5.0 PROCUREMENT METHODS

A. General Solicitation Rules

This section applies to the purchase of goods and services, with some exceptions. The exclusions listed in section 3.0 B Exclusions are exempted from this section of the Procurement Rules.

1. Solicitation Policy

It shall be the policy of the University to purchase goods and services in a manner that affords vendors a fair and equal opportunity to compete. Solicitations should only be issued when there is a valid procurement need. Solicitations should not be issued to obtain estimates or to “test the water.”

2. Solicitation Thresholds

i. Goods or services $4,999 or less
   Campus departments have purchasing authority.
   
ii. Goods or services $5,000 through $50,000
   Purchases are processed at the discretion of the purchasing agent.
   Three (3) quotes are required for purchases between $10,000 and $50,000 and for all purchases made through POs using federal funds.

iii. Goods or services $50,001 through $150,000
   Competition is sought via the document quote process.

iv. Goods or services $150,001 or greater
   Competition is sought via either the invitation for bid or request for proposal process.

3. Solicitation Notification

An electronic solicitation notification system is the required method for advertising competitive solicitations for goods and services made through documented quotes (“DQ”), invitation for bids (“IFB”) and request for proposals (“RFP”). Other methods of notification may also be used at the discretion of the purchasing agent.

4. Specifications

Purchasing agents shall issue goods or service specifications, which are not unduly restrictive. Brand name specifications, brand name or equal specifications, or qualified products lists may be used in competitive solicitations. Furthermore, brand name specifications shall only be used in accordance with Section 5.E.1. regarding sole source procurements. When appropriate, specifications issued and/or used by the federal government, other public entities or professional organizations may be referenced by the University. Vendors may be required to certify that these standardized specifications have been met.

5. Solicitation Conferences

Solicitation conferences may be conducted to explain procurement requirements. They shall be announced in the solicitation. The conference should be held long enough after the solicitation has been issued to allow vendors to become familiar with the solicitation but with
adequate time before the solicitation due date to allow vendors time to consider the conference results in preparing their quotes/bids/proposals. Nothing stated at the conference shall change the solicitation unless a change is made by written amendment posted on the electronic solicitation notification system.

6. Amendments to Solicitations
Amendments to solicitations shall be identified as such and may require that the vendors acknowledge receipt of all amendments issued. Amendments shall be posted on the electronic solicitation notification system with sufficient time to allow vendors to consider them in preparing their quotes/bids/proposals. If the due date set will not permit such preparation, then the Office of Business Operations shall extend it.

7. Solicitation Receipt, Opening & Recording
a. Receipt
Each response shall show the date and time of receipt. Responses to competitive sealed solicitations shall be stored in a secure place until the due date and time, and shall not be opened upon receipt, except that unidentified responses may be opened for identification purposes. Upon verification of a solicitation response, the response will immediately be resealed and the reason for opening the response will be noted.

b. Opening and Recording
The competitive sealed solicitation opening shall be open to the public. Responses shall be opened, in the presence of one or more witnesses, as soon as possible after the date and time and at the place designated in the competitive solicitation.

c. Confidential Data
Confidential information includes, but is not limited to, trade secrets, privileged information and confidential commercial and financial information furnished by the vendor and which may be withheld from inspection by the University pursuant to the Colorado Open Records Act, C.R.S. § 24-72-2043 (3) (A)(IV). The vendor may submit written requests for confidentiality to the purchasing agent pursuant to the solicitation terms and conditions. Neither a response in its entirety nor price information will be considered confidential information.

   (i) The purchasing agent shall determine the validity of any written requests for confidentiality and shall provide a written determination of the findings to the vendor.

