



POLICY: 6Hx28:5-10

Responsible Executive: Executive Vice President, Administrative Services

Policy Contacts: Chief Financial Officer

Specific Authority: 1001.64, F.S.

Law Implemented: 1001.64, F.S.
287.017, F.S.
287.087, F.S.
6A-14.0734, FAC.

Effective Date: 02-27-2019

Last Date of Policy Review:
02-27-2019

Procurement Requirements for Commodities and Services

Policy Statement:

- I. All College procurement activities shall occur in accordance with rules prescribed by the State Board of Education and Florida Statutes. The College shall request the submittal of formal competitive solicitations from at least three (3) sources, when purchasing services or commodities exceeding the amount as specified in Section 287.017, Florida Statutes, for Category Three. Competitive solicitations for purchases not exceeding the Category Five threshold as specified in Section 287.017, Florida Statutes, may be approved or rejected by the president, vice president of operations and finance, or managing director of procurement. Competitive Solicitations for purchases exceeding the Category Five threshold as specified in Section 287.017, Florida Statutes, shall be approved or rejected by the Board of Trustees.
- II. When applicable and appropriate, materials and services may be purchased without obtaining three (3) competitive offers pursuant to the following State Board Rule 6A-14.0734 :
 - A. Exceptions set forth under section (2)

- B. The college president or designee, may waive solicitation requirements in emergencies when there is an imminent threat to students, employees, or public safety or in cases when necessary to prevent damage to the facilities caused by an unexpected circumstance.
 - C. When only one responsive offer is submitted during a competitive solicitation, the college may purchase such products or service under the best terms it can negotiate.
- III. The college president, or designee, is authorized to establish a dispute resolution process for protests arising from College's formal competitive solicitation processes for the purchase of goods, services and leases, including without limitation construction-related competitive solicitations.

Policy History:

Adopted 12-11-74; Amended 12-15-82 Amended 11-18-92; Amended 6-16-99; Amended 2-27-2019; Formerly 6Hx28:6-06 and 6Hx28:6-07; Formerly 6Hx28:06-12

Procedures:

These procedures have been adopted to implement College Policy 6Hx28:5-10, and to promote compliance with related Florida laws and regulations for acquisition of goods and services.

I. CODE OF CONDUCT

No employee, officer, or agent shall participate in a college purchase, or in the selection, award, or administration of a contract supported if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of that person's immediate family, that person's partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. Employees participating in a Competitive Solicitation Committee are required to complete the form, *Evaluation Committee Certification of Confidentiality and Conflict of Interest*. As noted in all Procurement bid documents, no supplier contact is allowed with any College personnel other than Procurement during the competitive process. This is referred to as the "Cone of Silence." See also, Policy 1-10, Policy Against Improper Activities; Whistleblower Protection, and Policy 3E-05.2, Ethical Conduct and Performance.

II. SPENDING THRESHOLD STANDARDS

Dollar thresholds provide guidance in determining whether goods and services must be procured through an informal competitive solicitation process, a formal solicitation, or an alternative method of acquiring goods and services. The established threshold amounts are not applicable on a per item basis, but for the total amount of the purchasing quote, including but not limited to the cost of the goods or services and shipping and handling charges. When applicable, consolidation of commodity purchases is highly encouraged to maximize high volume discounts. The limits set forth are also applicable to purchases under Federal Grants. Any exceptions to these guidelines must be approved in advance by the Managing Director of Procurement.

\$0 to \$999: One (1) written quote is required if processing a purchase order. Purchasing Card (P-Card) may also be used, but purchase orders are encouraged. When utilizing a P-Card as a form of payment, reference the Purchasing Card Manual for restrictions on commodities and services.

\$1,000 to \$4,999: One (1) written quote identifying the best value for the requested commodity or service is required. Note, a statement of work (SOW) must be included in the quote if services are requested. Departments are encouraged to source the market and cooperative purchasing contracts to ensure best value.

\$5,000 to \$64,999: Informal competition/bidding generally is required, except as otherwise provided in applicable Florida law and regulations. The requesting department shall obtain three (3) written quotes, identifying the best value for the required commodity or service. Departments are encouraged to source the market and use cooperative purchasing contracts to ensure best value. The Procurement Department can provide assistance in verifying pricing and cooperative contract opportunities. The award generally shall go to the lowest priced responsible/responsive supplier who meets the requirements of the specifications. When lowest quote is not used, written justification must be approved by Procurement prior to purchase. In those rare instances when the required number of suppliers is not available, and/or it is in the best interests of the College, the requestor, or a procurement representative, must document the situation in consultation with Procurement.

