

# COASTAL CAROLINA UNIVERSITY

## PROCUREMENT OPERATIONS MANUAL



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# PROCUREMENT OPERATIONS MANUAL

## AUTHORITY

### **Procurement Authority**

Coastal Carolina University's policy concerning the commitment of funds entrusted to the University is provided for by the General Appropriations Act of the State of South Carolina. The Coastal Carolina University Procurement Office is authorized, in accordance with the *South Carolina Consolidated Procurement Code*, to make commitments against University accounts for the procurement of supplies, equipment, and services necessary for the operation of the University. Expenditure of all University funds from all accounts are to be administered by the Procurement Office in a manner which results in the greatest good for the State and shall be accomplished in accordance with the Permanent Regulations issued by the South Carolina State Budget and Control Board, under the authority of the South Carolina Consolidated Procurement Code, as contained in South Carolina Statute H.4081 of 1993.

### **Purpose Statement**

1. The Procurement Office is organized to serve and facilitate the objectives of the University, to make commitments in a consistent and orderly fashion, and to foster a high standard of public relations within the University, with suppliers, and the public.
2. The objectives of the Procurement Office include the following:
  - (A) To provide all the commodities and services required for the organization's operations at the time and place needed in the proper quantity and quality.
  - (B) To secure such commodities and services at the lowest possible cost while establishing and maintaining a reputation for fairness and integrity.
  - (C) To provide economic delivery of purchased materials.
  - (D) To provide sound inventory management.
  - (E) To ensure effective planning systems are in place through optimized systems and procedures.
  - (F) To obtain the greatest possible revenue from the disposal of surplus, damaged, or obsolete materials and equipment.

## **Determination of Compliance**

It is the intent of the Coastal Carolina University Procurement Office to adhere to and abide by the policies, procedures, and guidelines relating to the procurement, management, control, and disposal of supplies, equipment, and services, as applicable, under the authority of the *South Carolina Consolidated Procurement Code*.

## **Ethical Standards**

Coastal Carolina University adheres to the Code of Ethics as adopted by the National Association of Educational Buyers:

1. To give first consideration to the objectives and policies of the institution.
2. To strive to obtain the maximum ultimate value of each dollar of expenditure.
3. To cooperate with trade and industrial associations, governmental, and private agencies engaged in the promotion and development of sound business methods.
4. To demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
5. To decline personal gifts or gratuities.
6. To grant all competitive bidders equal consideration, to regard each transaction on its own merits, to foster and promote fair, ethical, and legal trade practices.
7. To use only by consent original ideas and designs devised by one vendor for competitive purchasing purposes.
8. To be willing to submit to arbitration on any major controversies.
9. To accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. To cooperate with peers and promote a spirit of unity among them.

## **ORGANIZATION**

### **Procurement Organization, Authorities & Responsibilities**

1. Director of Procurement

Responsible for coordination and supervision of the Coastal Carolina University Procurement Department; accountable for procurement of supplies, equipment, and services necessary for the operation of the University; designated person authorized to sign commitments for the agency. The Director of Procurement reports directly to the Assistant Vice President for Business Affairs.

2. Procurement Specialist II

Under the direction of the Director of Procurement, responsible for activities involved in purchasing or rental of equipment, supplies, and services of a complex nature up to \$200,000 necessary for the operation of the University.

3. Procurement Specialist II

Under the direction of the Director of Procurement, responsible for procurement of goods and services that are less complex in nature up to \$50,000, maintain blanket orders for copiers, pagers, cellular phones, and provide backup for data entry of purchase orders.

4. Procurement Specialist I

Under the direction of the Director of Procurement, responsible for purchasing goods and services that are less complex in nature and supervision of procurement card program.

5. Administrative Specialist

Under the direction of the Director of Procurement, performs data entry of purchase orders, maintains vendor files; monitor and maintain blanket orders, maintain records, assist with bid process; and assist with procurement procedures.

### **Professional Development**

It is the intent of Coastal Carolina University to promote and sponsor participation in procurement training and certification of procurement personnel.