   (ii) If the purchasing agent and the vendor do not agree upon the nondisclosure of confidential information, the vendor may withdraw its response. After award, all responses shall be open to public inspection with the exception of confidential information.

d. Withdrawals of Responses & Mistakes in Responses
   (i) Withdrawal of Responses Prior to the Due Date and Time: Any response may be withdrawn prior to the specified due date and time upon written request from the offeror.
(ii) Withdrawal of Responses after Due Date and Time but Prior to Award:
The Risk Manager and Director, Business Operations may allow a response to be withdrawn after the specified due date and time but prior to the award provided:
(a) The vendor provides evidentiary proof that clearly and convincingly demonstrates that a mistake was made in the costs or other material matter provided; or
(b) The mistake is clearly evident on the response; or
(c) It is found by the Risk Manager and Director, Business Operations unconscionable not to allow the response to be withdrawn.

(iii) Mistakes:
(a) Confirmation of Response
When it appears from a review of the response that a mistake has been made, the vendor will be asked to confirm the response. Situations in which confirmation should be requested include apparent errors or price unreasonably lower than other submitted prices. Upon acknowledgment that an error was made, the vendor may have its response considered as is or may withdraw its response if the conditions set forth in this section are met.

(b) Minor Informalities
Minor informalities are matters of form rather than substance, are evident from the response or insignificant mistakes that can be waived or corrected without prejudice to other vendors; that is, the effect on price, quantity, quality, delivery or contractual conditions is negligible. The purchasing agent may waive such informalities or allow the vendor to correct them depending on which option is in the best interest of the University.

(c) Determinations
Any decision to permit or deny correction or withdrawal of a response under this section shall be supported by a written determination prepared by the purchasing agent.

e. Evaluation and Award
All responses shall be evaluated as outlined in the solicitation. Where appropriate, procurements may take into account the costs for the full life cycle of any resulting contract to determine total expected cost. The purchasing agent shall ensure that the award decision treats all vendors equitably.
(i) The purchasing agent shall make purchases from and award contracts to, response vendors only.
(ii) Tie quotes/bids
Tie quotes/bids are responsive quotes/bids from responsible vendors that are identical in price, terms and
conditions and which meet all the requirements and criteria set forth in the solicitation:

(a) The award shall be made to the vendor that is a small business as defined by the Small Business Administration, if identical favorable quotes/bids are received.

(b) If more than one tie quote/bid is from a small business or if none are, the award shall be made to the local business if identical favorable quotes/bids are received from local and non-local business.

(c) If more than one tie quote/bid is from businesses that meet or do not meet (a) or (b) above then the award shall be made to the minority (MBE) owned, women (WBE) owned or hub zone (HZ) business if identical favorable quotes/bids are received from MBE/WBE/HZ business and a non-MBE/WBE/HZ business.

(d) If more than one tie quote/bid is from a business that meet or do not meet (a), (b) or (c) above then the award shall be made to the in-state business if identical favorable quotes/bids are received from in-state and out-of-state businesses.

(e) If none of the above applies, the purchasing agent shall flip a coin in the presence of another person to determine the awarded vendor.

8. Cancellation of Solicitations

a. Reasons for Cancellations

Any solicitation may be cancelled in whole or in part at any point in the process when it is in the best interest of the University as determined by the Risk Manager and Director, Business Operations. Approval to cancel will be obtained from the Risk Manager and Director, Business Operations prior to cancellation. The reason(s) for doing so shall be made part of the file and may include, but are not limited to, the following:

(i) The University no longer requires the goods or services;

(ii) The University no longer can reasonably expect to fund the procurement;

(iii) Proposed amendments to the solicitation would be of such magnitude that a new solicitation is desirable;

(iv) Ambiguous or otherwise inadequate specifications were part of the solicitation;

(v) The solicitation did not provide for consideration of all factors of significance to the University;

(vi) Prices exceed available funds and it would not be appropriate to adjust quantities or qualities to come within available funds;

(vii) All otherwise acceptable bids or proposals received are at clearly unreasonable prices;

(viii) The University has reason to believe that the bids or proposals may not have been independently arrived at in

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open competition, may have been collusive or may have been submitted in bad faith. In this case, a notice of rejection shall be sent to all vendors that submitted bids or proposals; or

(ix) The number of responses is not sufficient to ensure adequate competition.

b. Notice
When a solicitation is cancelled, notice of cancellation shall be posted on the electronic solicitation notifications system.

c. Disposition of Bids or Proposals
When bids or proposals are rejected or a solicitation is cancelled after bid or proposals are received, the bids or proposals, which have been opened, shall be retained in the procurement file. Bids and proposals, which have not been opened, shall either be returned to the vendors (upon request) or shall be disposed.

