


Idaho Department of Correction 	Standard Operating Procedure	Title: Purchasing and Contracting		Page: 1 of 19
		Control Number: 147.06.06.004	Version: 4.0	Adopted: 03-11-1999

Pat Donaldson, chief of the management services division, approved this document on 04/15/2016.

Open to the public: ☒ **Yes**

SCOPE

This standard operating procedure (SOP) applies to all Idaho Department of Correction (IDOC) purchasing agents, senior buyers, contract administrative unit, financial specialists, financial technicians and any employee involved in the purchasing process.

Revision Summary
Revision date (04/15/2016) version 4.0: Change of SOP number from 114.03.03.007; substantial edits and updates throughout to ensure compliance with current Idaho Statutes, Rules, and practices; update to new formatting and organizational structure. Previous revision date: (04/10/2014) version 3.0.

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BOARD OF CORRECTION IDAPA RULE NUMBER

None

POLICY CONTROL NUMBER 147

Procurement and Contract Management

PURPOSE

To promote efficiency and economy in the purchasing process and to ensure internal controls exist and are followed for the purchasing and contracting procurement of products and services for the Department of Correction.

RESPONSIBILITY

Director of the IDOC

The director of the IDOC (or designee) is responsible for purchasing and contracting authority.

Chief of the Management Services Division

The chief of the management services division (or designee) is responsible for overseeing and monitoring the provisions provided herein.

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Business Support Manager

The business support manager (or designee) is responsible for overseeing and monitoring all purchasing and contracting for the IDOC, in compliance with this SOP and state purchasing statutes and rules.

Purchasing Agent

The purchasing agent is responsible for implementing this SOP and for ensuring IDOC employees are practicing the guidelines, standards, and procedures provided herein and are in full compliance with state purchasing statutes, rules and this SOP.

Purchasing

For the purpose of this SOP, the central office purchasing department consists of senior buyers, the purchasing agent, and the business support manager.

Buyer, Senior

The IDOC buyer, senior is responsible for purchasing activities and ensuring they are in compliance with state purchasing statutes, rules and this SOP.

Contract Officers

The contract officer is responsible for contract administration activities and ensuring the contract lifecycle is in compliance with state purchasing statutes, rules and this SOP.

IDOC Employees

Any IDOC employee who initiates a purchase order is responsible for ensuring the purchase is in compliance with state purchasing statutes, rules, and this SOP.

GENERAL REQUIREMENTS

All purchases shall comply with department policy and procedure, Division of Purchasing (DOP) statutes (Idaho Code Section 67-5715, *et seq.*) and rules (IDAPA 38.05.01), and all other applicable state laws and Department of Administration rules. In the event of any conflict, this SOP shall be interpreted to ensure compliance with state statutes and rules.

1. Delegated Purchasing Authority

The department business support manager or purchasing agent has the responsibility of delegated purchasing authority for the department for a specific dollar amount that is determined and granted by the administrator of DOP. Under this delegated purchasing authority, the business support manager is authorized by the DOP to conduct public procurements for the acquisition of property and services to contractually bind the department.

Under the business support manager's oversight, the following responsibilities apply. Institutions, facilities and/or management with spending authority have sub-delegated purchase authority for Purchase Orders (PO) up to \$4,999. The central office purchasing department (purchasing) senior buyers have sub-delegated purchasing authority of \$10,000. The purchasing agent has sub-delegated purchasing authority of \$25,000.

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Purchasing receives, reviews and signs all purchase orders totaling \$5,000 and over. The purchasing agent or business support manager will also determine the appropriate process for purchasing and contracting as required by policy, rule and/or statute, including the appropriate type of formal solicitation.

2. Purchasing Prohibitions, Ethics and Supplier Relationships

State of Idaho Statutes, DOP Rules, this SOP, and the Ethics and Standards of Conduct Policy (217) are put in place to preserve the State's integrity by helping to avoid improper actions or the appearance of improper actions by government personnel and suppliers. Each state employee, classified and non-classified, has a personal responsibility to conduct government business in an ethical manner and assure the integrity of the state purchasing and procurement processes.