\$65,000 or greater: Competitive Solicitation/Formal Bid is required, unless otherwise exempt as per applicable Florida law and regulations for each purchase over Category (3) three (\$65,000) per Florida Statutes Section 287.017, or greater. The requesting department completes a Solicitation Request Form and Scope of Work. Procurement will determine if an existing contract may be utilized or otherwise will create a formal solicitation package.

\$325,000 or greater: Awards that exceed \$325,000 may require Board of Trustees approval. Departments should allow for additional lead time when Board approval is required. The Contract and subsequent Purchase Order may be released to the supplier only after the Board approves the award of bid.

Splitting of Orders: The deliberate attempt to split orders, where the purpose is keeping

the total cost of each order below bid or quote limits, and failure to combine orders when practical for the interest of economy, may be construed as a violation of College policy and procedures. This type of order splitting is a prohibited activity, and may subject participating employees to discipline up to and including termination of employment at the college. Any related needs that are known or should have been reasonably known at the time of the order should be combined into one coherent request for procurement. Employees may not split foreseeable or related purchases into two or more transactions for the purpose of circumventing the competitive solicitation requirement for purchases over Category (3) three (\$65,000), per Section 287.017, F.S., which should include initial contract cost with all renewal costs. Consideration should be given to consolidating purchase orders to obtain a more economical volume purchase price.

III. PROCUREMENT LEAD TIME

Lead times for Procurement to process requisitions will vary based on several factors, including time required to obtain any additional essential information and to the complexity of the product or service. Lead time begins after a requisition is both successfully committed and all on-line approvals are completed. If funds must be encumbered, delivery completed, and invoice paid by a specific date to meet the terms of a grant or for any other reason, this must be stated in the requisition header comment section.

<u>Requirement Type:</u>	<u>Processing Lead Time:</u>	
Requisitions received with required quotes	2-4	Business Days
Request for Quotations (RFQ)	14-21	Business Days
Invitation for Bids (ITB)	60-90	Calendar Days
Request for Proposals (RFP)	90-120	Calendar Days
Request for Qualifications (RFQu)	90-120	Calendar Days
Request for Information (RFI)	60-90	Calendar Days
Request for Co-Ops (RFC)	60-90	Calendar Days
Invitation to Negotiate (ITN)	120-180	Calendar Days

IV. PROCURING GOODS AND SERVICES \$64,999 OR LESS

Defined as informal competition or informal bidding.

A. **Request for Quotes (RFQ):** Departments may obtain written quotes from suppliers for goods and services up to \$64,999.

1. A fillable Request for Quotation form is available in “Atlas Forms” and may be used to solicit quotes.
2. The College encourages the use of reverse auction websites. Contact the Procurement Department for information.

B. **Important Information to Consider:**

1. A supplier is not authorized to commence work until a purchase order has been issued by the College’s Procurement Department;

2. Do not sign vendor quotes as they may contain terms and conditions not acceptable to the College;
3. The use of lump sum quotes when providing services is discouraged. Request itemized quotes.
4. If a Grant procurement, refer to *Procurement Procedures for Federal Grants*;
5. College is tax-exempt, quotes should not include sales tax;
6. If purchasing a service, determine if a college contract form is required;
7. Always ask the supplier if educational discount opportunities exist;
8. Ask for Cooperative Purchasing Contract Pricing, if available; and
9. Encourage the participation of certified Minority, Women Owned Businesses (MWBE);

C. Factors to Consider in Quotation Evaluation: In determining whether a quotation is acceptable, other non-price factors such as those listed below should be taken into consideration. A written justification must accompany the requisition when the lowest acceptable offer, alone or in the event of a tie, is not being selected. Non-price factors to consider include but are not limited to:

1. Compliance with technical specifications, relevant standards and technical norms;
2. Compliance with existing equipment when there is an approved standardization plan;
3. Compliance with required delivery schedule needs;
4. Examination/comparison of samples;
5. Experience of the firm;
6. Guarantees, availability of spare parts, after-sales services and training;
7. Warranty and payment terms; and
8. Past and promised performance of the supplier

D. Tie Bids (informal quotes): Tie bids are defined as two or more bids, which are equal with respect to price, quality and service. In the event of a tie bid from two or more suppliers, after taking into consideration non-price factors, the following additional factors are considered:

1. Local (Central Florida) suppliers receive preference over other suppliers;
2. If none are (1), then, Florida suppliers receive preference over out of state suppliers;
3. If none or all are (2), then, suppliers furnishing Certification of a drug free workplace (see also 287.087 FS) receive preference;
4. If none or all are (3), then, tie bids may be determined by a coin toss or other appropriate random method.

