

Purchasing



Guidelines

August 2011

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SUMMARY

This document is provided as a guide to purchasing procedures currently in effect at Great Falls College MSU. Please refer to this document when purchasing supplies or contracting outside services for your department or area of responsibility.

PURCHASING DEFINED

Purchasing is the process used to identify, define and fulfill supply (goods, materials, equipment) and outside service needs of Great Falls College MSU at the **lowest possible cost**.

AUTHORITY

The State of Montana Department of Administration (DOA) is responsible for purchasing, including maintenance of policies and procedures for procurement of goods and services, for all State Agencies.

Periodically by formal agreement, DOA delegates certain portions of its purchasing authority to State Agencies such as The Office of the Commissioner of Education (OCHE) and units of The Montana University System such as Montana State University (MSU). MSU, in turn, has delegated purchasing authority up to \$25,000 to MSU Great Falls.

COMPLIANCE

As an agency of The State of Montana, GFC MSU must comply with various government regulations pertaining to purchasing. Failure to abide by these regulations could result in the loss of purchasing privileges at the campus level.

PURCHASING STAFF

The Business Office staff is the primary contact between GFC MSU and its vendors, MSU Purchasing, and the State Purchasing Bureau. The Business Office is available to help purchasers comply with procedures and, at the same time, complete purchases in a timely and cost-effective manner.

Accounts Payable Technician: Extension 3722

Under \$5,000: This position answers questions concerning vendor payments and purchasing card transactions.

Accountant: Extension 4392

Over \$5,000: Coordinates/authorizes purchase in compliance with guidelines.

Over \$25,000: Coordinates/authorizes requisition and coordinates purchase with MSU Purchasing or the State Purchasing Bureau.

Special Requirement Purchase: Coordinates/authorizes purchase as required.

PURCHASING PROCEDURES

1. LEVELS OF PURCHASING AUTHORITY

Based on progressive dollar amounts of purchasing, listed below are summary purchasing procedures. **Purchases are not to be artificially divided or sequenced so as to avoid using competitive quote or bidding procedures.**

UP TO \$5,000

All Departments have authority to complete purchases up to \$5,000 without requesting competitive quotes. However, to get the best value for each dollar expended, departments are strongly encouraged to “shop around” on all purchases.

Exception: See Special Requirement Purchases

\$5,000 UP TO \$25,000

Based upon a *Requisition Order Form*, the **Business Office** has authority to complete purchases (*Departmental Purchase Order*) after a **minimum of three competitive quotes (*Limited Solicitation Form/Limited Solicitation Summary Sheet for Phone Quotes*)** have been obtained. Under limited circumstances, as documented on a *Sole Source Brand/Justification*, the Department may request a purchase from a single vendor.

\$25,000+

Based upon a *Requisition Order Form*, the **Business Office** has authority to submit a *Purchase Requisition* to **MSU Purchasing** who has authority to complete the purchase (*MSU Purchase Order*) after solicitation (*Invitation for Bid (IFB) or Request for Proposal (RFP)*) and the evaluation of bids or proposals. Under limited circumstances, as documented on a *Sole Source Justification or a Sole Brand Justification*, the Department may request a purchase from a single vendor.

2. IDENTIFY NEED

Criteria:

**Absolutely necessary, and
Used for the total benefit of MSU Great Falls and The State of Montana, and
There is proper authority of law and sufficient balance in accounts to be charged, and
Such purchase will not result in request for additional funds from the Legislature.**

No purchases are authorized for personal use or benefit.

Examples: (not inclusive)

- Office Party Supplies (Refreshments, decorations, etc.)
- Gifts for coworkers and/or student workers
- Going-away Party Supplies (Refreshments, decorations, etc.)
- Personal apparel
- Personal subscriptions or memberships

Contact the Business Office if you have questions on these types of purchases. If an impermissible purchase is made, you may be responsible for payment.

No state-controlled funds may be used for the purchase of alcoholic beverages.

3. DEVELOP SPECIFICATIONS

Develop specifications for products or services that will meet the need. Before the Business Office or MSU Purchasing can issue a *Limited Solicitation, Invitation for Bid, or Request for Proposal*, it is important that specifications are provided. Specifications should be worded as generically as possible (i.e. do not favor one brand or vendor) to ensure fair competition and satisfaction of the need, but be specific enough to assure the level of quality and desired function.