## **Agency Certification**

An agency of the State may make direct procurements above \$50,000, which are not under term contracts, if they are certified to do so by the Materials Management Office in accordance with the provisions of the Procurement Code. When seeking certification the agency shall forward such requests in writing to the Materials Management Office and provide its internal Procurement Procedures Manual. The Materials Management Office shall conduct a thorough review of the agency's internal procurement procedures for all areas of procurement designated by the code. Subject to the findings of that review, the Materials Management Office may authorize the agency to make direct procurements up to an assigned dollar limit for certain commodities and services. All certified procurements shall be subject to the appropriate provisions of the code and regulations, especially regarding competitive procurement methods, non-restrictive specifications, and audit requirements and findings.

## **POLICIES**

### **Methods of Source Selection**

The Procurement Office has the final responsibility to conduct and conclude all negotiations concerning prices and conditions of sale for all purchases and contemplated purchases. During the bidding process prices secured on a quotation basis are to be considered confidential and should not be discussed with vendors by department personnel.

### **Small Purchases**

In accordance with Section 11-35-1550, these are purchases less than \$50,000 in actual or potential value and are not protestable.

A. Purchases Not in Excess of \$2,500.00

Small purchases not exceeding \$2,500.00 may be accomplished without securing competitive quotations if the prices are considered to be "fair and reasonable." The determination of "fair and reasonable" shall be made by the Procurement Office. Such determination shall be noted on the purchase requisition and signed. Such purchases shall be distributed equitably among qualified suppliers. When practical, a quotation will be solicited from other than the previous supplier prior to placing a repeat order.

B. Purchases from \$2,500.01 to \$10,000.00

The Procurement Office or purchase initiator will verbally solicit written quotations from a minimum of three sources of supply. Documentation of the quotes shall be attached to the purchase requisition. The award shall be made to the lowest responsive and responsible source.

C. Purchases from \$10,000.00 to \$50,000.00

The Procurement Office will make solicitations of written quotes from qualified sources of supply. The procurement shall be advertised at least once in the South Carolina Business Opportunities publication. A copy of the written solicitation and written quotes shall be attached to the purchase requisition. The award shall be made to the lowest responsive and responsible source, or when a request for proposal process is used, the highest ranking offeror. Vendors quoting on purchases greater than \$10,000 will be offered the opportunity to apply for a procurement preference for South Carolina vendors and products or United States made or manufactured end products. A preference of seven percent will be provided to vendors who are residents of South Carolina or whose products are made, manufactured, or grown in South Carolina as set forth in Section 11-35-1524 of the South Carolina Procurement Code. A preference of two percent will be provided to vendors of products made, manufactured, or grown in other states of the United States. If a vendor qualifies as a resident vendor and is bidding a product made, manufactured, or grown in South Carolina, an additional three percent preference will be given if claimed by the vendor. These preferences shall not apply when: (1) the price of a single unit is more than \$30,000; (2) any procurements conducted under Article 9 of the Code (construction, architect-engineer, construction management, and surveying services); (3) to any prime contractor or subcontractor providing materials or services relating to permanent improvements to real estate; (4) procurements less than \$10,000; (5) to any solicitation conducted under Section 11-35-1530 of the Code (Competitive Sealed Proposals).

**Competitive Sealed Bid, Section 11-35-1520**

1. Condition for Use  
Contracts amounting to \$50,000 or more shall be awarded by competitive sealed bidding except as otherwise provided in Section 11-35-1510.
2. Invitation for Bids  
An invitation for bids shall be issued in an efficient and economical manner to include specifications and all contractual terms and conditions applicable to the procurement.
3. Notice  
Adequate notice of the invitation for bids shall be given at a reasonable time prior to the date set for the opening of bids. This notice shall be advertised in the South Carolina Business Opportunities or through a means of central electronic advertising as approved by the Office of General Services.
4. Receipt and Safeguarding of Bids  
All bids received prior to the time of opening shall be kept secure and with the exception of unidentified bids, unopened, in the Procurement Office. Prior to bid opening, information concerning the identity and number of bids received shall be made available only to the state employees, and then only on a “need to know” basis. If an invitation for bid is canceled, bids shall be returned to the bidders. When bid samples are submitted, they shall be handled with sufficient care to prevent disclosure of characteristics before bid opening.

