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# **Procurement Methods**

## Small Purchases (under $10,000)

Departments may purchase goods or services valued at less than $10,000 without the approval of the purchasing office. Purchases to one vendor are limited to $9,999.99 per calendar year. If a department anticipates spending $10,000 or more with one vendor in one calendar year, the department should contact purchasing by initiating a purchase requisition so a competitive process may be used.

## Informal Bids (between $10,000 and $49,999)

All purchase orders between $10,000 and $49,999 will be awarded by the Purchasing Department. The award will be based on the solicitation of competitive price quotations from at least three sources, unless the purchase is exempt from the bidding requirements as noted above. These solicitations are not sealed and the Purchasing Department may use short deadlines to expedite the procurement. Documentation for bids will be maintained in the Purchasing Department.

*Currently, informal bidding is restricted to the UT System Offices, Ag Research, College of Veterinary Medicine, and UT Extension (excluding CASNR). Facilities Services ($25,000 only), Conferences, OIT, Housing, College of Law, Civil & Environmental Engineering, and Athletics Facilities Services. Any other UT Knoxville department must first seek approval for informal purchasing from the Knoxville CBO office.*

*See UTK’s supplemental policy at:* <http://budget.utk.edu/purchasing-bidding-requirements-fiscal-policy-fi0410/>

To expedite these purchases, departments are encouraged to solicit the three bids from vendors and attach them to the purchasing requisition. The purchasing requisition must be prepared in accordance with the requisition process outlined below. Purchasing will review the department's submission and make the award; request additional information from the department; or solicit additional vendors. Awards to vendors other than the low bidder must be approved by the purchasing department and the business officer and written justification must be maintained in the purchasing department. Furthermore, a seven-day protest period must be provided before the purchase order can be issued, if the award is not issued to the low bidder.

* Departments may not solicit bids for services that require a contractor's license, insurance, or performance bonds. When obtaining bids, departments must do the following:
* Obtain at least three written vendor responses, including via e-mail, facsimile or a website.
* Not have any conflict of interests with any of the vendors submitting bids and no one in the department may accept anything of value from any of the vendors submitting bids. Accepting items from vendors may result in disciplinary and criminal action. See [FISCAL POLICY FI0125 - Conflict of Interests](http://policy.tennessee.edu/fiscal_policy/fi0405/FI0125)
* Not split transactions or bids to stay below the formal $50,000 bid limit.
* Not falsify or manipulate the vendor bid detail.
* **MUST NOT** communicate the results with vendors. Also, they must not notify the vendors of any award related to the purchase unless permission to do so is granted by purchasing.
* Should consider obtaining bids from vendors who have registered with the Governor's Office of Diversity Business Enterprises. A list of these are available on the [System Procurement Services' website](http://purchasing.tennessee.edu/search.html).

## Formal Bids ($50,000 and greater)

Purchasing will handle all solicitations valued $50,000 and greater and is required to solicit a minimum of 15 bids (or the maximum amount of vendors for the given NIGP code for the good or service being purchased).

All RFPs are considered formal bids; regardless of the dollar value.

# **Types of Bids**

## Request for Information (RFI)

The purpose of an RFI is to collect written information about the capabilities of potential vendors, seek clarification about available products or services, or to solicit feedback and gain knowledge to assist in making a decision about the next step in procuring the goods or services. An RFP or RFQ typically follows an RFI.

## Request for Quote (RFQ)

An RFQ is used when the goods and services can easily be defined and the deciding factors are price, specifications, and delivery. For the most part the RFQ asks only for specifications and price, however, references can be required and factored into the award. Items that a vendor bids “as equal” to the specifications but be evaluated by the requisitioning department.

## Request for Proposal (RFP)

The RFP process is a multi-step process that considers more than price in making the award. The RFP requires a sealed technical proposal that is evaluated independently from the sealed cost information. An evaluation committee scores the technical proposal and submits the score to Purchasing. Attributes like experience, references, service, and specifications can make up the technical portion of an RFP

1. Cost Determination

The Purchasing department determines the cost score by applying the following formula:

Lowest cost proposed x maximum points available for cost= score

Cost being evaluated

Cost must be weighted at least 30% of the total points.