Prohibitions

In accordance with Idaho Code Section 67-5726, the department prohibits employees from:

- Transferring contracts without the Division of Purchasing (DOP) administrator's written approval.
- Benefitting from any contract made in whole or part with the State.
- Influencing or attempting to influence the award of a contract, which, for example, may include kickbacks, bribes, peddling or payment of a fee, back door selling, hard sell tactics, fraternization, or offering gifts to avoid following published procedures or gain advantages.
- Conspiring with suppliers, or their agents, to influence or attempt to influence an award of a contract.
- Failing to utilize open contracts (also referred to in this SOP as statewide open contracts) without an exemption request approved by the DOP Administrator.
- Accepting property which the employee knows does not meet specifications or substantially meet original performance test results.
- Accepting a bid from a supplier who was paid for services utilized in preparing bid specifications or who provided services influencing the procurement process. If a supplier was paid for services or influenced the process, they would be prohibited from bidding.
- Engaging in conflicts of interest regarding the holding of contracts or state employees selling property or supplies to the state.

In accordance with Idaho Code Section 67-5717, the department prohibits:

- Circumventing of purchasing authorization. Efforts to obtain products or services by avoiding the competitive process by splitting purchases, creating false emergency situations and non-use of statewide contracts are prohibited.

Code of Ethics

All personnel charged with the responsibility for purchasing for the department shall:

- Follow the lawful instructions of the department and laws of the state.
- Understand and comply with the authority granted by the department.

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- Avoid activities that would compromise or give the perception of compromising the best interests of the department.
- Actively promote the concept of competition to avoid charges of preferential treatment.
- As agents for the department, obtain the maximum benefit for funds spent.
- Avoid any private or professional activity that would create a conflict between personal interests and the interests of the department.
- Never solicit or accept money, loans, credit, discounts, gifts, entertainment, favors or services from present or potential suppliers.

Supplier Relationships

Developing and maintaining good relationships with our suppliers is important. Whenever a supplier fails to meet the requirements of a department or state contract or purchase order, the problem needs to be brought to the attention of purchasing for resolution. Purchasing will facilitate problem resolution while maintaining good working relationships. If purchasing is unsuccessful in resolving state contract supplier issues, purchasing will notify DOP of contractor non-compliance as DOP is responsible for administering statewide (open) contracts.

The following is expected of employees when dealing with suppliers:

- Maintain and practice the code of ethics along with professional courtesy and competence in all transactions.
- Avoid showing favoritism or being influenced by suppliers through the acceptance of gifts, gratuities, loans or favors.
- Respect the supplier's business and legal rights to confidentiality for trade secrets and other proprietary information. If any questions arise, employees are to contact purchasing for direction.

3. Purchasing Limitations

The purchasing process is driven by the following dollar thresholds for the total amount of the purchase order, as well as the delegated purchase amount granted by the DOP administrator to the department's business support manager.

Purchase Orders up to \$4,999

All department locations have this purchasing sub-delegated authority. This category includes discretionary purchases in accordance with good business practices and in the best interest of the state. Three quotes are not required but should be considered when possible or practical.

Purchase Orders from \$5,000 to \$9,999

These purchases require purchasing's oversight. Purchasing determines the need for obtaining three quotes based on the type of procurement, availability of product or service and lead-time. Purchasing can assist with the quoting process. Purchasing reviews and signs all purchase orders that fall within this range before a purchase is made.

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Purchase Orders from \$10,000 to \$49,999

Purchasing manages all purchases within this range. These purchases require purchasing to seek a minimum of three quotes from suppliers with a significant Idaho presence, if possible.

Purchase Orders \$50,000 or more

DOP administers these purchases in coordination with purchasing. The appropriate process of quotes or bids is determined by estimating total purchase amount including applicable renewals. Request for Quote (RFQ), will be the means of procuring products or services for a total not to exceed \$99,999. When the amount over the life of the contract is \$100,000 or more, then an Invitation to Bid (ITB) will be the means for procuring products and a Request for Proposal (RFP) will be the means for procuring contract services or complex purchases.

Purchase Orders on Statewide Open Contracts

The department can contact a vendor directly to purchase goods or services at terms, conditions, and rates specified in a statewide open contract entered into by DOP. The use of statewide open contracts are governed by Idaho Code §67-5726(4) which reads in part "No officer or employee shall fail to utilize an open contract without justifiable cause for such action." This means if there is a statewide open contract in place, the department must purchase the goods or service from that supplier. Purchasing still needs to sign off on all purchase orders over \$5,000 with a statewide supplier; however, these purchases are exempt from having to go out for competitive bidding.