5. **Unidentified Bids**  
Unidentified bids may be opened solely for the purpose of identification, and then only by the Director of Procurement or a designee of the Director. If a sealed bid is opened by mistake, the person who opens the bid will immediately write her signature and position on the envelope and deliver it to the Director of Procurement. The Director of Procurement shall immediately write on the envelope an explanation of the opening, the date and time opened, the invitation for bid's number, and their signature, and then shall immediately reseal the envelope.
6. **Postponement of Bid Openings**  
In accordance with regulation 19-445-2050, if it becomes necessary to postpone a bid opening, the procurement officer shall issue the appropriate amendments to the solicitation, postponing or rescheduling the bid opening.
7. **Bid Opening**  
Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the bid invitation. The amount of each bid, the bidder name and other relevant information shall be tabulated. The tabulation shall be open for public inspection at that time.
8. **Disclosure of Bid Information**  
Only the information disclosed by the procurement officer or their designee at a bid opening is considered to be public information under the Freedom of Information Act, Chapter 3 of Title 30, until the award is made.
9. **Bid Acceptance and Evaluation**  
Bids shall be accepted unconditionally without alteration or correction, except as authorized in the Code. The Invitation for Bid shall state the evaluation criteria to be used and only those criteria can be used. When necessary for the best interest of Coastal Carolina University and the State, bid criteria to determine acceptability may include inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. These criteria will affect the bid price and be considered in evaluation for award shall be measurable costs to include, but not limited to discounts, transportation costs, and total or life cycle costs.
10. **Telegraphic Bids**  
As a general rule, telegraphic bids will not be authorized. When, in the judgment of the procurement officer, the date for the opening of the bids will not allow bidders sufficient time to prepare and submit bids on prescribed forms or when prices are subject to frequent changes, sealed telegraphic bids may be authorized.

11. **Rejection of Bids**

As a general rule after opening, an invitation for bids should not be canceled and readvertised due solely to increased requirements for the item being procured; award should be made on the initial invitation for bids and the additional quantity required should be treated as a new procurement. Unless there is a compelling reason to reject one or more bids, the award will be made to the lowest responsible and responsive bidder. Any bid that fails to conform to the essential requirements of the invitation for bids shall be rejected.
12. **Alternate Bids**

Any bid that does not conform to the specifications contained or referenced in the bid invitation may be rejected, unless the invitation authorized the submission of alternate bids and the supplies offered as alternatives meet the requirements specified in the invitation.
13. **Nonresponsive Bids**

Any bid which fails to conform to the delivery schedule, or a permissible alternative thereto stated in the invitation for bids, may be rejected.
14. **Modification of Requirements by Bidder**

Ordinarily a bid will be rejected when the bidder attempts to impose conditions which modify the requirements of the bid or limit their liability. For example, bids should be rejected in which the bidder:

  - (a) Attempts to protect himself against future changes in conditions, such as increased cost, if total possible cost to the state cannot be determined;
  - (b) Fails to state a price and in lieu thereof states that price shall be: "price in effect at time of delivery;"
  - (c) States a price but qualified such price as being subject to "price in effect at time of delivery;"
  - (d) When not authorized by the invitation, conditions or qualifies his bid by stipulating that his bid is to be considered only if, prior to the date of award, bidder receives (or does not receive) award under separate procurement;
  - (e) Requires the state to determine that the bidder's product meets state specifications; or
  - (f) Limits the rights of the state under any contract clause. The lowest responsive and responsible bidder may be requested to delete objectionable conditions from his bid provided that these conditions do not go to the substance, as distinguished from the form, of the bid or work and in justice on other bidders.

