies and Procedures 220.0](#)
 - **Deans, department heads, professors, etc. cannot sign on behalf of the University** (unless delegated signature authority is provided)

Purchase Orders



- Purchase orders are legally binding contracts between the University of Arkansas and the specified vendor.
- All purchase orders are governed by the [Standard Terms & Conditions for Purchase Orders](#).

Requisitions

– General Requirements



- All requisitions for food/restaurants, entertainment, supplies, etc. for an official function must include a signed [Official Function Form](#).
- Requisitions *with attachments* requiring a signature must include a completed [Legal Review Form](#) with a date in the deadline field (not just ASAP).
- Any Procurement Coordinator or auditor should be able to answer the “who, what, when, where, and why” questions.
- Be sure to include any other necessary [forms](#) or supporting documentation.



Making Purchases

Identify
Need

- What is the good or service I/we need?
- When is it needed?
- Why is it needed? What's the benefit to the University?

Identify
Suppliers

- Who can provide this?
- Where has it been purchased before?
- Can the supplier give me a quote?

Making Purchases



Review Quotes
and Purchasing
Limits

- How should I buy this?
- P-card? Bid? Purchase Order?
- What's the timeline to receive the goods/services?

Obtain
Documentation

- Do I need a form? Which one?
- Legal Review Form, Official Function Form, supporting documentation, quotes, etc.

Making Purchases



Make your purchase!

- Once you determine the appropriate purchasing route, work with your Procurement Coordinator to process the necessary transaction(s).

Expense Report

– Employee Reimbursement



- Review the [Personal Reimbursement Policy](#) for required compliance.
- Completed [Personal Reimbursement Form](#) must be attached to applicable Expense Report.
- Personal Reimbursements (Non-Travel Expense Report) are not best practice nor recommended. Only emergency situations or unique circumstances warrant the use of personal funds for University business. To attain compliance with procurement procedures, it is essential that there exists a high degree of cooperation between end-user departments and Procurement.
- Employee reimbursement for out-of-pocket purchases of items not incurred as part of authorized travel must be requested by submitting a transaction in Workday per policy.

Requisitions

– Check with Purchase Order



- Check With Order is used for purchases that may require payment at the same time the purchase order is issued.
- NOTE: Advance payment should not be made with state appropriated funds. Contact your Procurement Coordinator for guidance.
- Unless otherwise directed, payment and the purchase order will go out together.
- Make sure that addresses on the invoices and in Workday match!
- Examples:
 - Licenses
 - Certificates
 - Guest Entertainment

Requisitions

– Supplier Invoice Request (SINVR)



The use of a SINVR is the exception, not the rule.

Never be used to circumvent the procurement process.

Review the [Supplier Invoice Request Policy](#) for required compliance.

SINVR use limited to:

- Rare circumstances that typically require procurement review, such as payment to avoid interruption in service, pipe breaks due to weather conditions, etc. are acceptable with documentation and justification:
 - Justification or attachment **MUST** be included on the SINVR.
 - Provide circumstances as to why there is no other means of purchasing available (e.g., PO or PCard).
 - If documentation/justification is not provided, the SINVR will be denied.
- Direct payments which do not require a purchase order.

Requisitions

– Blanket Orders



- Blanket Orders are used for long-term purchases of repeated deliveries of goods or services in specified quantities, at specified prices, and according to a specified schedule.
- Review the [Blanket Order Guidelines](#) for required compliance.
- Blanket PO's are mass closed on an annual basis
- The blanket order limit is \$20,000/Fiscal Year

Requisitions

– Trade-In Request



- Trade-In Requests are used when requesting permission to trade in University assets
- All equipment trade-ins must be approved by Marketing and Redistribution (M&R) in Little Rock. This form is used to communicate the trade-in information and request approval to do so. Bids will be issued with the stipulation that the trade-in offered may or may not be accepted. A photo of asset is required to be attached to the request.
- Trade In Form to be attached to the request

STRATEGIC SOURCING



Be Strategic!

- Being strategic, enables the University as an Arkansas state agency to serve the citizens of Arkansas by ethically, efficiently, and transparently procuring quality commodities and services for the State of Arkansas. Procurement law requires state agencies to procure goods and services that are advantageous and in the best interests of the state.
- Strategic sourcing of goods and services support the University in achieving advantageous procurements.
- Strategic sourcing involves **leveraging the University's overall spend with fewer suppliers**, going through the process of establishing contracts as a University as opposed to every department and school going through the process themselves. The ultimate goal is to save departments and schools money and time.

STRATEGIC SOURCING



What it is	What it is NOT
Focused on the Total Cost of Ownership (TCO) incorporating customer needs, organizational goals, and market conditions	Focused ONLY on cost
Getting the best product/service at the best value	Getting the cheapest product/service
Driven by a rigorous and collaborative approach	Ad-hoc activities involving only purchasing
Addresses all levers for savings	Focused on “beating up suppliers”
Decisions based on fact based analysis and market intelligence	Decisions based on opinion, unjustified preference, or complacency
A continuous process	A one-time project or decision

The Payoff....Benefits to you!

Benefits your department through savings in money, time, and resources.

Want to Learn More?

To learn more about the University of Arkansas’s Strategic Sourcing contact Ellen Ferguson, Interim Contracts and Sourcing Manager, Business Services at ellenf@uark.edu

Additional information

As part of the University’s dedication to minority and women owned businesses, sustainability and greener communities, Strategic Sourcing incorporates the University’s commitment to these areas in its sourcing efforts.



CONTRACTS AND CONTRACT MGMT.

- Departments are responsible for managing their contracts. Please visit the [Contract Management](#) webpage for additional information on termination, renewals, templates etc. to assist in managing your contracts.
- Utilize preferred, pre-negotiated contracts the University has to offer. Visit the [Contracts](#) webpage for a list of preferred campus-wide contracts.
 - Workday Punch Out Suppliers
 - UA System contracts
 - State/Cooperative contracts

CONTRACT DEVELOPMENT/MANAGEMENT



Successfully executed contracts involve many facets where Procurement can provide assistance.

- Strategic Contract Negotiations
 - SOW Development
 - RFP Development
 - Risk Analysis/Assessment
 - Performance Standards
-
- Reach out to Ellen Ferguson ellen@uark.edu .



Helpful Resources

- [University of Arkansas Procurement Website](#)
- [University of Arkansas Procurement - Policy](#)
- [University of Arkansas Procurement – Frequently Asked Questions](#)
- [Workday](#)
- [University of Arkansas and University of Arkansas System Term Contracts](#)
- [Procurement Coordinator Assignments](#)
- [Office of State Procurement](#)
- [Department of Finance and Administration State Contract List](#)

Thank you!

- What have you learned?
- Do you have questions, comments, or concerns? Please let us know!



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