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## SECTION 1: POLICY STATEMENT AND PURPOSE

The University encourages competition among vendors providing goods and services to the University. Competition assures an optimal mix of quality, service, and price for the University. Personnel involved in purchasing and vendor selection have the responsibility to search broadly and thoroughly for viable vendors.

## SECTION 2: BID THRESHOLD

- A. While encouraged for all purchases, competitive bidding is required for all expenditures **in excess of \$5,000 (single item, multi-transaction purchase, or aggregate/annual purchase)**, except as noted below.
  - 1. The following purchases are exempt from the bid process:
    - a. Wage garnishments
    - b. Utilities
    - c. Educational agreements (e.g., dual credit teacher and/or cooperating school payments, post-enrollment invoicing programs, student teacher cooperation payments)
    - d. Legal settlements
    - e. Severance settlements
    - f. Institutional dues/memberships
    - g. Individual professional development memberships
    - h. Facility lease payments
    - i. All items listed as exempt from the University's purchasing policy in Section 4 of 405.101P: Purchasing.
  - 2. For the departments of Technology Services and Facilities Service, the threshold amount at which bidding is required is extended to \$10,000.
- B. Splitting orders to avoid the bidding threshold is a violation of policy.
- C. In cases in which the University will enter into a strategic and/or multi-year contract/agreement with a vendor, an employee is required to obtain a bid only for the initiating/umbrella agreement.
  - 1. The initiating/umbrella agreement must cover all goods and services that will be purchased from the vendor for the life of the agreement.
  - 2. Additional goods/services outside of those listed in the initiating/umbrella agreement must be bid separately or under a new agreement or addendum.

## SECTION 3: BIDDING GUIDELINES

- A. Bids are required once per fiscal year, upon the renewal of an existing contract/agreement, or upon the initiation of a new contract/agreement.
- B. The term/life of any bid may not exceed five (5) years without written consent from the President.
- C. Preparer will follow the procedures outlined in guide 405.102G1: Competitive Bid Process to prepare, transmit, collect, and analyze bids.
- D. At least three (3) written bids/quotes/proposals are required for goods and services from vendors in excess of the University's competitive bidding threshold above, with analysis of the bids shown on form 405.102F1: Competitive Bid Analysis and Justification of Vendor Selection. If the requester is unable to secure three bids, the reason(s) must be disclosed on the form.

1. In cases in which the vendor cannot or elects not to obtain three bids, instead choosing a sole or specifically selected vendor, the justification for this decision must be documented on form 405.102F2: Sole or Selected Source: Justification of Vendor Selection.
- E. When preparing specifications for the bid/purchase process, the requester must cover all points of Section 4 of form 405.102F1: Competitive Bid Analysis and Justification of Vendor Selection or Section 3 of form 405.102F2: Sole or Selected Source: Justification of Vendor Selection.
1. When preparing bids for goods/services for use by a grant, the preparer is responsible for adhering to the requirements of the grant (e.g., use of minority vendors, sustainable products/vendors, etc.). A copy of the grant requirements must be attached to the bid proposal and form 405.102F1: Competitive Bid Analysis & Justification of Vendor Selection or form 405.102F2: Sole or Selected Source: Justification of Vendor Selection).
- F. Bids and quotes submitted to the University are to be held in strictest confidence. Under no circumstances may vendors be given information about bids or quotes from competing sources.

## SECTION 4: ANALYSIS & VENDOR SELECTION

- A. An analysis of the bids received must be performed by the preparer (see form 405.102F1: Competitive Bid Analysis & Justification of Vendor Selection or form 405.102F2: Sole or Selected Source: Justification of Vendor Selection) and documented as an essential part of the purchasing transaction record prior to vendor commitment.
- B. Federal regulations and best business practices require that awards be made to the vendor whose bid or offer is responsive to the solicitation and is most advantageous to the recipient. Price, quality, payment terms, and other factors are considered.
- C. Preparer is responsible for completing a thorough review of all bid documents, checking references, examining samples, and performing other due diligence duties before selecting a winning bid.
- D. Preparer will use in analysis of the vendors only bids which are received by the specified due date and in compliance with all specified bid requirements.
- E. Preparer must identify and disclose all known conflicts of interest per policy 400.002P: Conflict of Interest, using form 400.002F1: Conflict of Interest Disclosure: Board of Trustees & University Officers or 400.002F2: Conflict of Interest Disclosure: General Employees. Copies of all disclosure forms must be attached to form 405.102F1: Competitive Bid Analysis & Justification of Vendor Selection and the purchase order requisition. If no conflict of interest exists, the conflict of interest forms are not required to be submitted.
- F. Preparer must submit form 405.102F1: Competitive Bid Analysis & Justification of Vendor Selection or form 405.102F2: Sole or Selected Source: Justification of Vendor Selection to Financial Services for approval **before the bid or sole/selected source decision is transmitted to the chosen vendor.**
1. Documentation for purchases less than \$25,000 must be submitted to the Controller.
  2. Documentation for purchases greater than or equal to \$25,000 must be submitted to the Chief Financial Officer.
- G. Preparer must transmit to the University's General Counsel and other appropriate parties copies of all contracts/agreements for review **prior to the selection of a winning bid** (see form 400.004F1: Contract Checklist).
- H. Purchase orders are required for projects/products/services for which bids are obtained. Vendors must not be notified of the results of the bid process until a purchase order requisition is approved by all necessary parties, a PO is created, and all applicable contracts are approved and signed by the University.

- I. When notifying vendors of the results of the bid process, University personnel are obligated to inform the vendors only of the name of the selected bidder. All other details of the bid and selection process must remain confidential.
- J. The bid preparer or designated purchaser is responsible for transmitting all necessary documentation to the selected vendor to complete the order.

## **SECTION 5: DOCUMENTATION**

- A. Preparer must maintain a copy of **all** bid documentation (all bids received and used in analysis, contract drafts, insurance certificates, etc.) on file for three (3) years or the life of any applicable contract(s), whichever is longer.
- B. Any insurance certificates associated with the winning bid must be transmitted to the Accounts Payable Coordinator (businessoffice@drury.edu) for filing.
- C. An electronic copy of all documentation, including any applicable contract(s), for the winning bid must be transmitted to Administrative Services (admserv@drury.edu) for filing.

## **SECTION 6: ETHICAL PRACTICES**

- A. All University employees are governed by the ethical policies outlined in the *Faculty Handbook* and *Staff Policy Handbook*.
- B. Additionally, employees making purchases for the University must comply with the principles outlined in policy 405.000P: Standards of Business Conduct.

## **SECTION 7: ENFORCEMENT**

- A. Violation of any portion of this policy may result in disciplinary action, up to and including termination of employment.