PURPOSE

To establish competition required for procurements that cost $50,000 or more.

POLICY

PUR 303-03-01: Dollar Limit
Procurement requirements will not be artificially divided or fragmented into increments or components costing less than $50,000 to circumvent the applicable competitive bidding requirement. Requisitions for the same item from the same department within a short time period will be considered an artificial division of a procurement.

PUR 303-03-02: Competition
All procurements with an estimated cost of $50,000 or more per transaction shall be based on competitive sealed bids or proposals.

PUR 303-03-03: Departmental Request
The requesting department will create a financial system requisition document for the procurement and submit specifications to Contracting and Purchasing Services.

PUR 303-03-04: Competitive Bidding
Based upon the specifications submitted by the requesting department, Contracting and Purchasing Services will determine whether competition will be based upon a sealed bid or sealed proposal.

1. Competitive Sealed Bids
   a. Contracting and Purchasing Services will issue a sealed bid that includes but is not limited to:
      i. a complete description or specification of the goods or services to be procured
      ii. all contractual terms and conditions applicable to the procurement
      iii. a place, date, and time for submission of bids.
   b. Notice of Bid
      Adequate public notice of the bid must be given a reasonable time before the date set for submission of bids. This notice shall be mailed to a representative number of interested vendors and shall be available upon request from Contracting and Purchasing Services.
      Public notice may include publication in a newspaper of general circulation. Procurements for services costing more than $50,000 require newspaper advertising.
   c. Bid Opening
      Competitive sealed bids shall be opened publicly, in the presence of one (1) or more witnesses, at the time, date, and place designated in the RFB. The amount of each bid, along with other relevant
information, shall be read and recorded.

2. Competitive Sealed Proposals

   a. Contracting and Purchasing Services will issue a request for proposal (RFP) only if it has been
determined that the use of competitive sealed bidding is not practicable or advantageous to the
University.

   b. The RFP will include but is not limited to the following:

      i. A complete description of the goods or services to be procured or the result to be obtained
         from such goods or services.

      ii. The date, time and location for submission of offers.

      iii. Information that the University reserves the right to conduct discussions with the
         proposers, to accept revisions of proposals, and to negotiate price changes.

      iv. Information that the University will not disclose any information derived from proposals
         submitted by or discussions with competing proposers until after an award is made.

      v. all contractual terms and conditions applicable to the procurement.

      vi. evaluation criteria, in order of importance.

   c. Notice of RFP

      Public notice shall be the same as specified for competitive sealed bids, except public notice shall
include publication in a newspaper of general circulation. Procurements for services costing more
than $50,000 require newspaper advertising.

   d. Proposal Opening

      Competitive sealed proposals will be opened publicly, in the presence of one (1) or more witnesses,
at the time, date, and place designated in the RFP. Only the names of the offerors and other
information deemed appropriate by the Director of Procurement will be read and recorded. Offer
contents will not be public information until after award of the contract.

   e. Evaluation Committee

      At times it is beneficial to have a committee evaluate offers. The committee will be appointed by
the Director of Procurement, and may be comprised of members of the requesting department,
interested members of the NAU community, and Purchasing staff. Each member of the evaluation
committee shall sign an Evaluation Committee form prior to participating in the evaluation.
CROSS REFERENCE

PUR 205-00 Prohibited Purchases
PUR 301-09 Requisition (RQS) Documents
PUR 303-00 Competitive Bidding (Complete Section)
PUR 600-01 Reporting Receipt of Order