B. Procurement Procedures for Purchases Totaling $150,000 or Less

Procurements shall not be artificially divided so as to constitute small-dollar purchases as defined under this section. All purchases, including small-dollar purchases, are subject to the requirement that prices paid be fair and reasonable (C.R.S. §24-30-202(2)).

1. Small-dollar purchases - purchases totaling $4,999 or less
The University has developed the following mechanisms for the purchase of most goods and some services totaling $4,999 or less. Split purchases are prohibited.

a. The University Procurement Card – This is the preferred method for all purchases of goods $4,999 or less.

i. Faculty and staff may obtain a procurement card based on the discretion of their Department Head, Vice President or Director. Graduate students may also obtain a procurement card with a stipulated contract start and end date. Other persons of interest may be given a procurement card on a case-by-case basis. The procurement card is to be used only by the person to whom the card was issued.

ii. All use of the Colorado School of Mines procurement card must comply with the University’s financial policies, procurement rules and direct charging policies (applicable to sponsored grants and contracts). Specific purchases that are prohibited on the procurement card include (but are not limited to):

1. Personal purchases
2. Transactions split to work around the $4,999 Single Purchase Limit
3. Alcohol
4. Travel (Unless using the OneCard, the Event Card, or a waiver has been issued)
5. Chemicals
6. Purchases made from a contract without an authorized signature
7. Telecommunications
8. Cash or cash-type transactions such as gift cards
9. Purchases that violate mandatory price agreements
10. Purchases involving the University’s Trademark or Logo.

iii. Procurement card holders are responsible for obtaining appropriate supporting documentation. For every transaction the cardholder must obtain an itemized receipt that includes the:
   1. Purchase Date
   2. Vendor name
   3. Transaction ID
   4. Description of items purchased
   5. Quantity and price of items purchased
   6. Any applicable fees and shipping

   The type of procurement card being used will determine where and how the supporting documentation must be maintained. The Controller's Office website provides more detailed information.

iv. The department is responsible for all charges made on procurement cards issued to cardholders within their supervision. If it is determined that a charge is made on the procurement card that is against any University Policies, the cardholder may be personally liable for the unauthorized charge.

v. Misuse of the procurement card according to the financial and procurement policies will result in the cardholder being issued a Violation Notification. Violations are given out on a weighted system (from 15-150 points per violation) based on the type of violation. If a cardholder receives 150 points worth of violations within two years, the card will be suspended for a minimum of six (6) months pending the completion of procurement card re-training. Continued misuse of the procurement card beyond a two-year period may result in the permanent suspension of the card at the discretion of the Controller. Card abuse resulting in fraud will result in a permanent suspension and must be immediately reported to the Controller and the Internal Audit Department.

The Controller must approve any exceptions to these rules regarding the use of the procurement card.

b. Direct pay request – University departments may work directly with the Accounts Payable unit within the Controller’s Office for purchases $4,999 and under were the procurement card is not an option.
   i. A direct pay request and related invoice(s) may be submitted to Accounts Payable with documented authorization to pay and the appropriate index and account code to be charged.
   ii. The Accounts Payable unit will determine whether documentation is adequate to make a payment or if additional information is required before payment is made.
c. **Field purchase orders** – In cases where the *procurement card* or a direct pay request is not an option, University departments may issue *field purchase orders* from pre-printed stock for purchases up to $1,000. *Field purchase orders* and related supporting documentation should be submitted directly to the Accounts Payable unit for payment processing.

2. **Purchases of goods or services totaling $5,000 through $50,000**

   [Includes purchases less than $5,000 where neither the *procurement card*, a direct pay request, nor a *field purchase order* will suffice.]

