We will cover ...

• Introduction - Who We Are
• Where to Find Purchasing Information
• Purchasing Ethics
• Purchasing Procedures & Lead Times
• Required Approvals
• Small Business Subcontracting Plans and Reports

Mission

In support of the University’s mission of excellence in education, research, outreach and collaborative partnerships with the greater community, the Department of Procurement and Strategic Sourcing will:

• Establish and administer contracts effectively
• Procure facilities, goods and services for best value
• Delegate procurement authority to promote efficiency
• Provide value-added physical distribution services
• Ensure University business is conducted in a fair and open environment, in full compliance with applicable laws and regulations
• Promote sustainability and reduce environmental impact
Where to Find Procurement Information

- Procurement and Strategic Sourcing Home Page: www.purchase.umd.edu
- ProWEB Financial System (legacy data from FRS): www.ares.umd.edu/pro/home.html

Procurement Policies & Procedures

- UMD Procurement Policies and Procedures
- USM Procurement Policies and Procedures
- Online on the following website: http://www.purchase.umd.edu

Some Procurements Require Off Campus Approvals

- State of Maryland Board of Public Works approval is required for:
  - MCCBL (Bond funded) purchases at any dollar amount
  - Contracts for Services and Construction above $1M
- USM Vice Chancellor for Administration and Finance (VCAF) approval is required for all Sole Source procurements above $500,000
- USM Board of Regents (BOR) approval is required for all contracts with a base period that will exceed $5M
**Code of Ethics**

UMD Procurement follows the State of Maryland Public Ethics Law

- Give Vendors Equal Consideration
- Do Not Auction Prices
- Do Not Accept Gifts or Gratuities such as
  - Tickets to sporting or entertainment events, golf outings, expensive after hours dinners

**Conflict of Interest (COI)**

- Avoid Appearance of Conflict of Interest
  - More information: http://ethics.maryland.gov/employeofficials/
- Do not place orders with relatives or firms with whom you have ownership, employment or a relationship
- UMD Information, Training and Forms available at: www.umresearch.umd.edu/RCO

**Procurement Policies Apply Regardless of Funding Source**

- University Procurement Policies **DO** Apply to Grants and Contracts
- Delegated Purchasing Policy **DOES** Apply to Grants and Contracts
FEDERAL UNIFORM GUIDANCE

- Replaces all of the OMB circulars
- Applies to all new awards and awards with incremental funding after 12/26/14.
- PROCUREMENT CHANGES MAY BE COMING!

Priority of Procurement Sources

For every purchase the following are evaluated, these are listed in descending order of precedence:
- Share Equipment or Buy Used
- UMD In-house Services & In-house services from other USM institutions
- State Preference Providers:
  - Maryland Correctional Enterprises
  - Blind Industries & Services of MD
  - Maryland Sheltered Workshops
- Vendor Contracts (Campus Wide)
- Small & Minority Vendors

Look for Existing or Used Equipment Before Buying

- Can you Share Equipment?
- Can You Buy Surplus Equipment?
  - UM Terrapin Trader
  - State of MD uses an online auction www.govdeals.com/mdgs
  - Federal Surplus http://www.gsa.gov/portal/content/104591
Delegated Procurement is procurement authority delegated to campus departments, for more information see our website at: http://www.purchase.umd.edu/, click on the link for “Delegated Procurement”.

Delegated Procurement Processes

- Up to $5,000-Non Competitive
  - Purchasing Card (Primary Tool)
  - Automatic Purchase Order (APO)
  - Can be Competitive
- Higher Dollar Limits
  - Campus Wide Vendor Contracts
  - Terrapin Trader Surplus Property
  - Stores

Department of Procurement and Strategic Sourcing

- Has responsibility for obligating funds for procurements and signing contracts
  - Signature authority for all third party contracts related policy VIII - 3.10(B), IV. Restrictions, A.1. is available at: http://www.president.umd.edu/policies/
- Responsibilities include
  - Seeking Maximum Practical Competition
  - Making Formal Determinations
  - Issuing Purchase Orders & Contracts
  - Establishing Campus Wide Vendor Contracts
KFS Requisition Tips:

- Tips on the KFS Website:
  https://kualifinancial.umd.edu/KFS/kfs-tips.html
- Complete information
  - Who, what, where, when, why?
  - Vendor field can be left blank, provide multiple “suggested vendors” for a bid.
- Sufficient time for process
  - Give a realistic date for delivery
- Do you just need a change order?

KFS Requisition

- Electronic Form - no more paper!
- Need Commodity Code and Object Code.
- If applicable, need Asset Information
- Complete information at:
  https://kualifinancial.umd.edu/KFS/

KFS Training and Assistance

For KFS Training go to:
https://kualifinancial.umd.edu/KFS/
and click on the “Training” drop down menu

Issues with KFS? Contact the KFS Support Team:
  By email at:  fp-kfs-support@umd.edu
  By telephone at:  301.405.2603
Competition is Preferred

• To the maximum extent practical
• Developer of the specifications is excluded from bidding (Article 15-508)
• Award to most advantageous and responsible offer based on price, quality, and other factors written in the solicitation

Purchases under $100,000.00

Competitive Process requires:
• Request For Quotations (RFQ)
  - Less formal than IFB or RFP
• Lead time 14 days
• Must be issued by Procurement!
  - Especially with Federal funds
    • Required federal flowdowns and documentation of efforts to solicit federal small businesses.