1. Oral Presentations

If oral presentations are part of the RFP process Oral presentations must not be scored as a separate item in technical scores, unless presentation ability is a material part of the vendor’s ability to perform under an awarded contract (e.g., marketing, advertising, etc.). In other words, unless we’re looking to contract with someone or a company to provide services heavily involving presentation skills, oral presentations should not be scored.

The purpose of oral presentations is to allow the committee to fill in the blanks, and also to allow the committee to have a holistic view of the respondents’ technical abilities. Committees may not finalize technical scores until after oral presentations. In other words, the committee’s technical scores must reflect all information related to the respondents’ technical abilities. The committee must finalize technical scores before we allow the committee to open costs.

Because we don’t want to force a committee to allow presentations from all responsive bidders, committees should do an initial technical score, see the presentations, and then do a final technical score.

## Request for Qualified Suppliers (RFQ-S)

This method of procurement essentially works like an RFP, except that costs are not scored.

* May be used to issue an award; or
* Whittle-down the pool of suppliers before engaging in an RFP or RFQ. If you use an RFQ-S to whittle down the respondents, then only the qualified respondents can bid on the following RFP or RFQ.

Generally, the State of Tennessee Central Procurement uses Requests for Qualifications to engage in “competitive negotiation” (i.e. negotiate with those suppliers who are qualified through the RFQC process). As a side-note, UT uses “competitive negotiation” to mean “sole source.”

Under State of Tennessee law and policies, the RFQ-S process is a legitimate competitive process. So, UT’s use of the phrase “competitive negotiation” is incorrect.

RFQ-S should not be used more commonly than RFQs or RFPs. However, RFQ-S have a legitimate, and important, role in procurement. Use the RFQ-S when doing so is in the University’s best interest. Below are some guidelines.

Request for Qualified Suppliers are a good idea to use in the following circumstances:

Without seeking Abbie and Blake’s approval: must be a multi-award:

* Goods/Services aren’t fungible (completely identical), or are not extremely similar, and University can set an objective price standard as a mandatory qualification for the “core” of the bid:

Scenario: when it is very hard to make “apples-to-apples” price comparisons, such as a preferred hotel. This is particularly true when the University can set an objective standard for pricing (e.g. CONUS). The price of the rooms is what UT cares about the most (i.e. the “core” of the bid). We don’t care as much about wi-fi, parking, etc. Moreover, comparing parking, menu pricing, etc. pricing is never an “apples-to-apples” process. So, the pricing formula doesn’t fit very well, so an RFP is not a good tool.

* When the commodity price fluctuates in a material way and there are at least two suppliers. In these scenarios, we have two choices: do lots of bids, or pre-qualify suppliers. Pre-qualification makes the most sense in many cases.

Scenario: potassium chloride (“potash”) for the Vet College. Historically, the procurement office would do bids every time the College needed potash. Another example is chartered plane flights. The best practice is to pre-qualify a supplier, and allow the department to get quotes, and require the department to choose the lowest-priced quote.

* When UT regularly approves NCJs for items where multiple suppliers sell similar items, but there are valid reasons for sole-sourcing, such as microscopes (capability and compatibility) and fertilizer (safety, but there are multiple suppliers in TN that we can qualify for certain areas in the State).
* When UT does many lower-cost bids (i.e. under $20,000) for the same thing every year, such as catering.

**When you will make a single-award, you must discuss with Abbie and Blake first.**

## Reverse Auction

A reverse auction is a competitive process that allows prequalified respondents to bid electronically multiple times on specified goods during a specified time frame. The lowest price at the close of the response period is awarded the bid.

