

# PROCUREMENT GUIDELINES

## I. Outline of the Procurement Process

### 1. Requesting Department:

- a. Determine supplies or services needed.
- b. Solicit quotes or bids (attach to purchase order for documentation). Select a vendor.
- c. Department Head approves purchase requisition by signing the purchase order.
- d. Forward to Procurement Office

### 2. Procurement Office:

- a. Perform compliance review of procurement regulations.
- b. Procurement Officer signs purchase order and assigns purchase order number if required procurement documentation is complete. If not, return to requesting department for more documentation.
- c. Forward to Business Office.

### 3. Business Office:

- a. Check budget if funds are available to purchase supplies or services requested.
- b. Accountant signs purchase order if purchase is within the budget. If not, check with Comptroller.
- c. Forward to Comptroller.

### 4. Comptroller's Office

- a. Overall review of purchase order for to ensure compliance with procurement regulations and funds are available to purchase supplies or services. If not, return to procurement office or business office for more documentation or information.
- b. Forward to procurement for purchase order dissemination.

### 5. Requesting Department

- a. Receive goods and invoice. Furnish receiving report to Business Office to process payment to vendor.

#### Notes:

1. Normal processing time from Procurement Office to Comptroller will remain at five (5) working days, provided all required documents are attached. Seasonal variances should be taken into account (i.e. registration, year-end closing, budget preparation and audit).
2. Above process represents current manual processing of purchases.
3. Approval of PO by Comptroller does not apply to Land Grant purchases (Fund 51).

## II. Relevant Procurement Regulations Sections

*Note: Sections listed below are excerpts obtained from the UOG Procurement Manual, Revised February 17, 1994.*

### ***§ 1.2: Policy in Favor of Planned Procurement:***

*All procurement of supplies and services shall, where possible, be made sufficiently in advance of need for delivery or performance to promote maximum competition and good management of resources.*

#### ***§ 1.2.1.2: Use of Functional or Performance Descriptions***

*The end user must determine the minimum needs of the goods or services that are being purchased. These needs should be written down in purchases of complex goods or services. The needs must be described in generic terms. For example, the need may not be described as a four-door sedan. They may not be described as a Honda Civic.*

### ***§ 1.6: Advance Payments:***

*No procurement shall be made which shall require advance payment except for when advance payment is required for off-island vendors. Whenever practicable, the University shall make every effort to avoid making advanced payments to off-island vendors by pursuing lines of credit or alternate payment arrangements.*

### ***§ 1.7: Local Procurement Preference:***

*All procurement of supplies and services shall be made from among businesses licensed to do business on Guam and that maintain an office or facility on Guam.*

*Procurement of supplies and services from off-Guam may be made if no local agent for such supplies or services may be found on Guam or if total cost from off-island is not greater than eighty-five percent (85%) of the total cost when procured from a local source.*

### ***§ 3.9.14.7: Biodegradable, Reusable, Recyclable or Recycled Products***

*The regulations permit purchase of biodegradable, reusable, recyclable, or recycled products with cost which is ten percent (10%) greater than non-biodegradable, non-reusable, non-recyclable, or non-recycled products.*

### ***§ 3.27.3: Record of Procurement Actions***

*The regulations require us to maintain complete records of all procurement transaction. Records include meeting minutes of a particular procurement; log of communications of potential bidders, vendor, between government employees etc; sound recording of pre-bid conferences; brochures and submittals of potential vendors; determination of need.*

### **III. SUMMARY OF PROCUREMENT METHODS AVAILABLE and SOLICITATION REQUIREMENTS**

#### **1. Small Purchase Below \$1,500:**

**Below \$1,500 for Operational Purchase & Construction**

**Below \$2,500 for Laboratory and Research Supplies and Equipment**

Requirement: We are required to solicit one bid, although additional quotes are encouraged.

Acceptable Quote Documentation: (a) Facsimile quote. (b) Written quote delivered by vendor. (c) UOG Memo documenting oral quotation by vendor - must include vendor name, vendor representative, date, amount of quote. (d) Internet printout.

