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## **Accounting** [**(top)**](#A)

The Controller’s Office and Treasurer’s Office would need to review and approve any purchase related to accounting services.

## **Advance Payment** [**(top)**](#A)

Generally, payment for good or services cannot be made until after goods are received or services are provided ([FI0510](https://universitytennessee.policytech.com/dotNet/documents/?docid=280).) Advance payment or advance partial payment can be made for the following:

* Registration for conferences or seminars
* Orders to the US Government Printing Office
* Purchase of postage
* Subscriptions to trade magazines and periodicals
* Purchases of items from specialty establishments requiring payment accompany the order
* Advance payments to vendors which would result in documented savings to the university

**Except in the circumstances listed above, advance payment requires CBO approval.**

1. The first step is to try and negotiate with the vendor to remove the advance payment requirement or to at least negotiate the amount of the advance payment down.
2. If the vendor will not remove its advance payment requirement, you must seek CBO approval.
3. The PO must clearly state in the header text before line items, that advance payment is required and list the amount of the payment.

\*\*Use the Advance Payment Request Form to send to CBO’s office to request advance payment. This is found in the group drive: I:\vol03\Purchasing\Templates\Advance\_Payment\_Request\_Form and the link called Advance Payment Form on this website.

## **AED (Automated External Defibrillator) Machines** [**(top)**](#A)

Must be approved by the campus/institute safety officer prior to procurement.

This includes maintenance on AED machines.

## **Amazon Business/Prime Memberships** [**(top)**](#A)

Per Fiscal Policy F10530, university employees may not use university procurement cards to purchase Amazon Prime memberships ***unless approved in writing by the chief business officer or designee***.

In lieu of an Amazon Prime account, The University of Tennessee has enabled an ***Amazon Business Account***. Use of the Amazon Business Account is for official university purchases only. All university policies, including p-card and procurement policies, still apply.

The Amazon Business Solutions Account offers the following benefits:

* No fees – the business account is free
* Business pricing and quantity discounts on select items
* Access to a specialized customer service team for business customers only
* Tax exempt purchasing for items fulfilled by Amazon\*

**How Do I Enroll?**

If you are not a member of UT’s Amazon Business account and would like to join, copy and paste the following link into your internet browser and answer the three simple questions:

<https://app.perfectforms.com/player.htm?f=n2ZEggIn>.

**Do NOT contact Amazon directly to enroll in UT’s Amazon Business account.**

If you have questions, please email John McCampbell at jmccamp3@utk.edu.

**\*Important Note about Tax Exemption for Amazon Purchases:**

*Tax exemption only applies to orders fulfilled by Amazon and certain of Amazon’s third party suppliers. Check your order carefully to ensure you have selected items that qualify for tax exemption. For help with tax exemption issues, contact* *tax-exempt@amazon.com* *or call 866-486-2360.*

## **Assets/Equipment** [**(top)**](#A)

See Policy [FI0600](https://universitytennessee.policytech.com/dotNet/documents/?docid=80&public=true) (Sensitive Minor Equipment) and [FI0605](https://universitytennessee.policytech.com/dotNet/documents/?docid=81&public=true) (Equipment)

Sensitive Minor Equipment: unit cost or fair value between $1,500 - $4,999.99, is susceptible to theft, and has a useful life greater than one year

* Audiovisual equipment
* Camera lenses
* Cameras
* Communication equipment
* Computer monitors
* Computers/tablets
* Firearms
* Microscopes
* Miscellaneous motor vehicles
* Multi-function office equipment
* Musical instruments
* Oscilloscope
* Printers
* Projectors
* Spectrum analyzers switches/routers/hubs
* Televisions
* Trailers
* Vector scopes
* Watercraft related items
* Waveform monitors
* Other lab equipment

For asset purchases, the following G/L codes need to be used:

* 439400 for Sensitive Minor Equipment
* 461xxx series for major pieces of equipment costing $5,000 or more

Assets are created by the department using AS01 when the invoice is ready to be paid. Since the asset will have already been procured, it will be possible to enter the serial number when creating the asset.

See G/L Account List

<https://controller.tennessee.edu/general-accounting/iris-general-ledger/>

## **Audit** [**(top)**](#A)

The Audit Division of the State Comptroller's Office is staffed to service most of the university's needs and requirements for independent audits. When federal grants and contracts, however, require an independent audit or other needs exist for auditing or specialized accounting services by firms, the appropriate chief business officer should furnish the Chief Financial Officer (or designee) a detailed summary of requirements to present to the State Comptroller's Office to determine if the State Audit Division can handle these needs or requirements. If these needs cannot be serviced by the State Audit Division, a contract with an independent firm will be negotiated in accordance with procurement policy and this policy. In addition to complying with procurement policy and this policy, such contracts require prior approval of the university's Chief Financial Officer and the State Comptroller, and must include the following provision:

"All audit (or accounting or financial analysis) workpapers must be made available for review by the State Comptroller, or State Comptroller's representatives, upon request during normal working hours either while the analysis is in progress or subsequent to the completion of this contract."

**Auxiliary Services [(top)](#A)**

An auxiliary unit is a self-supporting entity (receives no state funding) that exists principally to furnish goods or services to students, alumni, or faculty and staff acting in a personal capacity, and charges a fee for the delivery of goods or services. The general public is normally served by auxiliaries as well.

#### **Parking & Transit Services**

#### Parking & Transit Services facilitates the access and mobility needs of the campus community, manages permit assignments, offers a wide array of alternative transportation services, provides support services for special events, and enforces parking regulations.

#### **Thompson-Boling Arena**

#### The Thompson-Boling Arena is a multi-purpose facility popular for hosting a wide array of events for the campus and Knoxville community, such as: concerts, athletic events, conventions, etc.

#### **UT Conferences & Non-Credit Programs**

#### UT Conferences provides professional meeting management services, conference facilities, and dining services to businesses, professional groups, and educational meetings for the university community as well as for the private sector. Non-Credit Programs offers several hundred courses and certificate programs annually to enhance the quality of life and career opportunities for residents of Knoxville and the East Tennessee region.

#### **Vol Dining**

#### Vol Dining strives to provide variety to the campus community through diverse meal plan offerings, expansive locations and hours, and menus offering healthy and sustainable options. Catering Services seeks to provide creative menus and recipes to build a remarkable dining experience for its clients.

#### **VolShop**

#### The VolShop is the campus hub for acquiring collegiate apparel, accessories, gifts, technology, textbooks, supplies, and so much more! They have established satellite locations on Cumberland Avenue and University Commons to better serve its customers.

## **Background Checks (**[**top)**](#B)

The Office of General Counsel recommends that contract and procurement staff members include background check language when the University enters into a contract or PO for services that will require the supplier’s staff members to have interactions with University staff members, or access to University property, that exceeds transient interactions. Transient interactions include delivery, short-term installation services, and boxed-lunch catering.