4. Approval Process

There are different approval processes based on the purchasing or contracting vehicle used to procure the product or service, which are listed below:

Purchase Order

A purchase order (PO) is a contract between the agency and the supplier. All requests to purchase begin by obtaining the appropriate spending authority approval on the PO. After spending authority signatures are obtained, a PO number is assigned and logged in the appropriate PO log. This process is done either through the facility financial technician/specialist or by the central office purchasing department.

If a purchase order is \$5,000 or more, after the process is followed in the paragraph above, purchasing will:

- Verify the appropriate process based on spending thresholds outlined in Section 03.00 of this SOP was followed.
- If the purchase is Capital Outlay (CO), confirm with financial specialist the expenditure is appropriated for the current Fiscal Year's CO budget.
- If the CO purchase is short of an appropriation or is not allocated in the fiscal

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year, purchasing will wait for the financial specialist to secure additional CO to cover the purchase.

- Once the money has been moved to cover the additional CO, the financial specialist will notify purchasing the money is in place. Purchasing will review and sign the purchase order.
- At that point, the purchase can be made.

RFQ's, ITB's and RFP's

DOP requires a DA-1 requisition that is signed by the spending authority and the executive financial officer, or by the financial manager or the business support manager, for single purchases exceeding \$10,000 for products and/or services using the State's e-procurement system. Upon an award, a department PO will also be issued for the one time purchase to encumber the funds. Purchasing must sign the department PO.

Upon award of a contract, the e-procurement system will generate a Contract Purchase Order (CPO), or Blanket Purchase Order (BPO). The contract term (duration) is defined in the CPO or BPO and may have one or more renewal options.

Exceptions

The following types of purchases are exempt from the quote or bid requirements described above:

- Purchases from current department or statewide open contracts.
- Purchases from Idaho correctional industries, up to \$10,000.
- Purchases from other Idaho state departments or agencies.
- Purchases from Federal government agencies.

5. Information Technology Property Purchases

The department's review and any subsequent acquisition will conform to the guidelines and policies established or adopted by the department of administration's chief information office or other governing or policy board or council that may be created by statute or directive for the purpose of information technology oversight or review.

A department's information technology manager must review and approve all information technology (IT) purchases. All purchase orders that are \$5,000 or more must be signed by purchasing. Purchases will be made from statewide open contracts where applicable and comply with rules for information technology acquisitions.

Department staff needs to request IT quotes through the IT senior buyer. All IT purchases will be shipped to central office, attention "IDOC – Information Technology" for inventory purposes and then the IT department will deliver or ship product to the end user.

Information technology property includes, but is not limited to, all present and future forms of computer hardware, video and/or imaging, computer software and services

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used for automated data processing or storage, and computer related office automation and telecommunications, including licensing and maintenance.

6. Telephone System Acquisition Process

All telephone system purchases need to be routed to purchasing for assessment of various factors such as: types of phone system including features, system capacity, complexity, and infrastructure and estimated spend, after which a determination will be made for the appropriate process. Processes range from requesting quotes to issuing an informal request for bids. Informal requests for bids require legal advertisement or a joint effort in coordination with the Division of Public Works (DPW). Purchasing will manage the process with the assistance of the requestor by creating specifications, scope of work, appropriate documents and coordinate communication with the department of administration chief information office's enterprise network analyst.

7. Motor Vehicles

New Vehicles

New vehicle purchases must be purchased through statewide open contracts administrated by DOP. Vehicle Order Forms (VOF) will be generated by the department's fleet manager and sent to purchasing for review. Purchasing will prepare a DA-1 requisition, to be submitted with the VOF into the e-procurement system. The e-procurement system will generate the purchase order (also referred to as an "EXPO" PO) and DOP will electronically send the order to the dealer and purchasing. Purchasing will create an internal PO for the department in order to encumber the funds. Vehicle purchases typically have a three (3) to four (4) month lead-time for delivery.

Used Vehicles

Used vehicle purchases must follow the informal quote process, by obtaining a minimum of three (3) quotes. This process will be managed by purchasing.

