POLICY

Effective Date: July 1, 2018

Approved by: Exec. Vice President Finance & Administration/CFO & Chief Procurement Officer

Authority: LAC 34:XIII.501

See Also:
POL-U501 (Methods and Thresholds for Procuring Goods & Services)
POL-U2303.C (Conflict of Interest in Procurement)

POL-U501.A Methods and Thresholds for Procuring Goods & Services with Federal Funds

This policy applies to university departments procuring goods and services utilizing Federal Funds and identifies methods for procurement and thresholds required for formal or informal competition.

Definitions:

1. Recurring Procurements – Repeated purchases of goods and services, including the net price of all items, shipping, taxes and related fees, in a 12 month period based on the department’s established need.

2. Single Procurement – One time purchase of goods and services, including the net price of all items, shipping, taxes and related fees, in conjunction with the department’s established need.

3. Small Purchases – Single procurement of goods and services for which the aggregate cost does not exceed the established small purchase threshold and, where a master contract cannot be used. Synonymous with the term “micro-purchase” as defined in the UG. (See also – PRO-U525.A.36 – Small Purchases)

4. Informal - Process of soliciting competitive quotations from multiple suppliers using an informal method such as email or fax. The solicitation, and evaluation process may be conducted by the campus department(s), as per delegated authority, or by the Campus Procurement Department. Specifications are provided and the award is based on price and/or minimal non-price factors. The complete solicitation process usually takes from 1-2 weeks. (See also: PRO-U501.A.02 Request for Response; PRO-U501.A.03 Request for Quote)

5. Formal - Process of soliciting written, sealed bids from multiple suppliers. Formal competition requires that the solicitation be publicly advertised, and sealed bid responses are due on a specified date at a specified time at which time an official bid opening will be held. Once reviewed and evaluated through a process managed by Procurement Services with participation from the University Department, a notice of intent to award or purchase order is issued. Formal solicitations require specifications development and/or evaluation criteria. The award may result in complex supplier negotiations, based upon price, non-price factors, as well as other terms and conditions. Request for Proposals (RFP); Solicitation for Offers (SFO); Request for Quote and Qualifications (RFQQ) may be used as deemed appropriate by the Chief Procurement Officer. (See also - PRO-U501.A.01 Invitation to Bid).
Important Note:

If a supplier requires signature on an agreement, contract, or any other form, the document must be submitted to Procurement Services for review/execution prior to making the purchase.

Procurement Types:

1. **Goods** - Purchases including, but not limited to, equipment, materials, supplies, insurance, maintenance and leases on real property.

2. **Services** - The furnishing of labor, time or effort by a supplier which may involve, to a lesser degree, the delivery or supply of a product, incidental to the required performance. Construction Services are not included. (For Workday purposes – such services shall be added as goods rather than services.)

3. **Information Technology** – Includes all associated costs during a 12 month period for software, installation, license, modifications, implementation, integration, training, hosted software, software subscriptions, support and hardware/software maintenance. Hardware purchases are not included.

4. **Professional Services** – Includes services that are rendered by an independent contractor who has a professed knowledge and an advanced specialized study and training of some department of learning or science used in practical applications to the affairs of others or in the practice of an art founded on it, shall include but not limited to, lawyers, doctors, dentists, psychologists, advance practice nurses, veterinarians, architects, engineers, land surveyors, landscape architects, accountants, actuaries, claims adjusters, pharmacists, visiting professors and scientists.

5. **Consulting Services** - An independent individual or firm to perform a service or render an opinion or recommendation according to the consultant’s methods and without being subject to the control of the university except as to the result of the work.

6. **Specialty Services** – services rendered by individuals requiring the use of graphic artists, sculptors, musicians, entertainers, photographers, and writers or which require the use of highly technical or unique individual skills or talents, such as, but not limited to, paramedics, therapists, handwriting analysts, foreign representatives, expert speakers, trainers within a continuing education program and expert witnesses for adjudications or other court proceedings.

Single Procurement Thresholds:

1. **Small Purchases**
   a. Goods and Services - less than or equal to $10,000*
   b. Departments should ensure small purchases with federal funds are not made from suppliers that are debarred, suspended, or otherwise excluded from or ineligible to participate in Federal assistance programs or activities. Refer to www.SAM.gov prior to the purchase.