There is language in the solicitation templates that notifies potential bidders of the potential background check requirement. The types of background checks must be performed based on the recommendation of Human Resources. The procuring department is responsible for working with HR to get the background checks completed. A purchase order or contract cannot be issued until the background checks have been completed.

## **Banking** [**(top)**](#B)

Tim Mapes in the Treasurer’s Office must review. This includes anything related to banking: ATMs, bank accounts, bank services, etc.

## **Blind Vendors** [**(top)**](#B)

All University contracts for food services (cafeterias, restaurants, food courts, and catering services) or vending services shall be subject to applicable laws and regulations, including Tenn. Code Ann. § 71-4-501 et seq., and any existing cooperative agreements between the University and the Tennessee Department of Human Services, which provide certain rights to blind individuals to manage and operate automated vending machines and vending counter services in University buildings.

See Policy [FI0325](https://universitytennessee.policytech.com/dotNet/documents/?docid=62)- Vending and Solicitations on the University Campus

## **Bonds** [**(top)**](#B)

The University may require one or more types of bonds. Any bond required must be issued by a surety company licensed to do business in the state of Tennessee and the bond must be provided to the University prior to the contract’s effective date.

## **Contract Bond (Performance and Payment)**

This bond is required on all contracts/POs for construction (that have SBC approval) in excess of $100,000. The successful bidder shall be required to furnish a contract bond for 100% of the contract amount to secure the faithful performance of the contract. No substitutions for the required bond will be allowed. The bond shall be written by a surety company licensed to transact business in Tennessee. The bond shall be in the form prescribed by the State and must be executed on behalf of the surety by an attorney-in-fact who shall attach power-of -attorney to the bond.

Definition of Public Work: Public works projects are authorized.   The authority is authorized and empowered to construct and/or operate and maintain any public works project within the region. No such project shall be constructed without the authority first having obtained the consent of the county or municipality within whose jurisdiction the project is located. For this purpose, "public works project" includes any one (1) or more or any combination of the following: airports, bridges, tunnels, viaducts, hospitals, sanitaria, dispensaries, nursing homes, almshouses, public buildings, plazas, schools, roads, flood control works, water mains and lines, highways, port and dock facilities, including any terminal storage and transportation facilities incident to port and dock facilities, industrial parks, which are defined as lands, and rights, easements and franchises relating to lands, and may include adequate roads and streets, water and sewer facilities, utilities and docks and terminals as required for the use of industry, in aid of the state's public policy of industrial growth and expansion, and all property, real and personal, appurtenant thereto or connected with such work, undertaking or project and the existing work, if any, to which such work, undertaking or project is an extension, addition, betterment or improvement. This enumeration shall not exclude any other project for the benefit of the people in the region where any state or federal agency will match the funds of the county with grants-in-aid or gratuities to subsidize or assist the development of such project.

## **Proposal/Bid Bond**

A proposal or bid bond is to secure a respondent’s response to a solicitation. The amount of the proposal bond will be stated as percentage of the contractor’s bid or cost proposal total, but not to exceed 5%.

## **Performance Bond**

A performance bond is to ensure the completion of a contract. The amount of the performance bond will be stated as 100% of the maximum liability or estimated liability of the contract.

## **Payment Bond**

A payment bond is used to ensure payment of a contractor’s subcontractors and material suppliers. The amount of the payment bond will be 25% of the maximum liability or estimated liability of the contract. \*This type of bond is required on all contracts for any “public work” exceeding $100,000 in the State of Tennessee.

## **Protest Bond**

Protects the state from protests brought in bad faith or without a valid basis

Under Tennessee law, certain alternate types of security may be substituted in lieu of a bond including the following:

* US treasury bonds, treasury notes, and treasury bills
* State of Tennessee general obligation bonds
* Irrevocable letters of credit or certificates of deposit from a state or national bank having a physical presence in Tennessee
* Cash

## **Discretionary Surety Bonds**

* Proposal/bid bonds
* Performance and payment bonds on other contracts (i.e., not a “public work”)

The following language is used in the bids requiring a performance bond:

The successful bidder will be required to furnish a payment and performance bond to The University of Tennessee within ten (10) working days after receipt of request or prior to commencement of the work, whichever occurs first, to guarantee that the payment and performance of the contracted construction will be properly secured. The penal sum of the bond shall be equal to 100% of the contract price, covering and including labor and materials. The premium of the bond shall be paid by the contractor. The bond shall be executed on a University of Tennessee “payment and performance bond” form, one copy of which is attached to these special bid conditions. Personal checks are not acceptable in the place of performance bonds. However, bank cashier’s checks payable to the University will be accepted for this purpose. An irrevocable letter of credit or a certificate of deposit, to be held by the University, from either (a) a state or national bank or a state or federal savings and loan association having its principal office in Tennessee or (b) a state or national bank or a state or federal savings and loan association having its principal office located outside Tennessee and that maintains one or more branches in Tennessee which are authorized to accept federally insured deposits may also be accepted in lieu of a performance bond, subject to approval by the University terms and conditions of said irrevocable letter of credit or certificate of deposit.

## **Borrowed Equipment** [**(top)**](#B)

When equipment is loaned to the university for official use (e.g., exhibits or demonstrations), such arrangements should be approved by the campus or institute purchasing department (or appropriate business office). A written statement of the university's obligations and responsibilities concerning the equipment should be provided to the owner and a copy kept on file in the custodial department.

Any responsibility accepted for damage to or loss of borrowed equipment must be in writing and a copy of the agreement forwarded to the Treasurer's Office so that proper insurance coverage may be provided. Borrowed equipment is not added to the university’s official equipment inventory.

*See Equipment Loan Agreement template link. I:\vol03\Purchasing\Templates\Contract\_Templates\Others\Equipment\_Loan\_Agreement*

See policy [FI0605](https://universitytennessee.policytech.com/dotNet/documents/?docid=81&public=true)

## **Capital Lease Agreements for Equipment** [**(top)**](#C)

Specifications for equipment being purchased under a capital lease must comply with the capital lease provision in the equipment policy [FI0605](https://universitytennessee.policytech.com/dotNet/documents/?docid=81&public=true)

## **Cash Advances** [**(top)**](#C)

* Cash advances may be obtained when university travel would impose a financial burden for the employee or student traveling on university business.
* Cash advances for travel may be requested via the IRIS travel module via the Travel Advance Form (Form T41) available on the Office of Finance website at <https://finance.tennessee.edu/forms/> Advances from university funds constitute a loan to an individual. The advance must be repaid within 30 days upon completion of the travel.
* If a cash advance is not repaid within 30 days after the conclusion of the trip, a deduction may be made from the employee or student's payroll check. By requesting a travel advance, the traveler is authorizing this deduction. Any person for whom a payroll deduction is made will forfeit future cash advance privileges

See Policy [FI0705](https://universitytennessee.policytech.com/dotNet/documents/?docid=194)

## **Conference Registration** [**(top)**](#C)

Conference registration should not be paid on a PO. Instead this must be paid on a p-card or through a T-30 form found with the travel office.