# **Non Competitive Justification (Sole Source)**

Some Purchases over $10,000 cannot be bid, providing the purchase meets the one or more of the following criteria:

Unique Goods / Specialized Services

* Only one product or service can meet the department’s specific need ***and*** the product/service is available from only one source
* Compatibility with existing equipment
* Continuity in research
* Consistency with past acquisitions of products and services is essential
* Services that involve highly skilled judgment or training
* Artistic ability or other attributes whose quality depends on an individual’s characteristics and knowledge (lecturer, artist, entertainer)

Emergency Requests

* When goods or services must be procured immediately to protect the lives or health of people or animals, to prevent or minimize damage to university property or to meet other critical requirements.
	+ The NCJ should include:
		- dates, times, details about the instance/event
		- Specific details with regard to the selection of the proposed vendor

The following information should be gathered/clarified when documenting an NCJ.

Consulting

* Are the rates of compensation in line with prevailing compensation levels for such services?
* The proposed consultant cannot be an employee of the state of Tennessee, UT or TBR.

Confirming

A confirming NCJ is entered when the department has already received goods or already committed to services without first seeking approval of the Office of Procurement Services.

* Why is it confirming? Was it an emergency or did someone not follow policy?
* If policy was not followed an explanation of why it was not followed must accompany the NCJ.
* A fiscal policy violation is then emailed to the appropriate business manager and CBO

Agreement Term

Normally, NCJs are approved for a one year term or less. If the term is more than one year, there needs to be a considerable cost savings to approve it.

IT- Related Purchases

Has OIT been consulted on this purchase and if so, do they support it? (Joel Reeves)

Security Cameras

All security cameras and camera maintenance purchases must be approved first by Chief Troy Lane of the UT Police. Cameras must be accessible to UT Police.

Copiers

UTK has a convenience copier program that is considered a service center. This means that any purchases for copiers needs to go through Jack Williams first. If Jack cannot supply the copier that is being requested a sole source may be considered. Jack is the director of Graphic Arts Service.

Fiscal Review

Is the purchase **over one year** *and* **$250,000** or more? If so, **STOP**. This would be subject to fiscal review.

Governmental Units

Is this contract for services from another governmental unit (state, federal, another college or university)? If so, it is OK to approve.

Hotels, Conferences, Catering

Ask for the rate of the hotel rooms, number of sleeping rooms, cost of meals, other related cost like conference space, AV, etc.

Software Purchases

If a requisition NCJ is submitted ask if there is a license agreement associated with the purchase and if so does this need to be reviewed by contracts?

Travel Costs

Best practice is to “gross up” the dollar amount of an event if it involves the person traveling to UT to include the cost of travel. This allows the contractor/speaker/guest to make their own travel arrangements which will not be subject to fiscal policy regarding travel.

World Travel

Anything booked through World Travel should be OK to approve.

**Purchases Exempt from NCJ Requirement**

These purchases do not require an NCJ and can be processed as a standard order requisition in ESM or through the contract system.

* Utilities
* Library Licenses
* Sponsored Projects that specifically identify a grantee, sub-recipient, or vendor

Exceptions that **do not have to be reported** to Fiscal Review:

* Suppliers specifically named in grants, including subcontractors
* Library subscriptions, database access and other electronic publications that are truly sole source
* Maintenance agreements for equipment or software that was competitively procured competitively
* Amendments to ERPs (enterprise resource planning systems-SAP, Banner, etc.) that were procured competitively
	+ SAP
	+ T2 (Parking)
	+ ESM Solutions
	+ Concur
	+ CANVAS
	+ Blackboard
	+ Cayuse
	+ BRG (Archibus)
	+ Banner (Ellucian)
	+ EdEx
* Revenue producing agreements
* Medical resident and intern agreements
* Utilities
* Real Estate, leases and construction contracts approved by the State Building Commission
* Athletic conference membership dues agreements

# **Preferred Suppliers**

Our office designates suppliers as “preferred” in two ways:

1. Texas Supply Chain Alliance: in UT’s official affiliation agreement with the Alliance, we are required to name their suppliers as “preferred.” This is the only “preferred” status that carries with it obligations on UT. With Alliance suppliers, we must strive to channel at least 80% of our spend to these suppliers.
2. Supplier Pays UT: Market Place suppliers can pay UT a fee to be named “preferred.” This designation comes with being located at the top of the Market Place.