8. Multi-Function Printers and Facsimile Machines

All requests for these types of equipment will be processed through purchasing.

All purchases and/or leases will be acquired through statewide open contracts. Purchasing will manage any lease documents, coordinate the notification and return of leased equipment and will help facilitate the disposal of approved equipment through an appropriate resource.

9. Radio Communications Equipment

All radios and associated equipment must be purchased through the Idaho Bureau of Homeland Security Public Safety Communication Department, SafeCom, in coordination with purchasing. SafeCom will assist in purchasing equipment from statewide

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communication contracts, tracking of inventory and programming equipment. Requests should be directed to purchasing which will coordinate orders with SafeCom.

10. Difference between Informal (Quote) and Formal (Bid) Process

For purchases of \$10,000 or more, the department invites solicitations from potential suppliers by using the informal quotation or formal bid processes identified below, unless an express exemption under state law applies. Purchasing will manage these procurement processes.

Purchases of property or services between \$10,000 and \$99,999 follow a process that is considered "Informal." These purchases require a minimum of three (3) quotes via a Request for Quotes (RFQ) unless it is impossible or impractical as determined by purchasing, in which case purchasing will submit a request for exemption to DOP for authorization to be exempted from this quoting process. , refer to Section 21 for a listing of exemptions. Purchasing will use the e-procurement system managed by DOP. Purchasing will determine the amount of time given to suppliers to prepare and return quotations, upon considering such factors as complexity, urgency and availability of property.

Purchases of \$100,000 or greater require a "Formal" bid process which is administered by DOP and is subject to the DOP appeals process. This bidding process takes more time due to its formal nature and DOP generally requires longer solicitation periods. These solicitations are thoroughly reviewed by the DOP liaison to the department, in an effort to facilitate open competition, efficiency and economy and to ensure compliance with DOP statutes and rules.

Requestors must not artificially or deliberately divid or split requirements for a procurement to avoid the quoting or bidding processes, statutes, rules or policies.

11. Informal Quote Process (RFQ)

For purchases between \$10,000 and \$49,999, purchasing will manage the process, working with the end user to create specifications. Purchasing will create and submit an RFQ (request for quote) into the DOP's e-procurement system. E-procurement releases the RFQ to a list of suppliers who have registered to do business with the state of Idaho for specified commodities. Upon a pre-established closing date, purchasing evaluates all submitted quotes and makes the award in accordance with Section 13 of this SOP.

For purchases between \$50,000 and \$99,999, purchasing will prepare and manage the RFQ solicitation process working closely with DOP oversight. The RFQ will be entered into the DOP's e-procurement system and evaluated by DOP, then sent to purchasing for a second review. After final review, DOP will award a PO or a contract PO.

Purchasing will prepare a formal purchase requisition form (DA-1) and will obtain the appropriate signatures – executive financial officer or financial manager and spending authority - before submitting into DOP's e-procurement system.

DOP will post quotes or bids electronically and, if requested, will send a notification of opportunity to bid to venders suggested by the department.

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Purchasing will provide the end-user an anticipated timeline for the process and provide updates if the timeline changes.

Responses

A response to an RFQ shall be written. Oral quotes will not be accepted. A supplier's non-response may be counted toward one of the 3 required quotes.

12. Formal Bid Processes

All purchases of \$100,000 and larger are "Formal" bid processes that are developed by purchasing or the Contract Administration Unit (CAU) and are administered by DOP. There are two (2) types of solicitations for these purchases; an Invitation to Bid (ITB) or a Request for Proposal (RFP).

ITB's are generally used for tangible property. ITB's will be developed and managed through purchasing.

RFP's are generally used for services or complex purchases, in situations where the need is known but the requestor(s) may not know how to provide all the solutions to obtain the services required. RFP's will be developed and managed through the department's contract administration unit.

All formal bid processes for purchases of \$100,000 or more are subject to the appeal process set forth in Idaho Code Section 67-5733 and the DOP rules (IDAPA 38.05.01 and IDAPA 38.05.02). Appeals can be in the form of a challenge to specifications, the appeal of a rejected bid as nonresponsive, the appeal of the selection process, and an appeal of a sole source purchase determination. To be effective, all appeals shall be made in writing and directed to the DOP and must comply with all applicable DOP statutes and rules.