15. **Price Unreasonableness**  
Any bid may be rejected if the procurement officer determines in writing that it is unreasonable as to price.
16. **Bid Guarantee Requirement**  
When a bid guarantee is required and a bidder fails to furnish it in accordance with the requirements of the invitation for bids, the bid shall be rejected.
17. **Unsigned Bids**  
Unsigned bids shall be rejected unless a representative of the company who has the authority to sign is present at the bid opening and if discovery is made prior to reading any bids for that procurement. The representative may be allowed to sign the bid.
18. **Exception to Rejection Procedures**  
Any bid received after the procurement officer has declared that the time set for bid opening has arrived, shall be rejected unless the bid had been delivered to the designated purchasing office or the University's mail room prior to the bid opening.
19. **All or None Qualifications**  
Unless the invitation for bid so provides, a bid is not rendered nonresponsive by the fact that the bidder specifies that the award shall be accepted only on all, or a specified group, of the items included in the invitation for bids. However, bidders shall not be permitted to withdraw or modify "all or none" qualifications after bid opening.
20. **Correction or Withdrawal of Bids; Cancellation of Awards**  
Correction or withdrawal of inadvertently erroneous bids before bid opening, withdrawal of inadvertently erroneous bids after award, or cancellation and re-award of award or contract, after award but prior to performance may be permitted in accordance with the Regulations. After bid opening no changes in bid prices or other provisions prejudicial to the interest of the state or fair competition shall be permitted. Except as otherwise provided by regulation, all decisions to permit the correction or withdrawal of bids, or to cancel awards, or contracts, after award but prior to performance shall be supported by a written determination by the Director of Procurement. A bidder or offeror must submit a written request to correct a written bid. Each request must document that the bidder's or offeror's mistake is clearly an error that will cause him substantial loss.
21. **Correction Creates Low Bid**  
To maintain the integrity of the competitive sealed bidding system, a bidder shall not be permitted to correct a bid mistake after bid opening that would cause such bidder to have the low bid unless the mistake, in the judgment of the procurement officer, is clearly evident from examining the bid document; for example, extension of unit prices or errors in addition.

22. Discussion with Bidders  
Discussions with apparent responsive bidders may be conducted for the purpose of clarification to assure full understanding of the requirements of the invitation for bids.
23. Tie Bids  
If two or more bidders are tied in price while otherwise meeting all of the required conditions, awards are determined in the following order of priority:
- (a) If there is a South Carolina firm tied with an out-of-state firm, the award must be made to the South Carolina firm.
  - (b) Tie bids involving South Carolina produced or manufactured products, when known, and items produced or manufactured out of the state must be resolved in favor of the South Carolina commodity.
  - (c) Tie bids involving a business certified by the South Carolina Office of Small and Minority Business Assistance as a Minority Business Enterprise must be resolved in favor of the Minority Business Enterprise.
  - (d) Tie bids involving South Carolina firms must be resolved in favor of the South Carolina firm located in the same taxing jurisdiction as the University.
  - (e) In all other situations in which bids are tied, the award must be made to the tied bidder offering the quickest delivery time, or if the bidders have offered the same delivery time, the tie shall be resolved by the flip of a coin witnessed by the procurement officer. All responding vendors must be invited to attend.
24. Award  
Unless all bids are rejected, notice of an intended award of a contract to the lowest responsible and responsive bidder whose bid meets the requirements set forth in the invitation for bid shall be given by posting such notice as noted in the bid. Prior to the posting of the award, the University may negotiate with the lowest bidder to lower his bid within the scope of the invitation for bid. For contracts with a total or potential value in excess of fifty thousand dollars but less than one hundred thousand dollars, notice of the award of a contract must be given by posting and must be sent to all bidders responding to the solicitation on the same day that the notice is posted in accordance with this section. For contracts with a total or potential value of one hundred thousand dollars or greater, notice of an intended award of a contract must be given by posting the notice for ten days before entering into a contract and must be sent to all bidders responding to the solicitation on the same day that the notice is posted in accordance with this section. The posting date shall appear on the face of all these notices. The invitation for bid and the posted notice must contain a statement of the bidder's right to protest under Section 11-35-4210(1) and the date and location of posting must be announced at bid opening.

When only one response is received, the notice of intent to award and the ten day delay may be waived. A determination of responsibility must be made before award in accordance with Section 11-35-1810. Such notice must contain a statement of the bidder's right to protest under Section 11-35-4210(1).

25. Negotiations after Unsuccessful Competitive Sealed Bidding 11-35-1540

When bids received pursuant to IFB under Section 11-35-1520 are considered unreasonable by the University, or are not independently reached in open commitment, or the low bid exceeds available funds and it is determined in writing by the Director of Procurement that time or other circumstances will not permit the delay required to re-solicit competitive sealed bids, a contract may be negotiated pursuant to this section, provided that:

- (a) each responsible bidder who submitted a bid under the original solicitation is notified of the determination and is given reasonable opportunity to negotiate;
- (b) the negotiated price is lower than the lowest rejected bid under the original solicitation;
- (c) the negotiated price is the lowest price offered by any responsible and responsive offeror.

