

Solicitation of Bids and Quotations

Policy 509.6

1 Introduction

2 Scope

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4.1 Competition Thresholds

4.1.1 When the total cost of a purchase is \$150, 000 or more, the North Carolina General Statutes require that the purchase be bid through the State Purchase and Contract Division. Solicitation of bids and quotations on orders for less than \$150,000 and certain specified items and services has been delegated to the University. Within that delegation, the following thresholds apply:

4.1.2 Written competition must be solicited by the Purchasing Department for purchases over \$5, 000. Even in the case of an approved sole source purchase, a written quote or bid will be obtained.

4.1.3 Departments may not divide direct purchases into smaller orders of \$5, 000 or less to avoid seeking competition, nor into multiple orders under \$150, 000 to avoid the necessity of sending the requirement to Purchase and Contract Division.

4.1.4 The North Carolina Administrative Code defines small purchases as those purchases of commodities or services for which the expenditure is \$5, 000 or less and that are not covered by a term contract. The code also delegates to the University the authority to establish procedures for making small purchase transactions. See PUR Policy 24, Small Purchase Policy.

4.1.5 In accordance with the Chancellor's University Small Purchase Policy, competitive bidding is not required for those purchases of equipment, supplies, materials, and services which meet the definition of small purchases as defined in the Administrative Code. However, it is the responsibility and obligation of all University employees to seek the best possible value when making purchases with University funds. Accordingly, where appreciable value can be gained without undue sacrifice of convenience and/or necessity, the Purchasing Department may seek competition for certain purchases under \$5, 000. Note: This small purchase policy in no way changes the requirement to obtain valid documentation (purchase order, check request, etc) through the Purchasing Department or the Controller's Office as applicable prior to committing any University funds for the procurement of commodities and services.

4.2 Official Bids

4.2.1 Solicitation of competitive quotations is the responsibility of the Purchasing Department. Any quotations requested by departments cannot be considered official and are to be used only as information for the department. Any information obtained by the department which might be useful to the Purchasing Office in processing the order should be included with the procurement request.

4.3 Specifications

4.3.1 Accurate preparation of specifications for non-contract items and equipment is a critical part of the purchasing cycle. For items and equipment which must be formally bid (\$150,000 or more) by North Carolina Purchasing and Contract Division, it is important that adequate specifications be provided by the requesting department for forwarding to Purchase and Contract Division. The duty to establish and enforce specifications is assigned to the Purchase and Contract Division and to the Standardization Committee by statute. These agencies work with the University in developing specifications for the particular requirement. Cooperation and communication between the requesting department, the University Purchasing Department, and the North Carolina Purchasing and Contract Division is imperative for development and assurance of satisfactory specifications.

4.4 Limited Competition

4.4.1 The Purchasing Office, following University policy, solicits quotations even though competition is nonexistent or limited on certain items being purchased. The action is necessary in order to officially determine the price, terms, and conditions of the vendor whose product is being sought.

4.5 Results of Bids

4.5.1 Information submitted in a successful bid is used by the Purchasing Office as a basis for preparing the purchase order. The University purchase order form contains instructions to vendors that prohibit a vendor from accepting an order for shipment unless the vendor meets the printed conditions obtained through the quotation.

4.5.2 If competition is received from the formal bid solicitation amounting to \$150,000 or more, the requesting department will be consulted before the order is placed. Justification will be required from the user if the low bid is not selected .

4.6 Time Allowance Needed

4.6.1 When issuing procurement requests, departments should allow sufficient lead time to solicit bids, evaluate the bids, place the order, and effect delivery. Twelve to fourteen days are generally required to solicit quotations and place a purchase order. Formal bids solicited by the State Purchase and Contract Division in Raleigh require approximately four to six weeks. An additional two weeks will be required to evaluate the bids and place the order.

5 Additional References

6 Authority

7 Contact Information

8 Original Effective Date

9 Revision Dates