   Purchases of these types are processed at the discretion of the *purchasing agent*. Requestors are encouraged to include a recommended vendor at the time of the request. Requestors are required to include 3 quotes supporting the requestor’s recommendation for all purchase requests between $10,000 and $50,000 and for all purchase requests above $3,500 made using federal funds. The *purchasing agent* may evaluate the supporting documentation and place the order with any vendor that the *purchasing agent* determines serves the best interest of the University considering cost and other factors.

3. **Purchases of goods or services above $50,000 but less than $150,000**

   a. The above shall be purchased using the *documented quote* process unless there is a written *determination* by the *purchasing agent*, approved by the Risk Manager and Director, Business Operations, that a *Request for proposal*, *Invitation for Bid*, or *sole source procurement* better meets the needs of the University.

   b. For *goods* and *services* procurements, neither the solicitation nor the vendor’s response constitutes an “offer”; therefore, *responsiveness* at the time of receipt is not an absolute criterion. The *purchasing agent* will determine whether or not a response is *acceptable* and may compare the relative value of competing response, not solely the price. The ensuing purchase order or change order shall constitute an offer. The vendor may accept by performance, unless the purchase order or change order expressly requires acceptance by written acknowledgment.

   c. The choice of vendor for *goods* and *services* must be based on which *acceptable* response is most *advantageous* to the University with price/cost being a consideration. The basis for selection must be documented and will be final.

   d. *Documented quotes* must be advertised in accordance with Section 5.A.3. *Solicitations* must remain posted for a minimum of three (3) working days unless the Risk Manager and Director, Business Operations provides a written *determination* that a lesser time is required in order to meet an immediate University need.

   e. The *purchasing agent* may negotiate with any vendor to clarify its *quote* or to effect modifications that will make the *quote* *acceptable* or make the *quote* more *advantageous* to the University. However, in the negotiation process the terms of one vendor’s *quote* shall not be revealed to a competing vendor and
all quotes will be kept confidential until a purchase order or change order is issued.

f. Quotes may be submitted electronically when the terms of the solicitation permit electronic submission.

g. Competitive reverse auctions. Contracts for goods and services may be awarded by competitive reverse auction if the purchasing agent determines that adequate competition can be achieved.

C. Procurement Procedures for Purchases totaling over $150,000

1. Invitation for Bids (IFB)
   a. Use of Invitation for Bids

   Invitation for bids is a method of procurement that results in a contract being awarded to the lowest responsive bid from a responsible bidder based on the specifications set forth in the solicitation. Typical reasons why an IFB may be used include:
   (i) The award will be made on the basis of price; or
   (ii) It is not necessary to conduct negotiations with the responding bidders about their bids.

   b. Solicitation Time

   The minimum time for the IFB opening date shall be not less than fourteen (14) calendar days after posting the solicitation on the electronic solicitation notification system. When special requirements or conditions exist, the Risk Manager and Director, Business Operations may shorten the IFB time, but in no case shall the time be shortened in order to reduce competition. Solicitation periods of less than fourteen (14) calendar days shall be documented as to why a reduced IFB period was required.

   c. Advertisement

   IFBs must be advertised in accordance with Section 5.A.3.

   d. Late Responses

   Responses received after the due date and time shall not be opened and shall be rejected as late.

   e. IFB Opening

   The name of each bidder, the bid price(s) (unless otherwise provided in the invitation for bids), and other information deemed appropriate by the purchasing agent shall be read aloud at the time of the IFB opening. Reading of all bid item prices may not be reasonable or desired (e.g., in the case of lengthy or complex IFBs). The decision not to read all bid prices shall be made by the purchasing agent. The name of each bidder, amount of the bid, delivery date, name(s) of witness(es) and other relevant information shall be entered into the record and the record shall be available for public inspection. Prior to award, copies of pricing information not read aloud at the IFB opening shall be made reasonably available for inspection, if requested. Other information related to a bid, or the bid’s responsiveness, may be withheld from inspection until questions concerning such information are resolved. After award, all IFB/bid documents and a complete bid analysis shall be open to public inspection except to the extent the
University has approved a bidder’s request that information be held confidential as set forth in Section 5.A.7.c.