26. Request for Qualifications

Prior to soliciting bids, the University may issue a request for qualifications from prospective bidders. Such request shall contain at a minimum a description of the goods or services to be solicited by the bid invitation, the general scope of the work, the deadline for submission of information, and how prospective bidders may apply for consideration. The request shall require information concerning the prospective bidders' product specifications, qualifications, experience, and ability to perform the requirements of the contract. Adequate public notice of the request for qualifications shall be given in the manner provided in Section 11-35-1520(3). After receipt of the responses to the request for qualifications, the prospective bidders shall be ranked from the most qualified to the least qualified based on the information provided. Bids shall be solicited from at least the top two prospective bidders by means of an invitation for bids. The failure of a prospective bidder to receive the invitation for bids shall not be protestable under Section 11-35-4210.

27. Minor Informalities and Irregularities in Bids

A minor informality is one which is merely a matter of form or is some immaterial variation from the exact requirements of the bid invitation having no effect or merely a trivial or negligible effect on total bid price, quality, quantity, or delivery or the supplies or performance of the contract, and the correction or waiver would not be prejudicial to bidders. The procurement officer shall either give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid or waive any such deficiency when it is to the advantage of the University. Such communication or determination shall be in writing. The following are examples and not limited to these only:

- a. failure of a bidder to return the number of copies of signed bids required by the solicitation;
- b. failure of a bidder to furnish the required information concerning the number of the bidder's employees or failure to make a representation concerning its' size.
- c. failure of a bidder to sign its bid, but only if the firm submitting the bid has formally adopted or authorized the execution of documents by typewritten, printed, or rubber stamped signature and submits evidence of such authorization, and the bid carries such a signature or the unsigned bid is accompanied by other material indicating the bidder's intention to be bound by the unsigned document, such as the submission of a bid guarantee with the bid or a letter signed by the bidder with the bid referring to and identifying the bid itself;
- d. failure of a bidder to acknowledge receipt of an amendment to a solicitation, but only if
  - 1. the bid received indicates in some way that the bidder received the amendment, such as where the amendment added another item to the solicitation and bidder submitted a bid, thereon, provided that the bidder states under oath that it received the amendment prior to bidding and that the bidder will stand by its bid price or,
  - 2. the amendment has no effect on price or quantity or merely a trivial or negligible effect on quality, or delivery, and is not prejudicial to bidders, such as an amendment correcting a typographical mistake in the name of the University;
- e. failure of a bidder to furnish an affidavit concerning affiliates;
- f. failure of a bidder to execute the certifications with respect to Equal Opportunity and Affirmative Action Programs;
- g. failure of a bidder to furnish cut sheets or product literature;
- h. failure of a bidder to furnish certificates of insurance;
- i. failure of a bidder to furnish financial statements;
- j. failure of a bidder to furnish its bidder number;
- k. failure of a bidder to furnish references; and

1. notwithstanding Section 40-11-80, the failure of a bidder to indicate his contractor's license number or other evidence of licensure, provided that no contract shall be awarded to the bidder unless and until the bidder is properly licensed under the laws of South Carolina.
28. South Carolina Vendor Product Preference  
A preference of seven percent must be provided to vendors who are residents of South Carolina or whose products are made, manufactured, or grown in South Carolina as set forth in Section 11-35-1524.
29. Preference Determination  
As used in this section, unless the context indicates otherwise, the terms below have the following meanings:
1. Made: To assemble, fabricate, or process component parts into a finished end-product the value of which assembly, fabrication or processing is a significant portion of the value of the finished end-product.
  2. Manufacture: To make or process raw materials into a finished end-product.
  3. Grown: To produce, cultivate, raise or harvest, timber, agriculture produce, or livestock, on the land, or to cultivate, raise, catch, or harvest products or food from the water which results in an end-product that is locally derived from the product cultivated, raised, caught or harvested.
  4. End-Product: The item sought by the University and described in the solicitation including all component parts and in final form and ready for use intended by the University.
  5. Unreasonable Cost:
    - (a) The cost of an item from a resident vendor or an end-product made, manufactured or grown in South Carolina is unreasonable if the bid exceeds by more than seven percent the lowest qualified bid on the same item or end-product which is made, manufactured or grown in other states, or in a foreign country.
    - (b) The cost of an end-product made, manufactured or grown in other states is unreasonable if the bid exceeds by more than two percent the lowest qualified bid on the same or similar end-product which is made, manufactured or grown in a foreign country.
  6. Resident Vendor: A vendor is considered to be a resident of South Carolina if the vendor is:
    - (a) an individual, partnership, association, or corporation that is authorized to transact business within South Carolina,
    - (b) maintains an office in South Carolina,