V. PROCURING GOODS AND SERVICES \$65,000 OR GREATER

Competitive solicitation, also known as Formal Bid, generally is required for each purchase over Category (3) Three (\$65,000), per section 287.01, F.S., except as otherwise provided in applicable Florida law and regulations. The requesting department completes the Request for Solicitation form and Scope of Work. Valencia Procurement will be responsible for creation of Formal Solicitation package. Formal Solicitations are public advertised solicitations requesting competitive sealed proposals, with a designated place, date and time for opening.

- A. **Identify the Correct Competitive Solicitation Method:** Once the Solicitation Request Form and Scope of Work is received, the Procurement Department will determine which competitive solicitation method is most appropriate to fulfill the procurement needs. A solicitation may be cancelled by Procurement Services at any time and should not be construed as an order for any college departments to make any purchase or other commitment.

Approved solicitation methods include:

1. **Invitation to Bid (ITB):** The Invitation to Bid may be used when the College is capable of specifically defining the scope of work for which a contractual service is required or when the College is capable of establishing precise specifications defining the actual commodity or group of commodities required. Bidders must meet the applicable minimum qualifications, project scope, specifications and services standards. While the ITB is more concerned with the pricing than the conceptual ideas of the project, the College will award a Contract to the most responsible and responsive vendor that the College determines will provide the best overall value to the College.
2. **Request for proposals (RFP):** The College shall use a Request for Proposal when the purposes and uses for which the commodity, group of commodities, or contractual service being sought can be specifically defined and the College is capable of identifying necessary deliverables. The intent of an RFP is to allow the selection of the most qualified supplier at the best price for the specified project. RFPs for services typically involve consideration of other factors in addition to a price quote, such as, a company's history, capabilities, and financial capacity. Various combinations or versions of commodities or contractual services may be proposed by a responsive supplier to meet the specifications of the solicitation document. An Evaluation Committee evaluates all of the qualifications. Evaluation criteria and points will be allotted for each factor based on the information in the solicitation, as determined by the College. The College (Evaluation Committee) may decide to interview a select group of vendors. Final terms and price are subject to negotiation by authorized College representatives. An RFP is generally known as "best value procurement" because the award decision is based on a combination of price and non-price factors.

3. Invitation to Negotiate (ITN): Invitation to Negotiate (ITN) is a solicitation used by the College that is intended to determine the best method for achieving a specific goal or solving a particular problem and identifies one or more responsive suppliers with which the College may negotiate in order to receive the best value. The ITN must describe the questions being explored, the facts being sought, and the specific goals or problems that are the subject of the solicitation. The criteria that will be used for determining the acceptability of the reply and guiding the selection of the suppliers with which the College will negotiate must be specified. The College shall evaluate replies against all evaluation criteria set forth in the Invitation to Negotiate in order to establish a competitive range with which to commence negotiations. As part of the negotiations, the College (Evaluation Committee) may choose to conduct interviews and request a Best and Final Offer (BAFO). After negotiations are conducted, the College shall award the contract to the most responsible and responsive supplier that the College determines will provide the overall best value to the College, based on the established criteria.
4. Request for Qualifications (RFQ): This solicitation method is a process that intends to develop a pool of qualified suppliers when the College cannot or has not completely established the scope of services. It is not a bid process. An RFQ involves a two-step competitive process beginning with the issuance of the RFQ, when the scope of work and/or specifications are incomplete and only those firms selected in the opening qualification phase will be included in the pool. For the second phase, once a project's scope of work and/or specifications have been identified, only those qualified suppliers who remain in the pool following the first phase will be included in any subsequent Request for Proposals (RFP) or Request for Quotes (RFQ) solicitation process.
5. Request for Information (RFI): This solicitation method is used when seeking or gathering information to learn the market. The College will identify its requirements or expectations and requests specific answers for how the supplier will meet them. The intent of the RFI is to reduce the time and costs involved in evaluating potential suppliers and help ensure that bid participants are directly aligned with the needs of the College. Its primary objective is to determine which suppliers should receive an applicable request (i.e. ITB, RFP, ITN, etc.). A contract generally will not be awarded to any supplier as a result of an RFI.
6. Request for Co-ops (RFC): This solicitation method is a process that the College may use when seeking comparative terms and pricing and when requesting the best and final offer from available Cooperative Purchasing Contracts (Group Purchasing Organization (GPO) or a United States Governmental entity) in which the College may be offered the same or better pricing and contract terms as received previously by another entity; resulting in "Piggyback" contracts. RFC may be used in order to ascertain the best price for the goods or services by leveraging the benefits of volume purchases, delivery

and supply chain advantages, best practices and the reduction of administrative costs.