Examples:

Full Description

Date Required

Quantity

Size, Physical Dimensions

Color

Speed

Processing Capability

Compatibility

Engineering or Architectural Drawings/Blueprints

Operating Tolerances (temperature, humidity, electrical, etc.)

Delivery, Handling, Installation, Warranty and Service

4. PURCHASES EXEMPT FROM PURCHASING PROCEDURES

Listed below are items which may be purchased without purchasing documentation or PO number. However, to ensure payment, please:

Instruct vendor to include department number or name on invoice

Ensure invoice is delivered to **Attention: GFC MSU Accounts Payable**

Advertising

Boiler, safety, and scale inspections

Computer charges

Copy charges for copyrighted sheet music

Copyrighted films and video tapes

Correspondence courses and tests

Dues to regional and national associations; some restrictions apply

Fax charges

Fees

Freight

Message Service

Postage and standard Postal Service customer charges including PO Box rental

Produce

Royalties

Taxes

Telecommunication charges

Telegrams

Telephone rental, tolls, and installation

Travel and per diem (covered by Travel Procedures)

Utilities, Public (electricity, natural gas, water, cable TV)

Wire Service

5. SPECIAL REQUIREMENT PURCHASES

Listed below are items that require special purchasing procedures.

FILING SYSTEMS

To purchase filing systems, a *Requisition Order Form* must be submitted regardless of dollar amount. The Business Office submits an *Agency Purchase Requisition* to MSU Purchasing who issues a *State of Montana Purchase Order*. **These restrictions do not apply to file cabinets.**

OFFICE SUPPLIES

Purchases may be made (optional) through State of Montana **Central Stores**. Access to the online ordering site requires that an account be set up for each user. Please contact the Business Office for information.

PRINTING AND GRAPHICS

To purchase printing and graphic art services, a *Requisition Order Form* must be submitted to the Business Office regardless of dollar amount. Purchasing submits an *Agency Purchase Order* to an approved vendor. If the purchase exceeds \$5,000, standard purchasing procedures apply regarding quotes and bids. **No restrictions apply when these services are done on campus or through MSU Printing and Graphic Services. These restrictions do not apply to photocopying.**

TERM CONTRACTS (TC's)

The State and MSU Purchasing negotiate contracts with certain vendors for purchase of selected items during a specified period (contract term). Term Contracts are listed on the web at <http://svc.mt.gov/gsd/apps/termcontractdefault.aspx>. The TC Number must be specified to vendor and on purchasing documents. Otherwise, normal purchasing procedures apply.

In some instances, a vendor is designated an **EXCLUSIVE** provider of selected items during the Term Contract period. If purchase of such items is made from another vendor, you become **liable for penalty/payment** of the same amount to the exclusive supplier, in effect paying for the same item twice.

6. REQUISITION (less than \$5,000)

For most purchases (**up to \$5,000**), departments have authority to make purchases after completing a *Requisition Order Form*. The completed *Requisition Order Form*, with all required signatures, must be forwarded to Accounts Payable in the Business Office.

Vendor Relations

During inquiries (or receiving free advice) concerning products and prices, make it clear to the vendor that you are not committing to purchase.

Do not sign a vendor contract or agreement; contact the Business Office for review of terms and conditions beforehand.

Contact the Business Office if you have any problems with vendors and their products or service. Do not rely on vendors for advice on GFC MSU, MSU or State of Montana purchasing procedures.

If possible, utilize vendors with whom there is an established account. If it is necessary to establish an account with a new vendor, the Business Office can assist with new account credit applications and furnish applicable tax exemption certifications.

7. LIMITED SOLICITATION (\$5,000 up to \$25,000)

Purchasing completes this purchase after at least three written competitive quotes are obtained. Submit a completed *Requisition Order Form*, with approval signature of the department head, to the Business Office. Include detailed specifications. (Submit an approved *Sole Brand/Source Justification* to the Business Office if you think there is only one vendor or brand meeting your need.)

The Business Office requests a minimum of three quotes from vendors, using the *Limited Solicitation Form*.

Quotes are compared to each other and to the specifications required.