# **Drafting Solicitations**

## Scope of Work

The scope of work is a detailed description of what is required of the supplier to perform or provide the services or goods the requesting department needs. A successful solicitation depends on a clear, well defined scope. The scope should achieve the following:

* Secure the best pricing for the university;
* Be clearly defined;
* Be contractually sound;
* Be unbiased towards respondents;
* Encourage innovative solutions to the requirements described; and
* Allow for free and open competition

## Mandatory Qualifications

* Mandatory qualifications must be verifiable
* Mandatory qualifications are generally rated pass or fail. If a bidder fails one of the mandatory qualifications, the bid should be excluded from evaluation.

## Specifications

The term “specifications” is generally used to describe the specifications of the university’s needs. Specifications shall be functional or performance specifications, when practicable, and must be clear, unambiguous and written to promote open and fair competition.

With respect to goods, all brand and model numbers used, must be those in current production, and available in the market. The usage of brand and model names alone will not be permitted as a substitute for performance or functional specifications, unless providing performance or functional specifications is impracticable. When an item is specified by the use of brand names, the words "or equal" should be included.

## Descriptive Format

A descriptive format consists of a conventional listing or paragraph text description of specification data. Recommended specifications in a descriptive format should, if practicable:

* With respect to goods, identify the product using general terminology in the description (reference following Example);
* List the characteristics that determine performance capability and identify those characteristics that are essential in order to meet performance requirements;
* With respect to goods, list the minimum or maximum acceptable performance requirements for each characteristic with as much tolerance and flexibility as practicable. Unnecessary characteristics or performance requirements may limit competition; and
* With respect to goods, identify two (2) or more items by manufacturer, brand or item number that will meet the minimum performance requirements.

|  |
| --- |
|  EXAMPLE a) Identity………………………………….....................Sander/Grinder  |
| b) Characteristics.………….………….………...……………….Hand Held  |
| c) Type Performance......................................................electric  |
| d) Amps at 120V...................................................................5.5  |
| e) Sanding/Grinding Wheel.......................................4 1/2 inch  |
| f) RPM............................................................................10,000  |
| g) Arbor & Flange.........................................................7/8 inch  |
| h) Spindle......................................................................5/8 inch  |
| i) Side Handle...........................................................Reversible  |
| j) Bearings..........................................................Ball & Needle  |
| k) UL Listed.........................................................................Yes  |
| l) Brand(s)/Model(s) or equal: Black & Decker Model 2750 or Milwaukee Model 6145  |

## Specifications Based on Brand Names

Reference to brand names, trade names, model numbers, or other descriptions peculiar to specific brand goods, is made to establish a required level of quality and functional capabilities. It is not intended to exclude other goods of comparable quality or functionality. Comparable goods of other manufacturers will be considered if proof of comparability is contained in the response.

## Unduly Restrictive (Lockout) Specifications

Our office has an obligation to protect the procurement process from unnecessarily restrictive solicitation specifications.

**Procedures**:

1. Specifications must allow for reasonable competition (generally, this means at least two, independent companies could satisfy the specifications). Procurement staff must carefully review all solicitations. If a procurement staff member identifies a lockout specification, the procurement staff member must make reasonable efforts to eliminate the lockout specification.
2. If a department or committee asks to disqualify all but one bidder, the procurement staff member must discuss with the Associate Director and Director before proceeding.
3. During a solicitation event, if a bidder or potential bidder advises a procurement staff member of concerns about lockout specifications, the procurement staff member must immediately notify the Associate Director and Director.
4. After the solicitation response deadline ends, but before the University makes an award, if a procurement staff member realizes that the staff member forgot revise lockout specifications via addenda, the procurement staff member must immediately notify the Associate Director and Director.