VI. PURCHASES EXEMPT FROM BIDDING REQUIREMENTS

As established by 6A-14.0734, F.A.C., Procurement Requirements, the requesting department must reference the appropriate exemption on the relevant documentation for any purchase that falls into one of the categories exempt from bidding requirements. While a competitive solicitation may not be required, the exemption pertaining to certain goods and contractual services does not prohibit a department from electing to procure them through the competitive process if it is deemed in the best interest of the College. These exemptions are not applicable when federal funds are used for a purchase. For departments utilizing federal funds, please refer to *Procurement Procedures for Federal Grants*.

As established by 6A-14.0734, F.A.C., Procurement Requirements, the following contractual services and commodities are not subject to the competitive-solicitation requirements for **non-federally funded** purchases:

- A. Educational tests, textbooks, instructional materials and equipment, films, filmstrips, video tapes, disc or tape recordings or similar audio-visual materials, graphic and computer based instructional software.
- B. Library books, reference books, periodicals, and other library materials and supplies.
- C. Purchases at the unit or contract prices established through competitive solicitations by any unit of government established by law or buying cooperatives.
- D. Food.
- E. Professional services, including, but not limited to, artistic services, instructional services, health services, academic program reviews, lectures by individuals, attorneys, legal services, auditors, and management consultants.
- F. Information technology resources defined as all forms of technology used to create, process, store, transmit, exchange and use information in various forms of voice, video and data, and shall also include the personnel costs and contracts that provide direct information technology support consistent with each individual college's information technology plan.
- G. Single source procurements for purposes of economy or efficiency in standardization of materials or equipment.
- H. Items for resale.
- I. The college president or designee, may waive solicitation requirements in emergencies when there is an imminent threat to students, employees, or public safety or in cases when necessary to prevent damage to the facilities caused by an unexpected circumstance in accordance with rules established by the local board of trustees.

- J. When a board of trustees solicits the submittal of competitive offers and only one responsive offer is submitted, the college may purchase such products or service under the best terms it can negotiate.

SOLE SOURCE PROCESS

Sole Source Purchases Between \$4,999 and \$64,999: When departments want to use the sole source exemption and request waiving the requirement of obtaining three or more quotes for purchases of goods and services for an amount greater than \$4,999 and less than \$65,000, then the issuing department is required to perform the following:

- A. Submit completed Sole Source Request Form (which includes providing a department justification that the good or services is not available from another source), a letter from the supplier certifying the good or service is not available from another source, and a quote.
- B. The Procurement Department will research each Sole Source request by performing additional market analysis to determine if there is only one source that meets the specifications. If it appears as if more than one supplier can provide the goods or services, additional quotes will be required (the purchase will not be considered a Sole Source).
- C. When the Sole Source Request form is approved by the Procurement Department, the issuing department may then proceed with a requisition. The approved Sole Source Request Form and the letter from the supplier must be attached to the requisition before a Purchase Order can be issued.

Sole Source Purchases \$65,000 or greater: When departments want to request waiving the requirements of a competitive solicitation for purchases of goods and services that the requesting department deems a sole source, then the requesting department is required to perform the following:

- A. Submit completed the Sole Source Request Form (which includes providing a department justification that the good or services is not available from another source), a letter from the supplier certifying the good or service is not available from another source, and a quote.
- B. The Procurement Department will research each Sole Source request by performing additional market analysis to determine if there is only one source that meets the specifications. If it appears as if more than one supplier can provide the goods or services, additional quotes will be required (the purchase will not be considered a Sole Source).
- C. If no other possible supplier are identified and the Sole Source Request is approved, the Procurement Department will post the decision to declare the purchase a Sole Source for seven business days (not counting College holidays). After the seven business days, if there is no official protest filed, the Procurement Department will authorize the requesting department to issue a requisition. The approved Sole Source Request Form

and the letter from the supplier must be attached to the requisition before a Purchase Order may be issued.

Single Source: Section 2(h) of 6A-14.0734, F.A.C. also exempts another type of sole source from competitive solicitation. The Rule states: “Single source procurement for purposes of economy or efficiency in standardization of materials or equipment.” Single sourcing is defined by NIGP as a procurement decision whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.