The Business Office issues an *Agency Purchase Order* to the vendor with the lowest quote to complete the purchase.

8. INVITATION FOR BID (IFB) (\$25,001+)

Submit a completed *Requisition Order Form*, with approval signature of the department head, to the Business Office. Include detailed specifications. (Submit an approved *Sole Brand/Source Justification* to the Business Office if you think there is only one vendor or brand meeting your need.)

The Business Office submits a *Purchase Requisition* to MSU Purchasing.

MSU Purchasing prepares and issues a formal Invitation for Bid.

Bids are documented and compared to each other and to specifications.

MSU Purchasing issues an *MSU Purchase Order* to vendor with the lowest bid to complete the purchase.

9. REQUEST FOR PROPOSAL (RFP)

A RFP is prepared by MSU Purchasing and is used (instead of an IFB) for purchase of goods or services of higher complexity and for which price is not the primary determining factor in selection of the supplier.

The RFP document should define, as completely as possible, what is expected from suppliers. In response, supplier proposals must include how goods and services will be provided and what support the supplier will require from GFC MSU.

10. RECEIVING

Please include specific delivery address instructions (name/room) on all purchasing documents in order to insure that you will be promptly notified after your merchandise is received.

11. PAYMENT

For all purchases, please ask the vendor to:

Send invoices to:

Accounts Payable
Great Falls College MSU
2100 16th Avenue South
Great Falls, MT 59405-4909

To be considered for payment, a *Requisition Order Form*, signed by the department head must accompany all invoices.

12. ETHICS

Employees of Great Falls College MSU, an agency of The State of Montana, have a fiduciary responsibility to ensure all purchases are completed in an open and forthright manner, without favoritism toward any particular vendor, above reproach, and not subject to accusations of impropriety.

Employees may not solicit or accept gifts, gratuities, favors, or other items of value from suppliers, contractors, parties to sub-agreements, or other persons known to have current or future business dealings with GFC MSU. Under no circumstances may an employee accept a gift or any other consideration which may influence a purchase. Acceptance of the following items by an employee may be considered a conflict with the ethical standards of GFC MSU:

Gifts and Gratuities

Passes or tickets for recreation or entertainment events. Consumable goods such as food, beverages, and tobacco.

Promotional Merchandise

Coupons or certificates good for discounts or free merchandise or services.

Exceptions:

Items of insignificant (\$50 or less) value such as pencils, note pads, calendars; items won from a random drawing at seminars/conferences offered by or on behalf of public agencies or employees.

Discounts

Discounts offered to GFC MSU are not for personal purchases of employees unless such discounts are offered to all public employees.

Trips

Expense-paid trips offered by current or prospective suppliers or contractors.

Bid or Proposal Evaluation and Selection

Any employee having current or prospective employment or financial interest with a bidding vendor must not have any involvement in this process with respect to such vendor.

Compliance

Return impermissible gifts or gratuities to vendors as soon as possible.

Report receipt and return of gifts in writing to your department head.

Forward anonymous gifts to the Controller, Business Office; cash gifts go to the General Fund, non-cash gifts go to departments who can use them to offset purchases or sold at public auction if GFC MSU is unable to use them.

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**GREAT FALLS
COLLEGE**

MONTANA STATE
UNIVERSITY

REQUISITION ORDER
Great Falls College MSU

Requestor:

Date:

Vendor:

Index:

Address:

Dept.Head/Supervisor Approval:

City:

State:

Zip:

Phone #:

Fax #:



Quantity	Unit	Cat. #	Description	Unit Cost	Extension

If an order form is available from the Vendor, please complete that form and return it with the Requisition Order.

BRAND AND/OR SOLE SOURCE JUSTIFICATION

Please complete and submit with your Limited Solicitation or Purchase Requisition to your Purchasing Department.