## **Construction & Installation (including equipment) [(top)](#C)**

This applies to the installation of equipment valued $100,000 or more; both bid and sole sourced.

The State Building Commission (SBC) must approve the construction of any new building, any project funded by direct appropriation of the General Assembly, any major maintenance project over $100,000, regardless of the funding source, *and any renovation project that changes the functional use of a building*. Any project plans that are initiated by a campus or unit that meets these criteria must be submitted to the Office of Capital Projects and the Division of Facilities Planning for review and approval.

\*Per SBC Policy, major maintenance (project over $100K) is any repair or renovation to any building or structure or any portion thereof on State Property.  Also, per F&A definitions of Capital Maintenance would include: (a) obsolete building systems which are required to appreciably extend the life of the facility, (b) alterations to rectify code deficiencies, (c) modifications to improve utility systems, repaving, roof repairs, exterior fencing and lighting, and (d) repair projects which restore a facility to its former, better state and do not result in changes to the facility usage. Note that facility renovation projects are not to be classified in this category, but should be classified as capital outlay projects (see policy link below).

1. Capital Projects handles design and construction greater than $100,000
2. Anything $100,000 or more must go to the State Building Commission (SBC) for approval
3. Contact Michelle Crowder in Facilities Planning
4. Campuses may handle construction projects that are under $100,000

### Required Bond

Payment bonds are required on all contracts for any “public work” exceeding $100,000 in the State of Tennessee. Such payment bonds must be for 25% of the contract price.

See Capital Outlay Policy [FI0620](https://universitytennessee.policytech.com/dotNet/documents/?docid=277)

## **Contractor’s License** [**(top)**](#C)

Make sure you verify the monetary limit on the contractor’s license. It shouldn’t be valued less than the cost of the project.

***\*\*When a TN Contractor’s License is necessary, please require “A Tennessee General Contractor’s License minimum BC-B Classification.” \*\****

## A Tennessee contractor's license is required BEFORE bidding or offering a price, for projects $25,000 and up (includes materials and labor), as a prime (general) contractor; and also subcontractors performing electrical, mechanical, plumbing, HVAC, roofing and masonry are also required to be licensed as a contractor, when the total portion on the project is $25,000 or more; masonry, when $100,000 or more. In addition, a sub to a sub would need to be licensed whenever there are more than one (1) subcontractors on the project. [Reciprocal](https://www.tn.gov/assets/entities/commerce/attachments/ContBLCReciprocationwithTN.pdf) agreements do NOT allow using another state's license in Tennessee, but provides a trade exam waiver, only.  License issuance takes 4 to 6 weeks and must be approved by the Board during regularly scheduled meetings (see [Public Meeting Information](https://www.tn.gov/commerce/topic/cont-public-meeting-information) for meeting dates).

Please see definition per T.C.A. 62-6-102 - 4) (A)  (i) "Contractor" means any person or entity that undertakes to, attempts to or submits a price or bid or offers to construct, supervise, superintend, oversee, schedule, direct or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down or furnishing labor to install material or equipment for any building, highway, road, railroad, sewer, grading, excavation, pipeline, public utility structure, project development, housing, housing development, improvement or any other construction undertaking for which the total cost is $25,000 or more; provided, however, with respect to a licensed masonry contractor, such term means and includes the masonry portion of the construction project, the total cost of which exceeds $100,000, materials and labor.

A Contractor's license is required prior to contracting (bidding, offering to engage, or negotiating a price) for projects **$25,000 or more**, when acting as one of the following:

* Prime (General) Contractor - Bidding or contracting directly with the “owner” of the project;
* Subcontractor – Contracting directly with any contractor (not to the owner) to perform projects when the total cost of that portion on the project is \*$25,000 or more, for the following (includes all materials, equipment, and labor):
	+ Electrical, Mechanical, Plumbing, HVAC, and \*\*Roofing; and
	+ Masonry when \*$100,000 and up
* Construction Management – When the value of the total project is $25,000 or more.

*\*Masonry subcontractors must be licensed as a contractor when the project is $100,000 or more.*

*\*\*Roofing subcontractors must be licensed as a contractor, effective January 1, 2014, in addition to performing work currently as a prime, for projects $25,000 or more.*

The definition of contractor is found in the statute at T.C.A. § 62-6-102 and covers a very broad area, which includes construction, installation, movement, repair, etc.

All contractors licenses are assigned a monetary limit and also a classification, such as: Building (Residential, Commercial and Industrial); Electrical; Mechanical (Plumbing and HVAC); Heavy Construction; Highway, Railroad & Airport; Masonry; Municipal Utility; Environmental; and Specialties (landscaping, excavation, roofing, cell towers, solar panels, audio visual, etc.,). Contractors must bid/contract in the exact name as licensed. See more information below in the "Summary of Contractor License Requirements".  See the Law and Rules for legislative updates.

See additional information at: <https://www.tn.gov/commerce/regboards/contractor.html>

To verify a supplier’s license: <http://verify.tn.gov/>

Rules: <https://publications.tnsosfiles.com/rules/0680/0680.htm>

## **Contracts and POs [(top)](#C)**

1. Generally, our office will avoid producing both a payable PO and a contract for the same transaction.
2. There are two primary scenarios when you might encounter the possibility of a PO and a contract being created for the same transaction:
	1. When a department wants to encumber funds related to a contract; and
	2. When a transaction is bid, and the vendor requires UT to sign a contract.
3. Encumbered contract: in this scenario, the department will enter the contract, and our office will issue a PO. You must put a PO number in the PO field in the contract management system before you “approve” (activate) the contract record.
4. Bid contract:
	1. First, determine whether the department will pay on a contract or on a PO.
		1. If a department will pay against the contract, you must not include a PO number in the contract management system. If the contract is for a framework order, you will issue a $1.00 PO for tracking purposes.
		2. If a department will pay against a PO, you must input the PO number in the contract management system. After you put the PO number in the contract management system, you will then “approve” (activate) the contract entry. The entry will be an “active PO contract.” Departments will not be able to pay against the contract number.
	2. Second: review the contract, and negotiate with the supplier. You will enter the contract, but only after the contract is in final, fully negotiated form.
5. You must attach all relevant documentation to the PO record.