- (c) maintains an inventory for expendable items which are representative of the general type of commodities on which the bid is submitted and located in South Carolina at the time of the bid having a total value of ten thousand dollars or more based on the bid price, but not to exceed the amount of the contract, or is a manufacturer which is headquartered and has at least a ten million dollar payroll in South Carolina and the product is made or processed from raw materials into a finished end-product by such manufacturer or an affiliate (as defined in Section 1563 of the Internal Revenue Code) of such manufacturer, and
- (d) has paid all assessed taxes.

#### Application

Competitive procurements made by governmental bodies shall be made from vendors resident to South Carolina or vendors who bid end-products made, manufactured or grown in South Carolina or in the United States, if available, provided that (1) the bidder has certified in writing in the bid that he/she is a resident of South Carolina, or (2) the bidder has certified in writing in the bid that the end-product was made, manufactured or grown in South Carolina or in the United States, and (3) the end-product is not unreasonable. In order to receive the award, the vendor must be a responsible and responsive bidder and the bid must otherwise comply with the S.C. Consolidate Procurement Code and Regulations.

In the case of a request for resident vendor status, this requirement shall apply to the entire solicitation. In the case of a request for end-product status, this requirement shall apply to each line item or each lot in a solicitation to which a separate, responsive bid may be made.

#### Exceptions

This section shall not apply (1) to any procurements conducted under Article 9 of the Code (construction, architect-engineer, construction management and land surveying services), (2) to any prime contractor or subcontractor providing materials or services relating to permanent improvements to real estate, (3) to any solicitation, bid, offer, or procurement when the price of a single unit of the end-product is more than \$30,000 whether or not more than one unit is bid or offered, (4) to any solicitation, bid, offer, or procurement where the contract award is less than \$10,000, or (5) to any solicitation conducted under Section 11-35-1530 of the Code (Competitive Sealed Proposals).

#### Enforcement

- (1) A bidder shall be suspended or debarred from doing business with the University in accord with Section 11-35-4220 of the *South Carolina Consolidated Procurement Code* if it is determined that the certification made by the bidder as to the resident vendor request or the origin of the end-product was filed under false pretenses and is not valid. In addition, if the bidder with the invalid certification of origin was awarded the contract he shall also pay the University the amount by which the bid based on the on the invalid certification exceeded the lowest responsible and responsive bid that would have been selected but for the invalid certification.

- (2) If a bidder has not requested the preference, he will neither be entitled to claim any preference against another bidder nor will he be protected from application of another bidders' claim to a preference against his bid in determining contract award.

#### South Carolina Vendor plus South Carolina Product Preference

If a vendor in qualifies a resident vendor and is bidding a product made, manufactured, or grown in South Carolina an additional three percent preference is given if claimed by the vendor.

### **Competitive Fixed Price Bidding 11-35-1525**

- (1) **Conditions for Use.** When the University determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the University, a contract may be entered into by competitive fixed price bidding subject to the provisions of Section 11-35-1520 and the ensuing regulations, unless otherwise provided for in this section.
- (2) **Fixed Price Bidding.** The purpose of fixed price bidding is to provide multiple sources of supply for specific goods or services based on a pre-set maximum price which the state will pay for such goods or services.
- (3) **Public Notice.** Adequate public notice of the solicitation shall be given in the same manner as provided in Section 11-35-1520(3).
- (4) **Pricing.** The University shall establish, prior to issuance of the fixed price bid, a maximum amount the University will pay for the goods or services desired.
- (5) **Evaluation.** Vendors' responses to the fixed price bid will be reviewed to determine if they are responsive and responsible.
- (6) **Discussion with Responsive Bidders.** Discussions may be conducted with apparent responsive bidders to assure understanding of the requirements of the fixed price bid. All bidders, whose bids, in the University's sole judgment, need clarification, shall be accorded such an opportunity.
- (7) **Award must be made to all responsive and responsible bidders to the University's request for competitive fixed price bidding.** The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.
- (8) **Bids Received After Award.** Bidders not responding to the initial fixed price bid may be added to the awarded vendors list provided the bidder furnishes evidence of responsibility and responsiveness to the University's original fixed price bid as authorized by the solicitation.
- (9) **Remedies.** The failure of a specific offeror to receive business, once it has been added to the awarded vendor's list, shall not be grounds for a contract controversy under Section 11-35-4230.