Section 18-4-306, MCA, allows a contract to be awarded for a supply or service item without competition under certain circumstances. The required item must be available only from a single supplier. "Sole Source" is distinguishable from "Sole Brand" in that only one supplier is available to provide the supply or service. Circumstances which could necessitate a Sole Source procurement are: (1) the compatibility of current services or equipment, accessories, or replacement parts, (2) there is no existent equivalent product, or (3) only one source is acceptable or suitable for the supply or service item. Sole source procedures do not apply if the Total Contract Value is \$5,000 or less. The MSU-Bozeman Purchasing Director and the AVP for Financial Services shall make the determination as to whether the procurement shall be made as a Sole Source. Per ARM 2.5.604, the following items do not require Sole Source justification: (1) professional licenses, (2) dues to associations, (3) renewal of software license agreements; or (4) purchase or renewal of maintenance agreements for software or hardware, and (5) sheltered workshops. The following items are also exempt from competitive procedures: (1) subscriptions, publications, and textbooks only available from a single supplier, (2) purchasing of specific brand name items for resale to the public, (3) subcontractors associated with specific research grant programs, if the subcontractors are specifically named therein, and (4) advertising placed in publications on radio, television, or other electronic means.

Department Name:

Contact Name:

Contact Phone #:

Date of Request:

1. PRODUCT OR SERVICE REQUIREMENT: Describe your product or service requirements in detail. *These are your needs which you will compare the researched products or services against to determine a match. If your purchase is exempt under any of the circumstances stated in the box above, please complete only Sections 1 and 5.*

2. "BRAND NAME" OF PRODUCT-(does not apply to services): _____

2.1 Specify Requisition Item Number(s) to which this BRAND applies:

2.2 The "Brand Name" provided is to identify the standard of quality necessary. Equivalents will be considered. Yes No

If NO, please state the reason **only** the "Brand Name" item specified will be accepted:

3. PRODUCT MANUFACTURER/ SERVICE SUPPLIER:

Name of Supplier:

Is this product or service supplier specifically identified in the grant/contract? Yes No

- a) If YES, attach a copy of the relevant pages of the grant/contract documentation (not just the budget page).
- b) If NO, how was this manufacturer/service supplier selected?
- 1) Describe the market research you performed to reach this decision. *This must be an objective search and not opinions or recommendations (i.e. web search, product literature, samples).*
 - 2) List the other manufacturer/service suppliers, if any.
 - 3) Provide details on what requirements (Section 1 above) are not met by each of the other manufacturer products/service suppliers.

4. SOLE SUPPLIER NAME: Is the manufacturer/service supplier the only company from which this product or service may be purchased? Yes; No.

If NO, list all available suppliers. *If more than one supplier can be listed, then it is not Sole Source but Brand specific only and must be competitively bid.*

5. CONFLICT OF INTEREST STATEMENT –

Is there any real or potential Conflict of Interest with the University, Dept., or the Requestor in recommending this product and/or service as a Sole Source procurement. *If you have a real or potential conflict of interest, please contact the Purchasing Department.*

Yes; No

6. DETERMINATION –

By signing below, I certify that the information submitted on this form is complete and accurate. There is not conflict of interest. I understand that the Asst. Vice President for Financial Services will make the final decision to approve or disapprove the Sole Source procurement for purchases exceeding \$25,000..

Your Typed Name: **Title:** **Date:**

I certify to the best of my knowledge that the above statements are correct.

Requestor's Signature: _____

REQUIRED FOR BRAND SPECIFIC PURCHASES

FOR PURCHASING OFFICE USE ONLY

- _____ Approval of Brand Specific procurement –No Solicitation
- _____ Approval of Brand Specific procurement –Equivalents Accepted; Issue Solicitation
- _____ Disapproval of Brand Specific procurement – Issue Solicitation

Director of Purchasing, Montana State University

Date

REQUIRED FOR SOLE SOURCE PURCHASES

FOR PURCHASING OFFICE USE ONLY

- _____ Approval of Sole Source procurement – No Solicitation.
- _____ Disapproval of Sole Source procurement – Issue Solicitation.

Director of Purchasing, Montana State University

Date

APPROVED:

Asst. VP for Financial Services, Montana State University
Required for purchases exceeding \$25,000

Date

REQUEST FOR WRITTEN QUOTES

**State of Montana
LIMITED SOLICITATION FORM
Great Falls College
MSU**

Solicitation Number: _____

Solicitation Title: _____

Department Contact: _____

Limited Solicitation is an informal procurement method for purchases over \$5,000 and up to \$25,000. This process is authorized by section 18-4-305, MCA, and ARM 2.5.603.