## **Cooperatives/Consortiums** [**(top)**](#C)

State law allows us to make purchases using consortium or cooperative agreements provided the following:

1. The cooperative/consortium contract must have been competitively bid through a government entity.
2. UT must document the cooperative pricing and relevant agreement documents in its own purchase order.
3. The terms and conditions must be acceptable to UT.

An updated spreadsheet of consortia and cooperative agreements can be found on the common drive in the folder titled cooperatives.

Before setting up a purchase order to use consortium pricing, it is important to make sure that the consortium contract was competitively bid by a government agency. Terms and conditions of the consortium contract must be terms and conditions that are acceptable to UT and reference to the contract must be noted on the purchase order.

## **Copiers** [**(top)**](#C)

UTK has a convenience copier program that is considered a service center. This means that any purchases for copiers needs to go through University Printing & Mail Services. <https://upm.utk.edu/copiers/>

## **Credit Applications [(top)](#C)**

The University will not agree to credit or direct bill applications. When faced with a company requesting a credit application, please send them the credit application request letter located in the group drive: I:\vol03\Purchasing\Credit\_Applications

We can send credit references and the tax exemption form which are located in the same folder on the group drive.

## **Customs** [**(top)**](#C)

Both UPS and FedEx are worldwide and specialize in all size shipments. Vendors should be requested to use these companies exclusively to ensure they have obtained the cheapest rates, they act as the freight forwarder, and shipments can be traced. They are in every country or have partners that can reach every corner of the world.

Second, if for some reason, a vendor is unable to use UPS or FedEx for an international shipment, when sending the PO (or placing the order if under $10,000), the department must ask the vendor to forward the airway bill, flight details, and a copy of the invoice upon departure.  The department then must forward all documentation to UT’s customs broker so they can negotiate customs and have the package delivered to your destination.  Please note, if the customs broker is unaware of a shipment, the package will be detained in customs and may be moved to storage at your department’s expense.

Customs brokerage is a necessary service that is engaged when unfavorable shipping terms have been agreed to by the University or a carrier is used which is not authorized to ship to a U.S. destination.  Please make every effort to utilize UPS or FedEx to avoid any unnecessary confusion or costs. The customs broker under contract with the University is listed below. Please contact Blake Reagan (breagan@tennessee.edu) with the System Purchasing Office if you have any questions.

Current Customs Broker:

John S. James Company
Attn:  Jeanne Sanderson
2718 John Deere Drive
Knoxville, TN 37917
Phone: 865-544-0530
Fax: 865-544-0535

Jeanne.Sanderson@johnsjames.com

<http://johnsjames.com/>

## **Dangerous Animals [(top)](#D)**

When purchasing animals that seem out of the ordinary or could potentially be dangerous, please consult General Counsel or the CBO for direction.

**Drafting a Solicitation [(top)](#D)**

## 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.

## 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.

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.

## **Drones** [**(top)**](#D)

Before a unit can purchase a UAS (unmanned aircraft system or drone), the campus UAS coordinator must be consulted. This means a bid cannot be initiated and a PO cannot be issued until this approval is confirmed.

* UAS Coordinator for the Knoxville campus: Police Chief Troy Lane
* Each campus will write its own policy and determine its own UAS coordinator
* Applicable policies:
	+ [FI0405](https://universitytennessee.policytech.com/dotNet/documents/?docid=203&public=true)
	+ [FI0605](https://universitytennessee.policytech.com/dotNet/documents/?docid=81&public=true)
	+ [SA0950](https://universitytennessee.policytech.com/dotNet/documents/?docid=191)
* All UAS/drones should be blocked from Market Place catalogs

## **Entertainment** [**(top)**](#E)

See Policy [FI0715](https://universitytennessee.policytech.com/dotNet/documents/?docid=88)

UTK has a supplemental policy which requires prior approval for entertainment expenses if the cost per person is more than $100 or it is a p-card entertainment purchase exceeding $1,000 but less than $5,000. See supplemental policy <https://budget.utk.edu/fiscal-policy/entertainment/>

PEA (Prior Entertainment Approval)

## **Evaluation Committee Guidelines [(top)](#E)**

The buyer must meet with the evaluation committee for every RFP without exception. This meeting should address the process of the RFP and go over the evaluation guidelines with the committee.

**Establishing a Solicitation Evaluation Committee**

Normally the point person initiating the RFP will end up being the evaluation committee chair. This is the person that you will communicate with directly on all aspects of the solicitation. The evaluation committee chair disseminates information to the rest of the committee.

When a department initiates a solicitation, the department selects the evaluation committee. The size of an evaluation committee is up to the department and although a committee can be as small as one person, that is not a best practice. The more people on the committee, the more challenging it can be for the committee chair to organize committee meetings. The average committee size is around 5 people.

If the solicitation is initiated by the Office of Procurement Services and involves campuses and institutes, it is important to first identify the stakeholder of the solicitation. Campus business officers should be aware of solicitations that impact their campus or institute and should be actively involved in recommending potential committee members.

It is important to get a list of all the evaluation committee members before the solicitation event closes. All committee members must be University of Tennessee employees and if they are not, they need to be set up as a “friend of the university.” This process involves an IRIS transaction and is initiated through the department initiating the solicitation. The reason for doing this is that University of Tennessee employees have liability coverage and non-UT employees do not.

UT Foundation employees do not have the same liability coverage as UT employees and also must be entered as a “friend of the university.” For any questions regarding this process, please contact Risk Management.

**Prior to Disseminating the Technical Proposals**

Before disseminating the technical proposals to the evaluation committee, the solicitation coordinator must hold a meeting with all the evaluation committee members and walk them through the evaluation guidelines. If this meeting cannot happen in person (for committee members that are not located in the Knoxville area), the meeting can be held via a conference call.

No technical proposals should be given to committees without a meeting to address evaluation guidelines. This includes committees that involve individuals who have, in the past, attended an evaluation committee guideline meeting.

**Evaluation Guidelines**

The following information is provided to each member of the evaluation committee and is talked about in depth in the evaluation committee meeting.