## Specification Writing Guidelines

**Language**: It is very important to choose the correct wording in your specifications. Below is a chart that you must use when drafting specifications:

|  |  |  |
| --- | --- | --- |
| **Word** | **Means** | **Advice** |
| May | An option or right; “reserves the right to…”.  | Use “may” to mean optional or a reserved right.  |
| Shall | “Has a duty to”; mandatory; obligation. “Shall” only applies to either the University or the other party.  | “Shall” only applies to a company or person. For example, “the contractor shall have all necessary licenses.” “Shall” does not apply to inanimate objects, such as a building. The following use of the word “shall” is **incorrect**: “The building shall be open from 8 AM to 5 PM.” |
| Should | Note: this is an inherently ambiguous word. This word means either: 1) “must”, or 2) “preference.”  | Do **not** use the word “should.” If you want to state that something would be nice, but not required, consider using “recommended” instead. |
| Must | A requirement.  |  |
| Will | Statement of fact.  |  |

**Numbers**: Use digits only (e.g. “3”). Do **not** use digits plus letters (e.g. “three (3)”).

**Short sentences**: Use short, easy-to-read sentences (avoid run-on sentences). Keep paragraphs short, too (e.g. 5-7 sentences per paragraph). Avoid using abbreviations, acronyms, slang, or jargon. It’s OK to use abbreviations or acronyms, but only if you define them first.

**Four C’s**: All specifications must be:

* Clear: Write in simple language. Avoid ambiguity or vagueness. Be sure to write specifications in a manner that isn’t up to interpretation about what you need. For example, if you want an “environmentally friendly” machine, don’t use the word “green.” Green is a color, and has no bearing on environmental standards. Instead, you might say: “Energy Star certified” or some other objective description.
* Concise: Write complete specifications, but avoid unnecessary verbiage (for example, do not be repetitive or redundant).
* Complete: Include all required information in the specifications. To be complete, all specifications must identify:
	+ What: Identify the University’s need (e.g. goods or services). How often will the supplier perform the services or supply the goods?
	+ Where: Identify where the supplier will provide the services or deliver the goods.
	+ How: Identify how the supplier will perform the services or provide the goods.
	+ Who: Identify who is involved at the University (e.g. how many departments, etc.).
	+ Performance: Identify expectations, key performance indicators, etc.
* Correct: Ensure that your specifications are technically accurate and apply to your project.

**Active Voice**: Use the active voice only. Active voice is when the subject of the sentence does the action. Using passive voice (when the subject is no longer active) leads to unclear sentences, confusion, and excess words.

For example:

Active: The cat played with the toy mouse.

Passive: The toy mouse was played with by the cat.

Active: The university must have the following…

Passive: The following items are needed by the university…

**Items to think about**: Consider the following before you start writing:

* Accessories: will you need any accessories?
* Assembly: will assembly be required? If so, who will be responsible?
* Color (only if this is a material/very important thing).
* Composition (e.g. chemical composition).
* Delivery: location of delivery. Time of delivery.
* Design standards.
* Dimensions of area where goods or services will be located. This is particularly useful to consider when purchasing large equipment.
* Experience: does the supplier need a certain amount of experience?
* Grades of materials.
* Implementation timeline.
* Industry standards.
* Integration or compatibility with current systems, items, software, equipment, or processes.
* Licenses and Insurance: does the supplier need certain licenses, insurance, or permits? Will the supplier need a contractor’s license?
* Performance standards.
* Purity.
* Quantity.
* Response time.
* Maintenance needs.
* Services:
	+ Length of service.
	+ After-hours service required?
* Size: the size of the items you need.
* Software:
	+ How many licenses (how many users)?
	+ Will the software store FERPA, HIPAA, or other confidential information?
	+ Will the software be accessible to students, faculty, or staff with impairments?
* Standard of workmanship.
* Trademarks/Logos: Will the supplier be using UT trademarks or logos? If so, they must be licensed and approved by the Trademark Office.
* Training: will your department need training? If so, do you want on-site training, web-based, etc?
* Types of ingredients.
* Unit of measure.
* Warranty.
* Weight.
* Quantity/Amount needed.

**Figures and Tables:** Do you need to include:

* Figures
* Illustrations
* Photos
* Graphs
* Charts

**Specifying Time:**

Time Zones: If you specify a time zone, please remember that “daylight savings time” and “standard time” are specific periods of the year. If you see “EST” or “Eastern Standard Time,” that is referring to a specific time of year. Most people forget that. Do not reference “standard” or “daylight” when specifying a time zone. Instead, simply reference “Eastern Time,” “Central Time,” “Mountain Time,” or “Pacific Time.”