Company Name: _____

Address: _____

Phone Number: _____ Fax Number: _____

Federal Tax ID # _____

Responses to this solicitation will be accepted by GFC MSU:

Department Name: _____

Address: 2100 16th Avenue South, Great Falls, MT 59405-4909

Time: _____ Date: _____

The following documents are attached to this solicitation and will be applicable to the resultant contract:

Name of attachments: _____

Description of items/services: include purpose or use of product, description, including any performance or design requirements, brand names, delivery requirements, etc. (As needed, include standard statements on insurance or worker's compensation requirements, etc. Use extra sheets as necessary.)

Price: \$ _____

Vendor Signature: _____

Additional vendor information attached: Yes _____ No _____

SEE STANDARD TERMS AND CONDITIONS ON BACK

**Standard Terms and Conditions
Montana State University-Bozeman**

Purchases with a Total Contract Value of \$25,000 or less

By submitting a response to this limited solicitation, or acceptance of a contract, the vendor agrees to acceptance of the following Standard Terms and Conditions and any other provisions that are specific to this solicitation or contract:

ASSIGNMENT, TRANSFER AND SUBCONTRACTOR: The contractor shall not assign, transfer or subcontract any portion of the contract without the express written consent of the University (MCA 18-4-141).

AUTHORITY: This limited solicitation or contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

COMPLIANCE WITH LAWS: The contractor must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the American Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

CONFORMANCE WITH CONTRACT: No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of this contract shall be granted without prior written consent of the University. Supplies delivered which do not conform to the contract terms, conditions, and specifications may be rejected and returned at the contractor's expense.

DEBARMENT: The contractor certifies, by submitting this bid or proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by the State.

FORCE MAJEURE: Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

HOLD HARMLESS/INDEMNIFICATION: The contractor agrees to protect, defend, and save the University, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the University, under this agreement.

PAYMENT TERM: All payment terms will be computed from the date of delivery of supplies or services OR receipt of a properly executed invoice, whichever is later. Unless otherwise noted, in the solicitation document the University is allowed thirty (30) days to pay such invoices. All contractors will be required to provide banking information at the time of contract execution in order to facilitate University electronic funds transfer payments.

SHIPPING: Supplies shall be shipped prepaid, F.O.B. Destination, unless the contract specifies otherwise.

TAX EXEMPTION: The University is exempt from Federal Excise Taxes (#53-0183246).

TECHNOLOGY ACCESS FOR BLIND OR VISUALLY IMPAIRED: Contractor acknowledges that no state funds may be expended for the purchase of information technology equipment and software for use by employees, program participants, or members of the public unless it provides blind or visually impaired individuals with access, including interactive use of the equipment and services, that is equivalent to that provided to individuals who are not blind or visually impaired. (MCA § 18-5-603.) Contact the State Procurement Bureau at (406) 444-2575 for more information concerning nonvisual access standards.

U.S. FUNDS: All prices and payments must be made in U.S. dollars.

WARRANTIES: The contractor warrants that items offered will conform to the specifications requested, to be fit and sufficient for the purpose manufactured, of good material and workmanship and free from defect. Items offered must be new and unused and of the latest model or manufacture, unless otherwise specified by the University. They shall be equal in quality and performance to those indicated herein. Descriptions used herein are specified solely for the purpose of indicating standards of quality, performance and/or use desired. Exceptions will be rejected.

USE FOR PHONE QUOTES

LIMITED SOLICITATION SUMMARY SHEET - (\$5,001 - \$25,000)

This purchase is being conducted under the authority of section 2.5.603 of the Administrative Rules of Montana and section 18-4-305, MCA. Purchases between \$5,001 and \$25,000 are considered eligible for a “limited solicitation” process. Reciprocal preference is not applied to purchases using the limited solicitation process. Agencies must identify all information for the items or services being requested, such as the manufacturer and

Agency/Division: _____

Date: _____

Procurement Official: _____

F.O.B. _____

PRODUCT DESCRIPTION:		BRAND/MODEL:	
REQUIRED DELIVERY DATE:			
VENDOR NAME			
CONTACT PERSON			
PHONE/FAX #			
FEDERAL I.D. #			
QUOTE PRICE			
AWARDED TO/ P.O. #			