1. Evaluation committee members must not disclose any information contained in the proposals or information about the evaluation process with the proposers or anyone else, except for University employees on a need-to-know basis. The proposals are considered confidential and are not subject to public inspection until after the evaluation process has concluded and the Solicitation Coordinator has sent the notices of intent to award to the proposers.
2. A copy of the Solicitation documents and a copy of each technical proposal received will be furnished to each evaluator.
3. Evaluators will review the proposals deemed to be non-responsive by the Solicitation Coordinator to confirm this determination. Evaluators will also determine if all mandatory or minimum requirements have been met. If not, the proposal could be deemed non-responsive.
4. The Office of Procurement Services recommends that the evaluation committee check at least 3 references for each proposer. When checking references, the committee must attempt to ask substantively similar questions. The same committee member may check all references. While not required, other committee members may join the phone call.
5. Each evaluator must read the Solicitation documents and become familiar with the evaluation criteria. Each evaluator must read and score all responsive proposals according to the evaluation criteria stated in the Solicitation. Note: scoring of client references must not be done until after the committee meets to discuss the evaluation as indicated below.
6. Each committee member must independently evaluate and score each proposer. After all committee members create their final technical scores for each respondent, the evaluation committee will meet and discuss the evaluations and the scoring assigned by each evaluator. As a result of the committee discussion, each evaluator may independently change his/her scoring. After the meeting, the final scoring forms should be turned in to the Solicitation Coordinator. If there is no presentation scheduled, the scores turned into the Solicitation Coordinator cannot be changed.
7. The Office of Procurement Services recommends that evaluation committees consider requiring presentations, whether via web or in-person. Please note that the evaluation committee cannot score the presentation as a line-item of the technical scores. The purpose and value of a presentation is to allow the evaluation committee to put each proposer’s technical response in context, and ask follow-up questions. All evaluation committee members must attend all presentations.
8. Only information contained in the technical proposals and information learned during the presentations/interviews, if required, may be considered by the evaluation committee in scoring the proposals. However, if an evaluator has other information (such as personal experience, media reporting, rumor, etc.) that he/she considers to be of an adverse nature to the proposer, this information may be noted and made part of the evaluation file for consideration by the administration official making the award decision; points must not be added or subtracted for this information. Unsubstantiated claims or rumors must not be considered.
9. The Solicitation Coordinator will prepare a technical proposal scoring summary based on the scoring forms submitted by the evaluators. This summary will be sent to the evaluation committee for review and approval.
10. The evaluation committee will send a notification to the Solicitation Coordinator that the technical proposal scoring summary is accurate. At this point, no more changes may be made to the technical scores. The Solicitation Coordinator will then open the cost proposals from the responsive proposers.
11. The Solicitation Coordinator will open the cost proposals at the scheduled time and then assign a score based on the criteria stated in the solicitation. The Solicitation Coordinator will send a copy of the cost proposals and the tentative scoring to the evaluation committee for review and approval. After the committee approves the cost proposal scoring, the Solicitation Coordinator will prepare a final scoring summary and transmit this to the evaluation committee.
12. After an award decision is made by the appropriate administrative official, the Solicitation Coordinator will send a notification to all proposers indicating the University’s intent to award to the successful proposer. The proposals and the evaluation documents are then available for public inspection. The University may not proceed with executing a contract or a purchase order with the successful proposer until 7 calendar days after the intent to award letters go to the proposers. During this 7-day review period, the evaluation committee and vendors may not communicate with one another directly. All communications must be facilitated by the Solicitation Coordinator.

Please see the guidelines to disseminate to the evaluation committee in the group drive I:\vol03\Purchasing\Templates\Committee\_Guidelines

## **Events Involving Minors [(top)](#E)**

See policy [SA0575](https://universitytennessee.policytech.com/dotNet/documents/?docid=184)

## **Exclusivity Obligations [(top)](#E)**

The director of Procurement Services manages the list of exclusive contracts. After the director reviews the list, it is sent to all procurement directors, UTK Athletics, Tyler Forrest (UTC), and Mike Ebbs (UTHSC). Sabrina Soltau assigns new contracts to the director for review if the contract or amendment contains an exclusivity obligation.

## **Executive Searches** [**(top)**](#E)

UT Knoxville Human Resources has a dedicated staff member (Brooke Swart) who will conduct executive searches. If a department in the Knoxville are contacts you about executive searches, you should refer them to HR. <https://hr.utk.edu/executive-search>

## **Export Control [(top)](#E)**

Purchases from and exports to certain countries need review from the campus export control office. In addition to a list of “countries of concern,” there are also certain types of goods that could be prohibited or would require permission from the federal government to procure. Because of this, our office is now requiring all international purchases be made via contract so the purchase will go through the correct approval process (Office of General Counsel and Export Control Office). For additional information see UTK’s Export Control website: <https://exportcontrol.utk.edu/>

## **FERPA-protected Data [(top)](#F)**

See Code of Conduct Policy [HR0580](https://universitytennessee.policytech.com/dotNet/documents/?docid=153&public=true)

## **Firearms** [**(top)**](#F)

The approval of the campus/institute business officer must be obtained before procuring firearms. All firearms must be recorded in the University’s inventory records. See [FI0600](https://universitytennessee.policytech.com/dotNet/documents/?docid=80) Equipment- Sensitive Minor for more guidance.

## **Fiscal Review [(top)](#F)**

There are two parts to Fiscal Review:

### Sole Source Contracts

A non-competitive source purchase that will be $250,000 or greater **AND** have a term greater than one year (366 days or more).

These purchases are exempt from being presented to the Fiscal Review Committee but are still reported:

* 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
* 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

### Non-Sole Source Contracts

Any amendment to a contract (meeting the $250,000 and over one year threshold) must be presented to the Fiscal Review Committee , 60 days prior to the proposed effective date, if it meets any of the following conditions:

* Increases or decreases the maximum liability;
* Extends or shortens the original term of the contract;
* Changes the entity or name of the entity with which the state is contracting; or
* Otherwise changes an original contract or amended contract in a substantive manner.

## **Formal Bids ($50,000 and Greater or an RFP of any Value)** [**(top)**](#F)

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.

## **Foundation** [**(top)**](#F)

The UT Foundation can make its own purchases without utilizing a procurement office. Their accounts begin with “E88.”

Occasionally, the foundation will make a purchase for a campus but when they do, they will use the campus and department’s fund center/account number. These purchases do flow through UT Procurement offices.

## **Framework Order (**[**top**](#F)**)**

A department can make payments against a framework PO up to 60 days after the end date of the framework.

## **Fraudulent Orders [(top)](#F)**

A fraudulent order is when a third-party/scammer pretends to represent the University and places an order with third-party vendors using the University’s name, logos, etc.

How to spot fraud:

* ***Very carefully*** review the domain name (the URL of the website/email address).
* Check the address the scammer is using (often, the orders will be shipped to places outside of TN).
* Check the phone number the scammer is using (often, the area code will be something other than 865).
* Review the terminology of the scammer’s email/order. They will likely use incorrect terminology.

**Procedures**:

1. Notify the UT System Procurement Team.
2. Director will notify Frank Lancaster (Office of General Counsel) and abuse@utk.edu.

## **Friend of the University [(top)](#F)**

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

## **Gift Cards [(top)](#G)**

The University has a gift card policy and the Knoxville campus has a supplemental policy that must be followed.