2. **Informal Competition**
   a. Goods and Services - $10,000.01 or greater and less than $50,000
3. Formal Competition
   a. Goods and Services - $50,000 or greater
   b. Information Technology - $100,000 or greater
   c. Professional Services - $50,000 or greater**
   d. Consulting Services - $50,000 or greater**
   e. Specialty Services - $50,000 or greater**

UNDER NO CIRCUMSTANCES MAY A PROCUREMENT BE ARTIFICIALLY DIVIDED SO AS TO AVOID THE APPLICATION OF COMPETITIVE THRESHOLDS UNDER THIS POLICY.

To ensure appropriate competition, the department should determine the need and estimated spend for a product or service (whether a single procurement or recurring procurements) within a 12 month period.

*The National Defense Acquisition Act (NDAA), passed December 23, 2016, raised the Micro-purchase threshold to $10,000 applicable to all grants, cooperative agreements and contracts of all federal agencies. With the passing of this federal legislation establishing the Micro-purchase threshold at $10K, LSU has chosen to follow passed legislation over the federal procedures manual (Uniform Guidance).

**The Chief Procurement Officer (CPO) shall determine the appropriate solicitation methods to be used in procuring services for the University.

Other Procurement Methods

A. Exceptions to Competitive Solicitation

In accordance with the University Procurement Code, the commodities listed below may be procured with federal funds without formal or informal competition, but may have additional processes that are required (See Also - Exceptions to the Competitive Solicitation Process (PRO-U525.A)).

Purchases for all exceptions listed MUST be approved by the appropriate party and reference the procurement authority of the exception (i.e. Procurement Authority: LAC34:XIII.525.A.##) on all documentation. (Note: The exception numbering identified below is consistent with the University Procurement Code Section 525).

1. Equipment or vehicle repairs and repair parts from an authorized dealer or original equipment manufacturer;
2. Equipment moves by the original equipment manufacturer or authorized dealer to ensure equipment operation to original equipment manufacturer specifications, calibration, warranty, etc.;
4. Livestock procured at public auction;
7. Publications and/or copyrighted materials procured directly from the publisher or copyright holder;
8. Publications and/or copyrighted materials procured by libraries or text rental stores from either subscription services or wholesale dealers which distribute for publishers and/or copyright holders;
9. Publications of articles, manuscripts, etc. in professional scientific, research, or educational journals/media and/or the procurement of reprints;
11. Public utilities and services provided by local governments;

13. Educational training and related resources used to enhance the performance of university employees and good standing of state agencies, including memberships in and accreditations by professional societies and organizations;

14. Materials, supplies, exhibitor fees and exhibit booths for conferences, seminars and workshops or similar events (business, educational, promotional activities) which enhance economic development or further the university’s mission, duties and/or functions, with the approval of the CPO or equivalent;

16. Shipping charges and associated overseas screening and broker fees between international and domestic origins and destinations;

17. Parcel services, including but not limited to Federal Express, United Parcel services, Airborne Express and Express Mail;

18. Advertising where the CPO certifies that specific media is required to reach target audiences;

19. Scientific and laboratory supplies, equipment and services for scientific research when procured by the university for laboratory, educational or scientific research; not to exceed $50,000 per transaction;

20. Procurement or rental of mailing lists;

21. Art exhibitions, rentals and/or loan agreements and associated costs of curatorial fees, transportation and installation;

23. Procurement of services from subcontractors named in federal, state and private sponsored agreements when the grant award is received in which a portion of the services is subcontracted;

24. Services paid for with federal funds provided specifically for such purposes;

26. Office of State Purchasing contracts or state master agreements;

28. Intergovernmental or interagency contracts;

31. Dues, registrations and membership fees;

33. Goods or services purchased in foreign countries;

37. Web-based or subscription services.

B. Sole Source Procurement

Purchases $10,000.01 or greater, that are not otherwise exempt, where there is only one source for a good or services, and only one supplier has the ability to meet the requirements of the procurements. Sole source procurement categories include: Patented Technology; Continuity of Research; Compatibility with Existing Goods/Services; Proprietary Technology or as required and approved in a grant. The process for utilizing a sole source procurement is outlined in PRO-U501.B – Sole Source Procurements.

Emergency purchases shall continue to be made in accordance with established University procedures using the most competitive process available consistent with the need for responding to the emergency. Reasonable efforts under the circumstances shall be made to obtain quotations from three or more suppliers when goods or services are to be purchased on an emergency basis.
Debarment and Suspension

Procurement Services will ensure suppliers that are debarred, suspended, or otherwise excluded from or ineligible to participate in Federal assistance programs or activities are not used for federally funded procurements. Buyers are to obtain confirmation from www.SAM.gov prior to issuing a purchase order/change order.