f. Award
All goods and services shall be evaluated for acceptability against the specifications and/or brand name used as a reference and other evaluation criteria as set forth in the IFB. Following determination of acceptability, bids shall be evaluated to determine which bidder offers the lowest costs to the University in accordance with the specifications, taking into account any life-cycle cost formulas stated in the IFB.

g. Multi-Step Sealed IFBs
A multi-step sealed IFB is a two-phase process. The first phase (technical phase) is composed of one or more steps in which bidders submit un-priced technical offers to be evaluated by the University. The second phase considers only those bidders whose technical offers were determined to be acceptable during the first phase. At this time, those price bids will be opened and considered. The process is designed to obtain the benefits of competitive sealed bidding by award of a contract to the lowest responsive, responsible bidder and at the same time obtain the benefits of the request for proposal procedure through the solicitation of technical offers and the conduct of discussions to evaluate and determine the acceptability of technical offers.

h. Best Value IFBs
(i) Use of the best value IFB:
A best value IFB is used where the IFB specifically allows for enhancements, options and/or alternatives. A best value IFB must include a base bid statement.

(ii) Written Determination:
The purchasing agent shall provide a written determination for approval to the Risk Manager and Director, Business Operations prior to the use of a best value IFB. The written determination must explain why the best value IFB is appropriate for the good or service being solicited.

(iii) Evaluation:
The criteria or formula for evaluation must include objective consideration of the costs and savings and/or benefits associated with enhancements, options or alternatives. Based on the evaluation of the cost of the base bid, the dollar value of enhancements, options or alternatives and the determination of which best meet the needs of the University, an award shall be made to the bidder providing the best value to the University.

i. Competitive Reverse Auction Contracts
Contracts for goods and services may be awarded by competitive reverse auction if the purchasing agent determines that adequate competition can be achieved.
2. Request for Proposals
   a. Use of Request for Proposals (RFP)
      RFPs will be used for the solicitation of competitive sealed proposals over $150,000 that are evaluated on the basis of factors that include but are not limited to price. Evaluations shall be based on the factors set forth in the RFP in order to determine which proposal(s) best meet(s) the needs of the University.
      
      (i) Written Determination – The purchasing agent must provide a written determination for approval to the Risk Manager and Director, Business Operations prior to the use of an RFP. The written determination must explain why the RFP is the proper method of solicitation.
      
      (ii) Evaluation Committee – A committee of no less than three (3) individuals shall evaluate all responsive proposals.

   b. Solicitation Time
      RFPs will be open for a minimum of thirty (30) calendar days unless the Risk Manager and Director, Business Operations approves a shortened timeframe in writing.

   c. Advertisement
      RFPs will be advertised in accordance with Section 5.A.3.

   d. Late Responses
      Responses received after the due date and time shall not be opened and shall be rejected as late.

   e. RFP Opening
      There shall be a public opening at a date and time specified in the RFP. The purchasing agent shall read the name of all proposers submitting responses. A witness shall be present. All information other than the proposers’ names remains confidential until posting of the notice of intent to award.

D. Competitive Negotiation

Contracts or recurring small dollar procurements may be awarded by competitive negotiation as defined on page 34.

1. Allowable Use
   a. A contract may be awarded by competitive negotiation after an unsuccessful invitation for bids or request for proposals process if the Risk Manager and Director, Business Operations determines that time does not permit re-solicitation.
   
   b. Small dollar procurement agreements (small dollar procurements that are recurring and are not expected to exceed 50,000 per department per year) may be awarded by competitive negotiation with donor, small, local, minority, women or hub zone businesses when it is in the best interest of the University to do so and in accordance with Section 8 of these rules.

2. Unsuccessful IFB/RFP processes
   An Invitation for bid or request for proposal process is unsuccessful if:
   
   a. All offers received are unreasonable or uncompetitive;
b. The low bid exceeds available funds as certified in writing by the appropriate fiscal officer;

c. The solicitation has been properly cancelled in accordance with the provisions of Section 5.A.8.; or

d. The number of responsive offers is not sufficient to ensure adequate competition.