System policy:  <https://policy.tennessee.edu/fiscal_policy/fi0313/>

UTK supplemental policy: <http://budget.utk.edu/wp-content/uploads/sites/36/2017/09/WebVersionGiftCardRequest-9-29-17.pdf>

**All** purchases for gift cards must be pre-approved by the chief business officer.  UTK has a special form that must be submitted to the CBO (see the UTK link above).  If you get a call about gift card purchases, please refer the person to the applicable policies.  Do **not** suggest that a department can use another department’s framework order and we should not be making any gift card POs “universal.”

When you are creating a PO for gift cards, please include this language:

Chief Business Officer pre-approval is required for all gift card purchases.  Please refer to the following policies:

System policy:  <https://policy.tennessee.edu/fiscal_policy/fi0313/>

Request Form for Knoxville Campus: <http://budget.utk.edu/wp-content/uploads/sites/36/2017/09/WebVersionGiftCardRequest-9-29-17.pdf>

## **Grant-Funded Purchases [(top)](#G)**

The requisition must note any special procedures, requirements, or limitations that may exist through a sponsored project or other governing document (grant or contract). Special procedures that must be observed in the purchase of equipment on federally sponsored projects are found in the Federal Acquisition Regulations (FAR) and in the Federal Uniform Guidance. Copies of these and additional information concerning certain grants and contracts may be obtained from the [UT Controller's Office](http://policy.tennessee.edu/contacts/#cuCO). Any FAR clauses that apply to the purchase must be submitted with the purchasing requisition, and it is the responsibility of the procuring department to be aware of these.

Resulting purchase agreements should state any requirements noted in the grant documents.

## **GSA Contracts [(top)](#G)**

GSA Schedule 70 is the federal government’s information technology schedule and we may buy anything from it without bidding.

GSA pricing is the best in the country and GSA includes a “most favored customer” clause: these companies aren’t allowed to offer lower pricing than the GSA price. Please see the common drive for an updated listing of GSA Schedule 70.

## **Hazardous Material (Biological, Radiological, Chemical, Nuclear, Laser Purchases [(top)](#H)**

Must be approved by the campus/institute safety officer prior to procurement.

See Safety Policies [SA0400](https://universitytennessee.policytech.com/dotNet/documents/?docid=180) , [SA0700](https://universitytennessee.policytech.com/dotNet/documents/?docid=186) , [SA0500](https://universitytennessee.policytech.com/dotNet/documents/?docid=182) , [SA0450](https://universitytennessee.policytech.com/dotNet/documents/?docid=181) , [SA0300](https://universitytennessee.policytech.com/dotNet/documents/?docid=179)

## **HIPAA-protected Data [(top)](#H)**

See Code of Conduct Policy [HR0580](https://universitytennessee.policytech.com/dotNet/documents/?docid=153&public=true)

## **Income-Generating Transactions [(top)](#I)**

Megan Talley in the Controller’s Office reviews. This applies to any income, not just a net receivable. UBIT and other taxes might apply.

**Informal Bids (between $10,000 and $49,999) [(top)](#I)**

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. 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). UT Knoxville departments must first seek approval for informal purchasing from the Knoxville CBO office. Please see the group drive for a list of all UTK departments with informal bid privileges.*

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

## **Installed Goods [(top)](#I)**

If goods are valued $100,000 or more *and* need to be installed, contact Facilities Planning before approving the requisition. This applies to bids and NCJs. The State Building Commission has to approve most transactions that involve installation of goods valued at $100,000 or more.

## **Insurance [(top)](#I)**

See insurance and bonding guidelines for specific requirements: <https://riskmanagement.tennessee.edu/insurance-and-bonding-guidelines/>

For one-time purchases of goods valued at $50,000 or less, and do not involve a vendor coming to campus, general liability insurance can be waived. Any item over $50,000 must have general liability insurance with the university-required subrogation language included. If you encounter serious pushback from the vendor about added the required language, please contact Risk Management. They will let you know if that requirement can be waived.

## **International Purchases [(top)](#I)**

Any purchase made from an international vendor must be processed as a contract. Processing the purchase as a contract will insure that the proper review (Office of General Counsel, Export Control) is made. Please see the international purchase agreement templates (goods and services) in the group drive’s templates folder. The department should process these through the contract management system.

## **Leases/Real Estate [(top)](#L)**

* Tony Hopson, Director of Real Estate
* Handles easements, gift property, and leases greater than $25,000
* Leases greater than $150,000 or over 5 years must be reviewed by the SBC
* For any lease greater than $50,000/year an RFP must be issued

Lease Policy [FI0625](https://universitytennessee.policytech.com/dotNet/documents/?docid=256&public=true)

Capital Outlay [FI0620](https://universitytennessee.policytech.com/dotNet/documents/?docid=277)

## **Legal Services [(top)](#L)**

Procurement policy does not apply to the procurement of legal services by the University’s General Counsel or administrative court costs incurred by the university.

## **Licensing** [**(top)**](#L)

All licensing (use of UT’s name and logos) must be first approved by the Director of Trademark Licensing.

<https://licensing.tennessee.edu/>

See Policy [FI0320](https://universitytennessee.policytech.com/dotNet/documents/?docid=61)

## **Media Requests** [**(top)**](#M)

If you get a call, email, or personal visit from the media (newspaper, radio, television, etc.), please refer them to the office of Communications and Marketing. Do not speak to the media. Only this department can answer any questions or offer any comments on behalf of UT.

(865) 974-0765

## **Memberships/Subscriptions** [**(top)**](#M)

Membership to professional associations and subscriptions to academic professional journals do not require an NCJ or a bid. Subscription to library material is not part of this policy.

See Policy [FI0435](https://universitytennessee.policytech.com/dotNet/documents/?docid=69)

## **Open File Period** [**(top)**](#O)

During the 7-day (calendar days) open file period, bidders (including those who submitted a “no-bid”) may request to see the bid results of all that participated in the bid. Certain sensitive information (social security numbers, bank account information, names of evaluation committee members, etc.) should be redacted before sending the bid file to the bidders.

This type of request can only be accommodated during the 7 days of the open file period. If a bidder requests information after the open file period, it then becomes a public records request and must follow that process.

## **Preferred Suppliers** [**(top)**](#P)

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.

## **Private Use of Space (Sodexo, Aramark, Barnes & Noble, etc.) [(top)](#P)**

## Any investment over $100,000 to the physical property of the University would require State Building Commission approval which would include submissions of:  contract bond, insurance requirements as specified by State Building Commission, submission of final plans and specifications for approval, and State Fire Marshal Office approval if applicable.

## This type of work is considered a Gift in Place project by the State Building Commission (SBC), and the project will require SBC approval prior to any design or construction work occurring.  The following are the requirements as associated with this type of work.  Please note that items 1-8 must be approved prior to proceeding with any construction.  All information should be submitted to the Office of Capital Projects.