The administrator of the DOP shall be responsible for addressing administrative appeals for all actions handled by the DOP.

12.1 Invitation to Bid (ITB)

Purchasing will work with the end user in creating specifications and incorporating specifications, (see section 14 for more details on specifications) and other requirements into DOP's ITB template and send the ITB to DOP for review. After the review process is complete, the ITB is released on the state's e-procurement system. DOP administers the process but works closely with purchasing throughout the solicitation cycle including: questions and answers, amendments and clarifications. Upon close of the ITB, responses are evaluated by DOP and then sent to purchasing for review and a recommended award.

Bid Opening and Award of ITB's

All responses to ITB's are opened, evaluated and tabulated by DOP. The results are communicated to the purchasing agent for review and approval. The award will be made in accordance with the type of award chosen per section 13 of this SOP.

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The DOP will notify all bidders of the intent to award. After the five day appeal period expires, if no appeals are received, the DOP will issue a purchase order, blanket purchase order (BPO) or contract purchase order (CPO).

Award of ITB

DOP will issue the award. Each individual ITB will detail how the award will be determined.

12.2 Request for Proposal (RFP)

The department's contract administration unit, is responsible for the development and management of all Requests for Proposals (RFP). An RFP is generally utilized for soliciting competitive proposals for the acquisition of services or complex purchases. A RFP includes a description of a problem or need in general terms, specific contract terms and conditions, a detailed scope of work, and evaluation criteria. The RFP is published to solicit written proposals from suppliers that describe a solution or approach to providing the services identified by the RFP and include a cost proposal indicating the supplier's price for services.

Based on factors including, but not limited to those outlined below, the business support manager will determine if an RFP is the appropriate method for contracting the particular service or complex purchase.

- The relative skills, expertise, or technical capability of the suppliers that will have to be evaluated
- The anticipated cost, although cost is only one factor to be considered for the characteristics of the property or service sought
- Whether the acquisition is for highly complex or technical property or services
- Methods for evaluating the supplier's approach, management capabilities, innovation, or other technical factors

Phases of the RFP Process

The RFP process is one piece of the first two phases of the contract life cycle managed by the CAU. The contract life cycle includes the following four phases: Project Plan and Development, Solicitation, Contract Management, and Contract Close-Out. Below is a brief overview of the Project Plan/Development and Solicitation processes:

- RFP Development – the CAU and contract team work to develop specifications, terms and conditions, scope of work and evaluation criteria
- Finalize RFP - CAU obtains final approval from department leadership and DOP
- Publish RFP – DOP posts the RFP on e-procurement system for public viewing and may also notify potential suppliers of the solicitation
- Pre-Proposal Conference – CAU and DOP offer contractors the opportunity to ask questions prior to the RFP closing
- Contractor Proposals Due – DOP receives and conducts initial review of responses submitted by the RFP deadline
- Evaluation – CAU selects evaluation team to score proposals based on the contract team's evaluation criteria

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- Intent to Award – DOP will issue the intent to award letter. Each individual RFP will detail how the award will be determined
- Appeal Period – DOP allows bidders an opportunity to appeal award within 5 working days following receipt of notice that they are not the lowest responsible bidder
- Award – DOP awards contract in the form of a Contract Purchase Order (CPO) for a specific term (duration) which may also include renewal(s)

Evaluation and Criteria for Proposals

The CAU identifies and selects an evaluation team based on subject matter expertise and ability to provide an unbiased review of the technical proposals. DOP oversees the technical evaluation process. The evaluation is based on the evaluation criteria set forth in the RFP. Numerical rating systems are generally used but are not required. Factors not specified in the RFP should not be considered in determining criteria to evaluate proposals for an award of a contract.

DOP evaluates the cost proposal, which has been kept separate from the technical proposal. DOP will then combine the technical and cost proposals based on the weighting defined in the RFP and present the results to the department.

Award of RFP

A written determination shall be made explaining how the award was found to be most advantageous for the department based on the evaluation criterion set forth in the RFP. DOP will make the award. After issuance of notice of intent to award, the Idaho Public Records Act will control the extent of public inspection of proposals.