Time of Day: If you use capitals, don’t use periods. Use “AM” or “a.m.”, and “PM” or “p.m.”

**Ambiguous Words:**

Do not use ambiguous words: Below is a list of words that you should avoid using when possible because these words are ambiguous (there are many other words that might be ambiguous):

|  |  |  |
| --- | --- | --- |
| about | quality | recognized |
| acceptable | immediately | relevant |
| accurate | improper | reputable |
| adequate | instant | safe |
| adjustable | insufficient | sanction |
| affordable | known | secure |
| applicable | less | significant |
| appropriate | low | similar |
| average | major | simple |
| better | neat | smooth |
| capable | necessary | stable |
| careful | normal | substantial |
| deep | optimum | sufficient |
| dependable | other | suitable |
| desirable | periodically | temporary |
| easy | pleasing | timely |
| economical | possible | typical |
| efficient | practicable | variable |
| essential | practical | various |
| excessive | proper | wide |
| good | quick | workmanlike |
| high | reasonable | worse |

**Measurements:**

|  |  |
| --- | --- |
|  |  |
| Length |  |
|  |  |
| U.S. | Metric |
|  |  |
| in (inches) | mm (millimeters) |
| ft (feet) | m (meters) |
| yd (yards) | m (meters) |
| mi (miles) | km (kilometers) |
|  |  |
|  |  |
| Area |  |
|  |  |
| U.S. | Matric |
|  |  |
| in2 (square inches) | mm2 (square millimeters) |
| ft2 (square feet) | m2 (square meters) |
| yd2 (square yard) | m2 (square meters) |
| ac (acres) | ha (hectares) |
| mi2 (square miles) | km2 (square kilometers) |
|  |  |
|  |  |
| Volume |  |
|  |  |
| U.S. | Metric |
| fl oz (fluid ounces) | mL (Milliliters) |
| gal (gallons) | L (Liters) |
| ft3 (cubic feet) | m3 (cubic meters) |
| yd3 (cubic yards) | m3 (cubic meters) |
|  |  |
|  |  |
|  |  |
| Mass |  |
|  |  |
| U.S. | Metric |
|  |  |
| oz (ounces) | g (grams) |
| lb (pounds) | kg (kilograms) |
| T short tons (2000 lb) | Mg (or “t”) megagrams (or “metric ton”) |
|  |  |
|  |  |
| Temperature |  |
|  |  |
| U.S. | Metric |
|  |  |
| °F (Fahrenheit) | °C (Celsius) |
|  |  |
|  |  |
| Illumination |  |
|  |  |
| U.S. | Metric |
|  |  |
| fc (foot-candles) | lx (lux) |
| fl (foot-Lamberts) | cd/m2 (candela/m2) |
|  |  |
|  |  |
| Force and Pressure or Stress |  |
|  |  |
| U.S. | Metric |
|  |  |
| lbf (poundforce) | N (Newtons) |
| lbf/in2 (poundforce per square inch) | kPa (Kilopascals) |

# **RFP Evaluation Committee**

## Guidelines

I:\vol03\Purchasing\Templates\Committee\_guidelines

## Friend of the University

If an evaluation committee would like to include an evaluator who is not a University of Tennessee employee, that person should be set up as a “Friend of the University.” A “friend” is an affiliate of the university who is not paid, but serves as a volunteer.

The department’s business manager should be able to set the person up as a “friend” by using the following IRIS transaction: ZPHRRECORD000.

[HR0105](https://universitytennessee.policytech.com/dotNet/documents/?docid=98) Employment Status

# **Resulting Purchase Order**

See PO Terms and Framework Terms located in the group drive: I:\vol03\Purchasing\Templates\Purchase\_Order\_Terms

## Statement of Award

In the IRIS PO always include a statement of award. This is a synopsis of why the PO was issued. Please include the date, NCJ number (if applicable), validity period, and a description of why the PO was issued.



## Reason for Cancellation

The reason for cancellation or “procurement only” field records the basis for making the award. Please see the charts below.