## Provide final plans and specifications for approval

## Provide approval letter from State Fire Marshal’s Office

## Provide certificate of sufficient coverage protection that the project will be completed and that the State will not be subject to liens or claims by material suppliers or workmen.  For projects values at $100,000 or more this protection must be provided in the form of a contract bond executed on the State Building Commission standard contract bond form in an amount of no less than 100% of the estimated value of the project.

## Provide certificate of sufficient coverage of property insurance if project involves existing State Improvements.  This should take the form of Commercial General Liability with minimum coverage of $1,000,000 for each occurrence, and $3,000,000 aggregate

## Provide certificate of coverage and indemnification of the State by the donor or third party, as determined by the SBC, against damage claims incurred incident to the delivery of the project.  For projects in excess of $100,000 value, this must take the form of liability insurance and workmen’s compensation at a level no less than the amount and limits required on general SBC projects.

## Provide certificate of sufficient coverage protection against losses due to fire, theft, acts of God, nature, etc. which must take the form of Builders Risk Insurance in amounts no less than required on general SBC projects.

## Provide certification of full funding for this project.

## Review by Tennessee Historical Commission, if applicable

## Provide project close-out information, which shall include “as-built” drawings depicting the actual construction conditions, operations and maintenance manuals for building systems and components, warranties, and subcontractor/material supplier names and contract information.

## **Protests** [**(top)**](#P)

When a buyer is aware that a respondent is interested in protesting, the buyer will make the director and associate director aware.  The buyer will respond to the respondent with a link to FI0405.  Please note that a respondent can make the initial request for a protest by asking for the procedure regarding a “protest,” “challenge,” or similar.  The office will not accept a protest that fails to comply with FI0405.  If a respondent files a protest that complies with FI0405, the director will make the applicable CBO aware via email.  The director, associate director, and buyer will meet to discuss the protest.  The director will draft a protest response.  The director, associate director, and buyer will review the protest response.  The director will email the draft response to the applicable CBO and will copy the associate director and buyer.  Once the CBO approves, the director will email the response to the respondent, and copy the associate director and buyer.  See FI0405 for the steps involved in the protest process.

## **Public Records Requests [(top)](#P)**

See policy [BT0014](https://universitytennessee.policytech.com/dotNet/documents/?docid=622&public=true)

Public Records for comprehensive information about how to handle requests for copies of public records, and requests to inspect public records. Public records requests are distinct from requests that bidders/respondents make during the 7-day open-file period (the time period during which bidders/respondents may file a protest). Buyers will fulfill open-file period requests promptly. Procurement statutes govern the open-file period (not the Public Records Act). Please remember that a protest does not affect the open-file period, so even if a respondent files a protest, the remaining respondents may make an open-file period request. Moreover, the protest documents are subject to open-file and public-record requests.

The information below relates to requests under the Public Records Act.

The Tennessee Public Records Act applies to Tennessee residents (the law uses the term “citizens”). The law allows Tennessee residents to inspect (view in-person) or request copies of public records.

* Inspection:
	+ If team members receive requests for inspection, team members will notify the Associate Director and the Director immediately. The Associate Director or Director will inform the requestor that the requestor must make an appointment to come back to inspect the records. If the Associate Director and Director are not available, the team member will inform the requestor that the requestor must make an appointment to inspect public records, and that the appointment must be between 8 AM and 5 PM Eastern Time, Monday through Friday (excluding University administrative closings and holidays).
	+ The Director and Associate Director will review the document and determine what, if any, information must be redacted before the requestor may inspect the record. The Director or Associate Director will redact all information that is subject to redaction.
	+ Our office must allow the requestor to inspect the records within 7 business days of making the request.
	+ On the day of the requestor’s appointment, ff the Associate Director and Director are not in the office, the team member will follow BT0014 and comply with fulfilling the request. If the team member needs assistance, and the team member cannot reach the Director or Associate Director by telephone, the team member will contact the UTK or UTSA Public Records Request Coordinator (PRRC) for assistance. A list of the PRRCs is available as Appendix A to BT0014.
	+ Per BT0014, we are not allowed to require a Tennessee resident to make an inspection request in writing.
	+ If the inspection request relates to documents maintained by the Office of Capital Projects, then please refer the requestor to the Office of Capital Projects staff upstairs. Please make the Office of Capital Projects staff aware of the nature of the request.
* Redaction:
	+ If the inspection request relates to contracts that are with a supplier who “protects state property,” state law requires us to redact the name of the supplier, and any other information that identifies the supplier, such as their logos, address, phone number, email, etc.
	+ Please see Appendix F (Confidentiality Exceptions) to BT0014 for a list of information that is considered confidential under state law. Be sure to redact any confidential information before allowing the requestor to inspect the record.
	+ Please note that contracts designated as “private” in the Contract Management System are subject to inspection under the Public Records Act.
* Copies: If team members receive requests for copies of public records, team members will forward the request to the Associate Director and the Director. The Director will handle the request, unless absent for more than one business day. In that case, the Associate Director will handle the request.

## **Request for Information (RFI) [(top)](#R)**

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 Proposal (RFP) [(top)](#R)**

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) [(top)](#R)**

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 RFQ-S 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:

* 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.**

**Request for Quote (RFQ)** [**(top)**](#R)

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.

## **Revenue Generating Agreements [(top)](#R)**

State law says if an agreement will be net revenue, then the agreement does not have to be bid. However, revenue generating agreements can be bid. Please defer to the campus CBO when a department does not want to bid a revenue generating agreement.

## **Sales Tax Exemption [(top)](#S)**

See the Controller website for a list of states where we are exempt from paying sales tax.

<https://controller.tennessee.edu/tax/other-states/>

## **Security Cameras [(top)](#S)**

Because security cameras must be accessible to the UT Police, the purchase of and maintenance on all security cameras must be first approved by UTK Police Chief (Troy Lane).

**Service Centers [(top)](#S)**

A service center is an organizational unit which provides a specific service or product, or a group of services or products, to users principally within the academic and administrative community on a cost recovery model.

#### **Fleet Management**

#### Fleet Management offers a variety of vehicle related services to the University ranging from vehicle rentals, leases, repair & maintenance, and fuel service. Charter bus reservations is yet another service they offer.

#### **University Printing & Mail Services**

#### Printing & Mail Services provides a wide array of services from taking your publication from a rough idea to a finished piece ready for distribution to processing and delivering all incoming and outgoing U.S. Postal Service and Interdepartmental mail and packages.

#### **Warehousing & Surplus Property**

#### The Warehousing department is responsible for the removal of surplus furnishings and equipment, long/short term storage, and resale of surplus items through auctioning and internal transfers to UT Departments.