Purchases that exceed $100,000.00

Competitive Process requires:
Formal Procurement
  - Request For Proposals (RFP)
  - Invitation For Bids (IFB)
  - Sole Source

Lead time at least two to three months
  - Common Pitfalls
  - Milestone Plan will be created for each RFP & IFB
Solicitation Information

- Clear description, no restrictive specifications
- Vendor experience and capabilities requirements
- Functional or performance specifications
  - Range or minimum
- Evaluation factors

Solicitation Tips

- Specify salient characteristics of the item if using Brand Name or Equal
- “Must” for Mandatory Requirements
- “Should” for Desirable Requirements
- Consider requirements specific to Delivery and Installation
- Preferences
  - Environmentally Friendly
  - Energy Efficient / Recycled

Development of an IFB or RFP

- PI/Department Develops Scope of Work and/or a list of Requirements/Specifications
- Procurement Develops Source Selection (RFP only) & Milestone Plan
- Joint Development of IFB/RFP Document
- Release of RFP to Vendors & Published in eMarylandMarketplace
Sourcing, Evaluating and Awarding under the IFB/RFP Process

• Pre-proposal Conference (if applicable)
• Evaluation
  - IFB evaluation of lowest bid to confirm all technical requirements are met
  - RFP evaluation process for the Technical & Financial Proposals
• Debriefing’s & Protest’s
• Approvals - USM, BOR, BPW Approvals (>=$1M)
• Award of IFB/RFP and Execution of Contract

Sole Source

• Compatibility / Only one source exists in the world
• Named specifically in the Technical Proposal for a Grant or Contract
• Testing or Trial Use- must justify uniqueness
• The person requesting the purchase (end user) completes and Signs Sole Source Justification Form – available at http://www.purchase.umd.edu/ click on the link for “Forms”
• Sole Source Determination signed by Vice President of Administration & Finance, & USM VCAF notified (if it exceeds $100,000.00)

What is NOT justification for a Sole Source?

• A company offers a great price or deal, much better than its competitor.
• A company is known for providing the “best” product.
• I really like this company.
• The company was recommended and no other companies were looked at.
• A contract with the company already exists.
• There are resellers for the needed item.
Price Analysis

• Required for every purchase that exceeds $5,000.00
• Competitive Solicitations (RFQ, IFB, RFP) the primary price analysis is comparison of pricing in the response.
• Sole Source purchases require Procurement to document that the price is Fair and Reasonable
  - Discounts from Public Price List
  - Trade-in, rebate
  - Comparison to other orders

Records and Documentation

• Basis of contractor selection
• Were Small Firms Sought
• Cost/Price Reasonableness
• Contractor Responsibility
• Representations and Certifications

Contract Administration

• Typically the responsibility of the department utilizing the contract
• Evaluate and document performance but good and bad
  - Failure to document issues with performance may result in difficulties justifying not using the same vendor in the future
• Disputes
  - What happens when you can’t resolve an issue?
Spending Grant and Contract Funds

UMD Procurement Policies and Procedures have been approved by the Federal Government

What rules apply when spending sponsored funds?

- Applicable Flow Down Clauses
  - Uniform Guidance for Grants
  - FAR for Contracts
- Written Procurement Policies
- Directives in the Contract or Grant
- Additional Terms and Conditions required by the Contract or Grant

When spending federal funds maximize efforts to utilize:

- Small Businesses
- Disadvantaged Firms
- Women-Owned Businesses
- HUB-Zone firms
- HBCU and Minority Institutions
- Veteran & Service Disabled Owned Firms
Small and Disadvantaged Business Resources

- Federal: Dynamic Small Business Search
- State: Small Business Reserve Program under eMarylandMarketplace

These and other resources are all available on the Procurement website.

Also consider other sources

- State of Maryland MBE Directory at Procurement & Supply’s website - under Minority Business Program

UMD has formal process for MBE Subcontracting Goal Setting for any purchase that exceeds $100,000.00.

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Subcontracting Plans

- Required for Federal Contracts >$650,000
- UMD Master Subcontracting Plan
- Exhibit I negotiated for your contract
  - Specific goals for large & small businesses
  - Subgoals for the different types of small
- Guidance and form on Procurement’s website
Federal Small Business Definition

With exceptions*

- 500 employees for most manufacturing industries, and
- $7 million in average annual receipts for most non-manufacturing industries.

* See SBA.GOV, Table of Size Standards

Which Firms are Small, Women-Owned, Etc?

- SBA Dynamic Small Business Search
  - http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm
  - Identify a specific firm
  - List small firms for a specific NAICS code
- www.sba.gov/hubzone
  - Identify by County

FEDERAL SMALL BUSINESS SELF-CERTIFICATION FORM

- This form is required from all vendors when spending contract funds.
- Cannot count expenditures against a contract as small on the federal reports without this form.
- Copies of the form are submitted with the reports to the federal government.
- Send copies of completed forms to Jeff Turner in Procurement
Reports of Small Business Spending

- Individual Subcontracting Report (SF 294) each contract >$650,000
- Summary Subcontracting Report (SF 295) all contracts from each sponsor

Reports generated twice a year by Procurement with assistance from ORA and Comptroller, filed on ww.eSRS.gov