If only one proposal is received in response to a RFP, the department may, as it deems appropriate, make an award, pursue negotiations in accordance with applicable conditions and restrictions of IDAPA 38.05.01, or reject the solicitation and new bids or offers may be solicited or the proposed acquisition may be canceled.

13. Methods for Awarding (RFQ, ITB, and RFP)

Below are some of the methods that may be used for awards:

Award based on Lowest Responsive Quote

Award shall be made to the supplier offering the lowest responsive quote.

Responsive means the quote was received on time and the supplier's quote conforms to all specifications referenced in the RFQ. Comparisons of costs should include all costs, including such items as delivery costs, setup charges, removal charges, labor charges, and additional materials required, and other elements described in the quotation. Purchasing will maintain documentation for all purchases \$10,000 or greater for auditing purposes.

Award based on Best Value or Weighted Analysis

To determine best value, a weighted analysis may be used. In a weighted analysis, cost is only one factor in determining the award. Other factors may

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include evaluation of specifications, comparative performance examinations, supplier references, product usability, flexibility, maintenance, company resources, previous experience, etc. To assure a fair determination of award, identified factors are weighted according to importance in the overall purchasing decision. Relative scores are assigned to each factor, including price, to determine the lowest acquisition cost. Although this process is typical in evaluating RFP criteria, this process could also be used in evaluating RFQ's and ITB's.

Award based on Life-Cycle Costing

Awards may also be made to suppliers offering the lowest life-cycle cost. Life cycle costing means the total cost of an item for its entire life span. It includes initial purchase price, operating supplies, maintenance, repairs, salvage value, and disposal costs.

14. Developing Specifications

Specifications may be developed by the end user and/or by purchasing. It is, however, the responsibility of purchasing, with input from the end user, to develop complete specifications for purchase requests that are sent to DOP for processing.

Specifications refer to a description of the characteristics of a commodity or service required. Specifically, they are defined as the explicit requirements furnished with a solicitation upon which a purchase order and/or a contract is to be awarded. Specifications define the characteristics of the property and services to be purchased, enabling the supplier to understand what is to be supplied. This information may be in the form of a description of the physical, functional, or performance characteristics and may include a referenced "brand name or equal". The specification may include a description of requirements for inspecting, testing, or preparing a material, equipment or service for delivery. Specifications may be incorporated by reference and/or through attachment to the solicitation. Specifications are written to encourage maximum competition of capable suppliers.

If it is determined that a specific brand name with no equivalents is required for the specification, then purchasing will have to request an exemption from the DOP administrator before releasing the quote/bid.

The function of specifications is to provide a basis for obtaining a commodity or service that will satisfy a particular need at an economical cost. A good specification should:

- Identify minimum requirements
- Allow for competitive bidding
- Where applicable, list reproducible test methods to be utilized for determination of compliance with specifications

Specification Checklist

To assure that specifications meet the above criteria, use of the following checklist is suggested:

- Specifications should be clear and accurate to the supplier and end user, but not be so specific that they eliminate competition.

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- Specifications should be flexible to maximize the number of bidders.
- Specifications should be verifiable.
- Tolerance call-outs should only be as specific as necessary to meet end-user needs and not unnecessarily limit competition.

Purchasing will review and assist in completing the specifications, as well as provide guidance on meeting DOP requirements.

15. Building Improvement Purchases

Purchases or services that are needed for building improvements follow Division of Public Works (DPW) processes and guidelines. These projects and processes are much different than procurements of property so requestors need to consult with purchasing for guidance on the appropriate process for these types of procurements. The department may use contractors who have been awarded service contracts through DPW, including but not limited to trades such as; HVAC, flooring, electrical, plumbing and light construction. DPW executes these contracts for the use and benefit of the state and its agencies. The department may also utilize other state agency service contracts but must contact and receive approval from that agency prior to contacting the service provider. If the department chooses to use either type of service contract, it is not necessary to obtain three (3) bids but is highly recommended to request multiple bids in an effort to promote competition in securing the lowest responsible bid.

Projects estimated to cost \$100,000 or more are managed by DPW. These projects are coordinated through the construction group in management services.

Projects estimated to be less than \$100,000 are managed by the department. It is recommended by DPW that if a project's estimated spend is approaching \$90,000, then the project should be managed by DPW.