Emergency Purchases: The College President, or designee, may waive formal solicitation requirements in emergencies when there is an imminent threat to students, employees or public safety, in cases to prevent damage to the facilities caused by an unexpected circumstance, or an unexpected occurrence that would prove detrimental to the best interests of, or interrupt the continuity of services at, the College. At the next Board of Trustees meeting following the emergency, the Vice President of Business Operations and Finance, or designee, shall report all necessary expenditures, made during the emergency, which exceed Category Five (\$325,000) as per Section 287.017, F.S.

Cooperative/Piggy-back Purchasing Contracts: The College may either participate in or administer definite quantity or term contracts for the procurement of any good or service with one or more members of the State College/University System, the Federal Government, another state, a political subdivision, an independent college or university, an educational cooperative or a consortium.

VII. PROCUREMENT METHODOLOGY

- A. **Purchase Orders:** This is the form used in the Finance System (Banner) for procuring goods and services. Requisitions are converted into Purchase Orders by the Procurement Department. Departments are encouraged to enter requisitions for all transactions as they provide more efficient process for tracking expenditures. Quotes and supporting documentation must be sent to the Procurement Office email address, valenciaprourement@valenciacollege.edu , immediately following the issuance of the requisition, with the inclusion of the requisition number in the subject line. Quotes should not be sent to individual employee email addresses as this may cause significant delay in processing.
- B. **Types of Purchase Orders:** There are three different types of Purchase Orders available in Banner. Utilize the method that best meets your purchasing need. Once the Procurement Department processes the Purchase Order, a copy of the completed Purchase Order is sent directly to the Supplier and the requestor.
 - 1. **Regular Purchase Order:** Regular Purchase orders are used when a quantity and unit price are known.
 - 2. **Standing (OPEN) Purchase Order (SPO):** A Purchase Order that is not line-

item specific. The standing order has a description, but no quantity or unit price is specified when issued (e.g. lab supplies as required). The Standing Order permits departments to place orders on an as-needed basis and is convenient for ordering routine supplies from an awarded contract. No capitalized items (college equipment and furniture valued at \$1,000 and above) can be purchased from a standing purchase order.

3. **Blanket Purchase Order (BPO):** A BPO is a master document that permits tracking of multiple transactions related to a specific supplier and/or agreement. Multiple year projects or agreements may be recorded using a BPO. A BPO is used for tracking projects and will involve complex tracking, adjusting and payment processes. A BPO is not used to encumber monies from which to draw down; you may use the Standing Purchase Order if you want to encumber funds.
- C. Purchases for the following types of goods and services may be exempt from the issuance of a purchase order:
1. Subscriptions or periodicals
 2. Institutional memberships in professional organizations and associations
 3. Scholarship payments
 4. Registration or tuition fees
 5. Library purchase standing orders
 6. Utility or telephone service
- D. **Change Orders:** Generally, change orders are changes that affect the price or quantity of the original purchase order. A Change Order Form must be submitted to the Procurement Department for processing. Procurement will ensure the requested change does not exceed any threshold that may apply. Changes to the Purchase Order may be required when:
1. There are required changes in quantities or specifications;
 2. The Procurement Department corrects any misinterpretations or clerical errors;
 3. The supplier has submitted notification of change prior to shipment; or
 4. Extension of service is required (i.e. rental, temporary help, etc.)
- E. **Closing of Purchase Orders:** Except for expenditures from Fund 7 (Construction) and Fund 2 (Grants), all other Purchase Orders will be automatically closed by the Procurement Department at the end of each fiscal year. If there is a need to keep the Purchase Order open, a written request, with justification, must be submitted to the Managing Director of Procurement in advance. It is the responsibility of the requesting department to ensure that all applicable invoices related to the Purchase Order are paid prior to Accounts Payables deadline. Specific information in connection with fiscal year end processing times and cutoff dates shall be published and distributed by the Vice President of Business Operations and Finance on an annual basis.
- F. **Cancellation of Purchase Orders:** If a department wishes to cancel a Purchase Order once it has been issued, the Procurement Office requires the department to document

prior notice with the supplier with respect to the cancellation.

- G. **Purchasing Card:** A Purchasing Card (P-Card) is a College charge card that allows goods and services to be procured without using the traditional purchasing process. It is traditionally reserved for transactions under \$1,000 and business travel related expenses. See the Purchasing Card manual for additional instructions and commodity/service restrictions.
- H. **Check Request:** This is a form of payment when a supplier will not accept a purchase order or P-Card. This form of payment is not encouraged and is restricted to specific situations. Refer to Accounts Payable for additional details.

Procedure History:

Adopted 02-27-2019

Date of Last Procedure Review: 03-05-2019

Related Procedures:

1. Procedure for Protests of Competitive Solicitation Decisions/Intended Decisions
2. Procurement Procedures for Federal Grants