3. Participants

The competitive negotiation process shall include all vendors who responded to the solicitation or any re-bid and may include other vendors capable of filling the University’s needs. The University may also actively encourage small, local, women, minority, in-state or hub zone businesses to participate in the competitive negation process or partner with vendors who originally responded to the IFB or RFP.

4. Times and Locations

Procurement services may set reasonable times and locations for participation in the competitive negotiation, reflecting the fact that time constraints are the basis for the competitive negotiation process.

5. Separate Negotiations

Each vendor with whom procurement services negotiates shall be given a fair and equal chance to compete. Negotiations shall be conducted separately and independently with each vendor and in no case shall the terms of any vendor’s offer be communicated to any other vendor until intent to award notice has been issued. Any change in requirements shall be communicated to all vendors.

6. Elimination from Process

A vendor may be eliminated from the process upon a determination that its offer is not reasonably suspected of being selected for award.

7. Award

The award shall be made to the vendor whose offer is most advantageous to the University. The Risk Manager and Director, Business Operations shall make a written determination that identifies the nature of the discussions with each vendor and that states why the selected offer is the most advantageous to the University.

E. Exceptions to Competitive Solicitation Processes

1. Sole Source Procurements

Procurement without competition is authorized under limited conditions and subject to written justification documenting the conditions, which preclude the use of a competitive process. A sole source procurement is justified when there is only one good or service that can reasonably meet the need and there is only one vendor who can provide the good or service. A requirement for a particular proprietary item (i.e., a brand name specification) does not justify a sole source procurement if there is more than one potential vendor for that good or service.
Price is not a consideration to justify a sole source procurement. In cases of reasonable doubt, competition will be solicited.

a. Continuing need for Sole Source
Procurement services shall take reasonable steps to avoid using sole source procurement except in circumstances where it is both necessary and in the best interests of the University. Procurement services shall take action, whenever possible, to avoid the need to continue to procure the same goods and/or services without competition.

b. Sole Source Procurement Procedures
(i) The requesting department shall submit a sole source justification detailing why the procurement is a sole source along with any other pertinent information regarding the sole source procurement; e.g. vendor quote, requisition, literature, etc.
(ii) Procurement services is the final authority of the approval of sole source procurements.
(iii) The purchasing agent shall publish all sole source procurements for at least three (3) days on the electronic solicitation system to allow vendors an opportunity to comment on the validity of the sole source.
(iv) The purchasing agent has a duty to negotiate the most favorable price, terms and conditions notwithstanding the sole source nature of the procurement. The purchasing agent is required to make a written determination that the price is fair and reasonable.

2. Emergency Procurements
When an emergency condition exists that prevents the use of a competitive procurement method, the University may conduct a procurement on an emergency basis. Emergency procurements may be negotiated on a sole source or limited competition basis as dictated by the circumstances surrounding the emergency.

a. Determination of Need
An emergency condition justifies the use of an emergency procurement when that conditions threatens one (1) or more of the following:
(i) The functioning of the University, or its programs;
(ii) The preservation or protection of property; and/or
(iii) The health or safety of any person(s) or animal(s).

Emergency procurements do not include: procurements that need to be rushed because of a failure to plan ahead; end of fiscal year procurements; or, end of grant/contract procurements.

b. Authority to Make Emergency Procurements
The University may make emergency procurements when an emergency condition arises and the need cannot be met through normal procurement methods, provided that whenever practicable,
approval by the Risk Manager and Director, Business Operations shall be obtained prior to the procurement. In the event an emergency arises after normal working hours, the University department shall notify the Risk Manager and Director, Business Operations on the next working day. If the Risk Manager and Director, Business Operations determines that all criteria for an emergency procurement were not met, then the procurement will be processed as an “after-the-fact” procurement as set forth in Section 7.

c. **Limits of an Emergency Procurement**
   The emergency procurement shall be limited to the procurement of only the types of items and quantities or time period sufficient to meet the immediate threat and shall not be used to meet long-term requirements.