Source: September 23, 2002 Memo from VPAF

#### **2. Small Purchase Between \$1,500 & \$15,000:**

**Between \$1,500 & \$15,000 for Operational Purchases**

**Between \$2,500 & \$15,000 for Laboratory and Research supplies/equipment**

**Between \$1,500 & \$25,000 for Construction**

Requirement: The regulations require no less than three written or oral quotes from businesses. This generally requires that specifications be faxed to at least three vendors. Award shall be made to the lowest responsible and responsive bidder.

Acceptable Quote Documentation: (a) Facsimile quote. (b) Written quote delivered by vendor. (c) UOG Memo documenting oral quotation provided by vendor - must include vendor name, vendor representative, date, amount of quote. (d) Internet printout. (e) Facsimile confirmation to show solicitation was sent to a non-responsive vendor.

Source: UOG Procurement Manual §3.11.3.1, Resolution 04-25

#### **3. Competitive Sealed Bidding:**

**Purchase over \$15,000 for Operational Purchases**

**Purchase over \$25,000 for Construction**

Requirement: This is the preferred method for the procurement of supplies, services, or construction. Invitation for bid shall be mailed or furnished to sufficient number of vendor to secure competition. Vendors must be given fifteen (15) working days to respond (unless unusual circumstances prevail, reason must be documented). Bids above \$25,000 must be advertised in the newspaper at least once and at least seven (7) days before bid due date. Bids must be opened publicly at a location specified in the IFB (Invitation for Bid).

Acceptable Quote Documentation: Written quotes delivered by vendor to the Procurement Office.

Source: UOG Procurement Manual §§ 3.9

#### **4. Competitive Selection Procedures for Professional Services (Architecture, Engineering, Land Surveying, Environmental Assessment, Accounting, etc.)**

Requirement: Requirements for services will be in the form of a Request for Proposal (minimum information required is listed in §3.14.6.1). Adequate public notice shall be made at least ten (10) days before proposals are due.

Acceptable Quote Documentation: Proposals submitted by vendor to Procurement Office.

Source: UOG Procurement Manual §3.14

## 5. Sole Source Procurement

Requirement: All sole procurements require written explanation as to why no other bidder will be suitable or acceptable to meet the need. Sole source procurements are allowed only in five (5) situations: (1) compatibility of equipment, accessories, or replacement parts is of paramount consideration, (2) sole supplier's item is needed for trial use or testing, (3) sole supplier's item is to be procured for resale, (4) public utility services are to be procured, (5) supplies are offered through bankruptcy or receivership sales, or other disposition at lower than prevailing market prices.

Acceptable Quote Documentation: (a) Facsimile quote. (b) Written quote delivered by vendor. (c) Internet printout.

Source: UOG Procurement Manual §§ 3.12, 3.12.2

## 6. Emergency Purchases

Requirement: The regulations require at least three (3) informal price quotations. Emergency condition is a situation which creates threat to public health, welfare, or safety due to flood, earthquake, epidemic, typhoon, or other reasons as proclaimed by Governor creating an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement method threatening (1) functioning of the University, (2) preservation or protection of property, or (3) health or safety of any person.

Acceptable Quote Documentation: (a) Facsimile quote. (b) Written quote delivered by vendor. (c) UOG Memo documenting oral quotation provided by vendor - must include vendor name, vendor representative, date, amount of quote. (d) Facsimile confirmation to show solicitation was sent to a non-responsive vendor.

Source: UOG Procurement Manual §§ 3.13, 3.13.2

## 7. Procurement from Non-Profit Corporations

Requirement: A contract may be awarded for supply or service without competition when contractor is a non-profit corporation employing sheltered or disabled workers. Contractor, as condition of the award, must certify labor on the project will be performed by disabled persons (supervisory positions do not have to be disabled).

Acceptable Quote Documentation: (a) Facsimile quote. (b) Written quote delivered by vendor. Vendor need to provide certification non-profit corporation status and employment of sheltered or disabled workers.

Source: UOG Procurement Manual § 3.10