

The University of Arizona®

Policies and Procedure

UNIVERSITY BUSINESS PRACTICES GUIDELINES

Procurement Process and Procedures

1. **General** - Misinformation and misunderstanding of University procurement procedures both within and outside the University can result in undesirable consequences to both the UA and its suppliers. This summary illuminates the most common areas of misunderstanding and misinformation.
2. **Procurement Authority** - The Director of Procurement and Contracting Services (PACS) is the University Procurement Officer. The Procurement Officer is responsible for the proper implementation of the Arizona Board of Regents University Procurement Code. The Procurement Officer has the authority to commit University funds for the procurement of supplies, equipment, and contractual services on behalf of the University of Arizona and the Arizona Board of Regents (ABOR).
3. **University Procurement Process** - The University's procurement process is governed by ABOR policies 3-801 through 3-810 (http://www.abor.asu.edu/1_the_regents/policymanual/chap3/3Section_H.pdf), which are very similar to the Arizona State Procurement Code. The University supplements ABOR policies with procedures based on general University regulations, good business practices and/or special requirements adopted by various agencies from which the University secures funds for special programs. The various categories of purchases governed by the ABOR policies are covered in the immediate paragraphs below.
 - a. **Purchases that exceed \$50,000.** The policies and procedures for expenditures in excess of \$50,000 are contained in the Arizona Board of Regents Policy Manual, Chapter III, Article H. Procurement Procedures (University Procurement Code). The code specifies that the award for all supplies, equipment, and contractual services with an aggregate cost exceeding \$50,000 (exceptions: sole source and emergency procurements) must be the result of a sealed competitive bid or request for proposal.

All organizations that conduct or desire to conduct business with The University of Arizona should be aware of the provisions of the procurement code. The code covers such items as definitions, procurement authority, rules governing bidding and source selection procedures to include details involving competitive sealed proposals, construction

services, contract controversies, bid protest, content and time lines for filing protests to the procurement officer, appeals to the president, rules governing the conduct of appeal hearings, requests for rehearing, or review of a final decision.

A copy of the ABOR Policy Manual/University Procurement Code is available at the Main Library, Main Reference Section, and online at http://www.abor.asu.edu/1_the_regents/policymanual/index.html/.

- b. Purchases that do not exceed \$50,000.** ABOR policy requires that the unit/department requests for goods and services having an aggregate cost that do not exceed \$50,000 be directed by PACS to a small business organization. The procedures governing purchases that do not exceed \$50,000 are shown below.
- (1) Purchase requests that do not exceed \$5,000.** Such requests received by PACS shall be referred to a small business organization. If the requesting unit/department has a preferred vendor, the request will be directed to that vendor, unless it is not a small business. Otherwise the Buyer shall select a vendor. Units/departments may also make these purchases in accordance with FRS Department Manual Policy 9.18 (Small Dollar/Direct Purchase Procedures) (<http://www.fso.arizona.edu/fso/deptman/9/918small.html>).
 - (2) Purchases that exceed \$5,000 but do not exceed \$25,000.** Requests received for such goods and or services shall be handled by a PACS Buyer. The Buyer shall determine the type and level of competition necessary to select a supplier.
 - (3) Purchases that exceed \$25,000 but do not exceed \$50,000.** Such purchase requests received by PACS shall be filled on the basis of competitive informal proposals or bid submissions. Such proposals/bids shall be solicited from a minimum of three (3) vendors in written form or via telephone or fax.
- c. Strategic Alliances, Agreements and University-Wide Contract Procurements** - A strategic alliance agreement is a form of a university-wide contract which is developed with one or more vendors covering the acquisition of a product, e.g. computers, cellular communications, document imaging. Such contracts, at the University's discretion, may be expanded by the UA to cover others produced by a company as well without being subjected to additional procurement processes. In return, vendors provide the UA with research sponsorships, competitive scholarships and other benefits. Strategic alliances are a way to maximize the leverage of the University's buying power to provide goods and services at the most economical price. University-wide contracts, while similar to strategic alliances are generally focused on one particular area

or product such as office supplies, furniture, etc. Regardless of the dollar amount, when a strategic alliance or university-wide contract exists, first consideration in filling a department's need should be given to products and services covered by such contracts or alliances. While no department/unit will be mandated to utilize a product or service that is not in its best interest, departments/units are expected to give their full purchasing support to such programs because of the benefits derived by the UA. If strategic alliances or university-wide contracted products or services will not satisfy the department's/unit's need, a written justification explaining why, will be maintained in the department's/unit's file should questions arise regarding such purchases by ABOR inspectors.

- d. Design and Construction Services.** Procurement authority for design and construction services has been delegated to the Department of Facilities Design and Construction (FDC). As such, FDC procures design and construction services; and manages new construction, renovation, and remodeling projects. Projects valued at less than \$25,000 in labor and maintenance costs may be executed by the UA Facilities Management Department.
- (1) Construction Services.** Construction services are procured by the competitive bid process for Design-Bid-Build projects, or through a competitive RFQ selection process as outlined in that portion of the ABOR Policy Manual/Procurement Code relating to Design-Build, Construction Manager at Risk or Job Order Contracting project delivery methods. Construction services RFQ's are posted on FDC's Website and are advertised in the Daily Territorial, Scottsdale Tribune, and East Valley Tribune. Construction bids are posted on FDC's Website and are advertised in the Daily Territorial, Scottsdale Tribune, and East Valley Tribune; and plans are distributed to Shirley's Plan Service, REED Construction Data and Dodge Plan Services.
- (2) Design Services.** Architectural design services for projects where design fees will exceed \$250,000 are procured through a Request for Qualifications (RFQ) process. The RFQ is posted on FDC's Website and advertised in the Daily Territorial, Scottsdale Tribune, and East Valley Tribune. Architectural design services for projects where design fees will not exceed \$250,000 are procured through an Annual Request for Qualifications process, where responding firms are selected for specific projects by a selection committee from a database containing qualifications, licensing, experience, and interest information of responding firms. Annual Requests for Qualifications are generally published in January or February of each year and are posted on FDC's website and advertised in the Daily Territorial, Scottsdale Tribune, and East Valley Tribune.

- 4. Vendor Information Sources** - Vendors desiring information regarding the procurement process should:
- a.** Frequently check the Procurement and Contracting Services Website: http://pacs.web.arizona.edu/pacs_home.html and click on “Purchasing” and then “Vendor Resources”, as this is one source of information regarding sealed bid and proposal opportunities.
 - b.** Register with Purchasing Office to attend a Vendor Workshop by calling (520) 621-3062. Workshops are held periodically throughout the year.
 - c.** Please call ahead to schedule appointments with procurement staff. The Staff Directory can be found on the Website indicated above. Bring a new idea or product for each interview and keep buyers up-to-date on markets and trends.
 - d.** Schedule appointments with departments to market your goods and services.
 - e.** Remain in contact with prospective University customers as they refer vendor names to Procurement and Contracting Services buyers.

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