## **Shipping (Domestic) [(top)](#S)**

### Insurance

1. If shipping FedEx or UPS, the successful bidder (i.e. supplier) will need to declare full value of item on shipping documents. If the declared value exceeds the amount allowed by Fed-Ex or UPS, supplier must notify the University.
2. If shipped via common carrier supplier must, at the request of the University, be able to provide insurance covering the replacement value of the item.
3. Respondent must include any additional cost for insurance coverage as a separate cost with Respondent’s bid response.
4. Risk Management has an Inland Marine insurance policy that covers goods valued at $125,000 or under. If you need to have an item shipped that’s value exceeds $125,000, please contact Risk Management using the form found on their website.
5. Shipment of rare or unique goods (art, rare books, etc.), no matter the value, must be brought to the attention of Risk Management as they may need a special policy.

### Title and Risk of Loss

Title to the goods, and risk of loss for the goods, will only pass to the University when the University actually receives the goods.

### Right of Inspection and Rejection

1. The University of Tennessee may inspect all goods upon delivery. The University may, without penalties or fees, reject defective or non-conforming goods at any time within 14 days of the University’s actual receipt of the goods.
2. When the University’s staff members sign to indicate that the University has received a shipment, the signature does not constitute “acceptance” of the goods for purposes of this agreement. Rather, the signature is only acknowledgement of receipt.

## **Shipping (International) [(top)](#S)**

The University’s shipping term is DDP under INCOTERMS 2010

### Insurance

1. If shipping FedEx or UPS, the successful bidder (i.e. supplier) will need to declare full value of item on shipping documents. If the declared value exceeds the amount allowed by Fed-Ex or UPS, supplier must notify the University.
2. If shipped via common carrier supplier must, at the request of the University, be able to provide insurance covering the replacement value of the item.
3. Respondent must include any additional cost for insurance coverage as a separate cost with Respondent’s bid response.

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Title to the goods, and risk of loss for the goods, will only pass to the University when the University actually receives the goods.

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2. When the University’s staff members sign to indicate that the University has received a shipment, the signature does not constitute “acceptance” of the goods for purposes of this agreement. Rather, the signature is only acknowledgement of receipt.

## **Small Purchases (Under $10,000)** [**(top)**](#S)

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.

## **Software/IT Solutions [(top)](#S)**

OIT should be consulted on the procurement of software systems to make sure OIT doesn’t already provide the software or to make sure it is compatible with other systems on campus if necessary.

### Accessibility

Requisitions for IT hardware, software, and web services must comply with [Information Technology policy IT0126 (Information, Materials & Technology Accessibility)](http://policy.tennessee.edu/it_policy/it0126/) and the applicable campus/institute Accessibility program in advance of bids being solicited.

**Sole Source (NCJ)** [**(top)**](#S)

Some purchases over $10,000 cannot be bid and instead will require special sole source approval. The following are acceptable reasons to do a sole source and submit an NCJ (non-competitive justification):

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

Purchases which do not need an NCJ

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

## **State Building Commission (SBC) [(top)](#S)**

The SBC has statutory authority over designers, consultants related to capital projects, contractor selection, project building allocations, project funding, project scope, and other related things. Designers include: professional design; surveying, or planning services. Included are contracts for master planning and for consulting services provided by architects, engineers, and other specialty consultants.

The university must not issue a PO or contract for a capital project unless and until UT has submitted to the SBC, and only after the SBC approves.

**What is a capital project**?

1. Capital Outlay
	1. New building
	2. Demolition
	3. Renovation that involves change of function of space (this includes installation of equipment)
	4. Project funded through appropriations
2. Capital Maintenance
	1. Major maintenance: repair or renovation of any building or structure or any portion of state property that is in excess of $100,000.
	2. Maintenance or construction in a single building within a 6-month time frame that will be in excess of $100,000.
	3. Project funding through appropriation.

**SBC also reviews**:

1. All property acquisition
	1. Purchase
	2. Lease
2. Certain services
	1. Architects
	2. Engineers
	3. Designers
	4. Consultants related to SBC projects

**Where is procurement most likely to overlook (fail to obtain) SBC review**? Equipment purchases where the vendor will need to install the equipment by affixing to the building or otherwise doing something greater than simply placing the equipment and plugging it in.

* It’s very important that UT obtain contractors’ licenses, insurance, and bonds when handling SBC-related purchases.
* If you have any questions, please email one of the following people. When emailing, please send as many details as possible.
	+ Michelle Crowder mcrowde6@utk.edu
	+ John Sealy jsealy@tennessee.edu
	+ Sybil Brown sybil@tennessee.edu

## **Sub consultant Markup** [**(top)**](#S)

Capital Projects: The University and State typically do add a 20% factor for reimbursable expenses for surveying, geo-tech, abatement of hazardous materials, etc.

## **Third-Party Use of Tax-exempt Bond-financed Property [(top)](#T)**

The Controller’s Office and General Counsel must review. See policy on Tax Exempt Bonds [FI0335](https://universitytennessee.policytech.com/dotNet/documents/?docid=64).

## **Trade-In of Used Equipment [(top)](#T)**

A requisition may include a request for new equipment to include an allowance for the trade-in of used equipment. In these cases, separate price quotations for the new equipment will be requested with and without the trade-in allowance. The university reserves the right to purchase equipment with or without the trade-in allowance.

## **Used Equipment** [**(top)**](#U)

A requisition may make a request for used equipment. In these cases, both a used price and a new price are required in the bid responses. The university reserves the right to purchase the new equipment or the used equipment.

## **Vehicles [(top)](#V)**

Only the department of Fleet Management can procure vehicles that require insurance by the university. Vehicles may not be procured by the informal bid process conducted by departments.

Departments should communicate their vehicle needs to Fleet Management and Fleet Management will submit a requisition to the Office of Procurement Services.

<https://fleetmanagement.utk.edu/auctions/>

## **Violations** [**(top)**](#V)

When a department submits a “confirming” requisition or contract NCJ for services or goods that have been purchased without going through proper purchasing approvals, a purchasing violation must be issued to the offending department. An email memo to the business manager and CBO should be issued. For UT Knoxville violations, both Kim McCullock and Chris Cimino should be copied. This email should be titled “Policy Violation” and should explain how policy was violated and link to Procurement Policy. The associate director will send the policy violation email, and will copy the director. After the violation is issued, the policy violation spreadsheet should be updated in the group drive. See I:\vol03\Purchasing\Policy\_Violations

## **Wire Transfer [(top)](#V)**

Wire transfers will only be processed if a PO or contract requires payment by that method. This method of payment will only be processed for international vendors. Domestic wire transfer is prohibited by policy except in the case of paying an artist or entertainer for a performance.

All fees associated with this type of payment will be charged to the department making the request.

## **Writing Guidelines [(top)](#W)**

**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) |