d. **Documentation**
   As soon as practicable, the University department shall prepare a written justification, to be approved by the Risk Manager and Director, Business Operations, that sets forth the justification for the emergency procurement. The justification shall include the following:
   (i) The basis for the emergency procurement including the date the emergency first became known;
   (ii) A listing of the goods and/or services procured;
   (iii) A description of the efforts made to ensure that proposals or offers were received from as many potential vendors as possible under the circumstances; and
   (iv) The basis for the selection of the vendor.

e. **Procedures**
   (i) The procedure used shall be selected to assure that the required goods and/or services are procured in time to meet the emergency. Given this constraint such competition as is practicable shall be obtained.
   (ii) Any acceptable form of solicitation (e.g. written, faxed, electronically transmitted, phoned, etc.) may be used to obtain proposals for an emergency procurement.

3. **University Wide Price Agreements**

   a. The Risk Manager and Director, Business Operations may issue University-wide price agreements for goods and services for use by all University departments. Such price agreements may include, but are not limited to University initiated agreements or cooperative agreements. The purpose of such agreements is to promote efficiency and savings that can result from leveraging the University’s buying power.

   b. University price agreement pricing is based on the University’s overall anticipated volume of purchases during the agreement
period. In order to assure the University of the least total cost of goods or services, all University departments are required to order needed goods or services from University price agreements where applicable.

c. Procurement services is responsible for publicizing all University-wide price agreements and for monitoring compliance.

4. Cooperative Purchasing Agreements

a. The Risk Manager and Director, Business Operations may approve the purchase of goods or services from a cooperative purchasing agreement if he/she finds that such purchase is in the best interest of the University after considering the competitiveness of pricing under the contract and the efficiencies and cost savings of using the contract.

b. The University may participate in, conduct, sponsor or administer a cooperative purchasing agreement. This includes, but is not limited to, agreements with any of the following:
   (i) The federal government or an agency or other instrumentality of the federal government;
   (ii) The State of Colorado, another state, or an agency or other instrumentality of the State of Colorado or another state;
   (iii) A bi-state or multi-state agency;
   (iv) A county, municipal corporation or other political subdivision of the State of Colorado or any other state, or an agency or other instrumentality of the political subdivision;
   (v) Other institutions of higher education; or
   (vi) A cooperative or organization established for the purpose of establishing contracts to aggregate the common requirements of similar institutions for maximizing economies of scale when soliciting bids or proposals. Examples include the Educational and Institutional Cooperative and the Western States Contracts Alliance.

c. The Risk Manager and Director, Business Operations may approve a single purchase or approve ongoing participation in a cooperative or consortium purchasing agreement as a University-wide price agreement. The Risk Manager and Director, Business Operations has the final authority to approve the University’s participation in cooperative or consortium purchasing agreements.

F. Price Cost Analysis

Price cost analysis is required when there is no competition (such as a sole source procurement or when only one response is received to a solicitation). The purchasing agent must ensure that the price the University is paying is fair and reasonable by completing a price cost analysis. Procurements, where appropriate, should take into
account the costs for the full life cycle of any resulting contract to determine total expected cost. Additionally, federal laws mandate that the University perform price cost analysis under certain conditions.

If, after analysis, the purchasing agent does not feel the price to be paid is fair and reasonable, he/she will either seek competition or negotiate with the vendor to lower the price.

G. Demonstration or Sample Agreements

Equipment requested by University department from vendors, or offered by vendors to University departments, on a trial, loan, demonstration or evaluation basis does not constitute a commitment to purchase said equipment. The University department shall be responsible for advising the vendor that, for purchases totaling over $5,000 a purchase order or change order will be issued at the discretion of the purchasing agent, and that competitive purchasing procedures shall be used as required by University policies and procedures. If the vendor who loaned the equipment is the successful vendor, new equipment must be supplied unless otherwise specified.

All moving, handling, transportation and applicable installation costs associated with equipment of this nature are the sole responsibility of the vendor unless otherwise specified. The University will not incur any costs associated with equipment that is on trial, loaned, demonstrated, tested or evaluated unless otherwise specified.

Any agreement, which is required by the vendor, shall be executed by the appropriate purchasing agent, regardless of dollar value of the equipment.