Purchasing will help facilitate the following:

- Informal bid documents
- Legal notices
- Coordinate, schedule and lead pre-bid meetings
- Issue amendments and change orders
- Answer contractor questions via amendment
- Verify and/or obtain insurance certifications, public works license, performance bonds, completed "General Security Requirement" forms and background checks
- Issue Notice of Intent to award and final award

16. Professional and Consultant Service Agreements

Professional and Consultant Service Agreements can be exempt from the formal sealed bid procedure per IDAPA 38.05.01.044, Section 7, if they do not exceed \$100,000 and have a contract term of no more than one (1) year.

Professional and Consultant Services are primarily service-orientated and are defined in IDAPA 38.05.01.011, Sections 12 and 29 Definitions. The department end user will work

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with the CAU contract officer in developing the scope of work and deliverables. The division requiring the contracted service will assign a staff member to manage and monitor this contract by providing periodic progress reports and, at the end of the contract, a close-out report.

Due to these agreements lasting up to one (1) year, it is the responsibility of the end user to notify the CAU contract officer of any changes, such as changes to the scope of work, contract term or deliverables so an amendment can be executed.

The business support manager must sign all Professional or Consultant Service Agreements using delegated purchasing authority. The department director, or designee, must also sign these contracts. A central file of all signed contracts is maintained in purchasing.

17. Information Technology Consultant Contracts, Project Service Order (PSO)

DOP has executed statewide open contracts with a number of IT service providers. The department is required to utilize these open contracts for IT services found on DOP's Statewide Contract website. Other related information found on this website regarding these services includes:

- Instructions for using IT Services Contracts
- IT Services Categories and Category Subservices
- IT Services Contracts Award by Category List
- Project Service Order(PSO) Form
- IT Services Contract Contractor Pricing

The department's CAU contract officer and the requestor of the IT services will develop the PSO deliverables. The CAU contract officer will solicit responses from the IT service contractors who have 5 working days to respond to the PSO. Once PSO responses are received from IT service contractors, the CAU contract officer will perform an evaluation of the responses. An IT services contractor(s) will be selected based on the best interests of the department, to include factors such as price, availability, support services, and delivery that are most advantageous to the department.

Due to these contracts lasting for several months, it is the responsibility of the end user to notify the CAU contract officer of any changes, such as scope of the work, contract term or deliverables so an amendment can be executed.

An IT Project Service Order contract may require monitoring during the term of the contract. The requestor or department end user of the IT services will need to periodically provide progress reports and at the end of the contract provide a close-out report.

Where there is no statewide open contract for the procurement, information technology PSOs that do not exceed \$100,000 (through a fixed price/not to exceed price contract) for a non-renewable term of no more than one year are exempt from the formal bid procedures per IDAPA 38.05.01.044, Section 7.

18. Leases

There are a variety of lease options available to the department and the type and term will dictate the appropriate process:

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Equipment Leases

The department may, subject to competitive bidding requirements, enter into equipment leases using the same requirements and dollar limits as purchases and where the leases do not exceed one (1) year in length. Purchasing must sign all leases established using delegated purchasing authority. A central file of all signed leases is maintained in purchasing. All leases exceeding one (1) year in length must be processed through DOP.

Property Leases

Leases and rentals of real property are managed by the Division of Public Works (DPW). Purchasing will work with the DPW leasing manager in initiating, canceling and renewing leases. A central file of all signed leases is maintained in purchasing.

Multi-function Printer (MFP's) Leases

All department lease agreements for multi-function printers (MFP's) are processed and managed by purchasing using statewide open contracts. Purchasing will coordinate the delivery of the equipment on behalf of the end user as well as create cancellation notices for expired or soon to be expired equipment. IT also needs to be notified about pending deliveries in order to network equipment.