## ESM Procurement Only field

|  |  |  |
| --- | --- | --- |
| 1 | State Report: Sole Source | Use for all sole-source P.O.s, unless a sole-source P.O. falls under category 2 or 17. |
| 2 | State Report: Sole Source -- Maintenance | Use for all maintenance-related sole-source P.O.s. |
| 3 | State Report: Other than low bid | Use when you award to a bidder that was not the low bidder meeting specs. |
| 4 | State Report: Only Bid Received | Use when you award to the only bidder (no other bidders submitted a response). |
| 5 | No bid required.  | Use when: 1) buying off an existing UT framework order; 2) when issuing a PO under $10,000; or 3) when issuing a PO for a net-receivable transaction (e.g. NIKE sponsorship). |
| 6 | Lowest Bid Meeting Specs | Use for Requests for Quotes when awarding to lowest bidder meeting specifications. |
| 7 | Other bid: RFP or RFQ-S | Use when awarding via an RFP or RFQ-S (Request for Qualified Suppliers). |
| 8 | TBR | Use when awarding off a Tennessee Board of Regents or LGI contract. (LGI = Locally Governed Institution, the former TBR universities). |
| 9 | State of TN Cooperative | Use when awarding off a cooperative agreement issued by any State of Tennessee government agency, other than TBR or an LGI. |
| 10 | GSA | Use when issuing an award off the U.S. Federal Government's General Services Administration ("GSA"). |
| 11 | National IPA | Use when awarding off National IPA.  |
| 12 | Buy Board | Use when issuing an award off Buy Board. |
| 13 | MMCAP | Use when issuing an award off MMCAP, the Minnesota Multi-state Contract Alliance for Pharmacy.  |
| 14 | Texas Supply Chain Alliance | Use when issuing an award off the Texas Supply Chain Alliance ("TSCA").  |
| 15 | Other State or Local Government | Use when issuing an award off a cooperative agreement issued by a state government other than Tennessee, or when issuing an award off a cooperative agreement that was issued by a local government agency, whether in TN or outside TN. |
| 16 | Other Cooperative | Use when issuing off a cooperative/consortium/group purchasing organization/GPO other than one of the cooperatives listed in codes 10-14. |
| 17 | Library License | Use when issuing a PO for a library license (subscription, journal, database, electronic resource, newspapers, etc.).  |

## IRIS PO

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| **Codes OK to use** |
| **SAP #** | **SAP Name** | **Explanation** |
| 1 | State Report: Sole Source | Use for sole-source generally, and emergency purchases. |
| 2 | State Report: Sole Source - Maintenance | Use for sole-source maintenance |
| 4 | State Report: Other than low bid | Use if awardee is winner of an RFQ above $50,000, if there was a lower bid meeting specs.  |
| 5 | State Report: Only Bid Received | Use if awardee is winner of any bid, and was the only bid received.  |
| 7 | No bid required | Use when: 1) buying off an existing UT framework order; 2) when issuing a PO under $10,000; or 3) when issuing a PO for a net-receivable transaction (e.g. NIKE sponsorship). |
| 8 | Lowest Bid Price (meeting specs) | Use for Requests for Quotes |
| 17 | Other See S of A | Use for RFPs or RFQ-S. |
| 18 | Contract | Use for cooperatives, bids by other state/local/federal governments, GSA, TBR, SWCs, etc.  |
|  |  |  |
| **Do not use** |
| **SAP #** | **SAP Name** | **Code to use instead** |
| 3 | State Report: Proprietary Purchase | 1 |
| 6 | Emergency Purchase | 1 |
| 9 | Low bid meeting specs | 8 |
| 10 | Contract See S of A | Use appropriate code listed in the "OK to use" section |
| 11 | Only bid received non-state See S of A | 5 |
| 12 | Early delivery see S of A | Use appropriate code listed in the "OK to use" section |
| 13 | Propriety/Non-state See S of A | 1 |
| 14 | Sole source /Non-state See S of A | 1 |
| 15 | Emergency purchase/ non-state | 1 |
| 16 | Highest bid price see S of A | Use appropriate code listed in the "OK to use" section |