19. Requests for Information

Requests for Information (RFI) are used to gather information from as many sources as possible. The requests can be facilitated through the contract administration unit. There is no obligation to expend funds or incur liability. The results gathered can be useful in developing specifications for a bid or RFP. In developing an RFI, the following should be considered and included to obtain valuable information:

- Define the purpose and state the intent of the RFI
- Include a disclaimer that the RFI is made for informational and planning purposes only
- Describe the current situation, question, or problem
- Describe financial considerations or limitations, if appropriate
- Define the overall plan
- Schedule a conference call with interested suppliers, if needed
- Explain that the RFI is a solicitation for general pricing information
- Provide the closing date and address for responding to the RFI
- Evaluate the responses and develop a future course of action

20. Emergency Purchasing

Idaho Code Section 67-5720 authorizes a limited exception to informal and formal bid processes for emergency purchases. DOP rule IDAPA 38.05.01.043 defines an emergency as follows: "An emergency condition is a situation that creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or other similar circumstances. The existence of such condition must create an immediate and serious need for property that cannot be met through normal acquisition methods."

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Purchasing shall make a written determination stating the basis for any emergency purchase exceeding \$10,000 and for the selection, if applicable, of the particular supplier. Such determination shall be sent promptly to the administrator of the DOP for review and written approval that the purchase be undertaken as an emergency purchase.

DOP, after determining that an emergency exists, may authorize the purchase of property or services necessary to meet the emergency, with any available specifications, without regard to the bid provisions of the DOP rules.

In an extreme emergency, agency personnel may take whatever purchasing action necessary to resolve the emergency, to be followed by a written explanation and summary of the action taken to purchasing. Purchasing will prepare the emergency documentation, signed by the director (or designee), and provide to DOP

21. Exemptions and Justifications

In order for the department to be exempt from following the above informal and formal bid procedures, there are various DOP exemption forms that, depending on the circumstances, need to be submitted by purchasing and approved by the DOP administrator prior to purchase. These exemptions include:

Sole Source Authorization (SSA)

This form is required to purchase an item that only a single supplier can provide. Requests for sole source purchases describe an item made only by one manufacturer. However, if the item is distributed and readily available from many different suppliers it does not qualify for sole source. It has a sole manufacturer, but not a sole supplier. As long as there is more than one potential bidder or offer for the property item, there is no justification for a sole source determination. An SSA needs to be completely filled out and signed by the business support manager justifying the source. The DOP administrator will approve by signing and returning the form to the purchasing agent.

One Time Exemption from Competition

This exemption needs justification from purchasing and approval from the DOP administrator. There are certain circumstances where this exemption is advantageous to the department. These situations need to be discussed with the business support manager in order to validate the request and submit it to DOP for approval.

Exemption from a Statewide Open Contract

This exemption must be justified and requires approval by the DOP administrator. Purchasing will make this request to receive DOP administrator approval.

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One Time Limited Delegated Purchase Authority (DPA)

Typically, this exemption is recommended by the DOP liaison to the department and is requested by the business support manager for purchases ranging from \$50,000 to \$99,999.

Brand Name Only

For this exemption, the department must receive approval to specify a particular manufacturer in a solicitation. This request must be made by purchasing and must be approved by the DOP administrator.

22. Policy Directives

Directives are created to exempt agencies from reoccurring purchases where competitive bidding is impractical, disadvantageous or unreasonable under the circumstances. This request must be submitted by the business support manager and approved by the DOP administrator.

DEFINITIONS

Contracting: The process of establishing term agreements with suppliers for the delivery of products and/or services for a specific length of time. A contract shall also include amendments and/or change orders.

Department: The State of Idaho Department of Correction

Division of Purchasing (DOP): A division within the state of Idaho's department of administration that is responsible for the oversight of all state purchasing activities.

ITB: Invitation to bid – Includes all documents, whether attached or incorporated by reference, utilized for soliciting formal sealed bids.

Statewide Open Contract. A contract awarded by the DOP to one or more vendors who have agreed to allow all state agencies to procure or purchase specified property under the terms and conditions set forth in the contract.

Property: Goods, services, parts, supplies and equipment, both tangible and intangible, including, but nonexclusively, designs, plans, programs, systems, techniques and any rights and interests in such property. This includes concession services and rights to access or use state property or facilities for business purposes.

RFQ: Request for Quote - The document, form or method generally used for purchases solicited in accordance with small purchase or emergency purchase procedures.

RFP: Request for Proposal - Includes all documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals and is generally utilized in the acquisition of services or complex purchases

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REFERENCES

Department Policy 147

Idaho Code Section 67-5717(10) and 67-5732

IDAPA 38.05.01, Rules of the Division of Purchasing

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