## **Competitive Best Value Bidding 11-35-1528**

- (1) Conditions for use. When the University determines in writing that the use of competitive sealed bidding is either not practical or not advantageous to the University, a contract may be entered into by competitive best value bidding subject to the provisions of Section 11-35-1520 and the ensuing regulations, unless otherwise provided for in this section.
- (2) Best Value Bidding. The purpose of best value bidding is to allow factors other than price to be considered in the determination of award for specific goods or services based on pre-determined criteria identified by the University.
- (3) Public Notice. Adequate public notice of the request for the solicitation shall be given in the same manner as provided in Section 11-35-1520(3).
- (4) Bid Opening. At the time of the bid opening, the only information released will be the participating vendors. Cost information will be provided after the ranking of bidders and the issuance of award.
- (5) Evaluation Factors. The best value bid shall state the factors to be used in determination of award and the numerical weighting for each factor. Cost must be a factor in determining the award and cannot be weighted as less than sixty percent. Best value bid evaluation factors may be defined to include, but are not limited to, any of the following as determined by the University in its sole discretion and not subject to protest:
  - (a) Operational costs that the University would incur if the bid is accepted;
  - (b) Quality of the product or service, or its technical competency;
  - (c) Reliability of delivery and implementation schedules;
  - (d) Maximum facilitation of data exchange and systems integration;
  - (e) Warranties, guarantees, and return policy;
  - (f) Vendor financial stability;
  - (g) Consistency of the proposed solution with the University's planning documents and announced strategic program direction;
  - (h) Quality and effectiveness of business solution and approach;
  - (i) Industry and program experience;
  - (j) Prior record of vendor performance;
  - (k) Vendor expertise with engagement of similar scope and complexity;

- (l) Extent and quality of the proposed participation and acceptance by all user groups;
  - (m) Proven development methodologies and tools; and
  - (n) Innovative use of current technologies and quality results.
- (6) Discussion with Responsive Bidders. Discussions may be conducted with apparent responsive bidders to assure understanding of the best value bid. All bidders, in the University's sole judgment, need clarification shall be afforded such an opportunity.
- (7) Selection and Ranking. Bids shall be evaluated by using only the criteria stated in the best value bid and by adhering to the weighting as assigned. All evaluation factors, other than cost, will be considered prior to determining the effect of cost on the score for each participating bidder. Once the evaluation is complete, all responsive bidders shall be ranked from most advantageous to least advantageous.
- (8) Award. Award must be made to the responsive and responsible bidder whose bid is determined, in writing, to be most advantageous to the University, taking into consideration all evaluation factors set forth in the best value bid. The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.

### **Competitive Sealed Proposals 11-35-1530**

- (1) Conditions for Use. When the University determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the University, a contract may be entered into by competitive sealed proposals subject to the provisions of Section 11-35-1520 and the regulations, unless otherwise provided for in this section. Subject to the requirements of Section 1-35-3220, the board may provide by regulation that it is either not practicable or not advantageous to the University to procure specified types of supplies, services, or construction by competitive sealed bidding.
- (2) Public Notice. Adequate public notice shall be given in the same manner as provided in Section 11-35-1520 (3) for the request for proposals.
- (3) Receipt of Proposals. Proposals shall be opened publicly in accordance with regulations of the board. A tabulation of proposals shall be prepared in accordance with regulations promulgated by the board and shall be open for public inspection after contract award.
- (4) Request for Qualifications. Prior to soliciting proposals, the University acting through the authorized procurement officer, may issue a request for qualifications from perspective offerors. Such requests shall contain at a minimum a description of the goods or services to be solicited by the RFP and the general scope of the work and shall state the deadline for submission of information and how perspective offerors may apply for consideration. The request shall require information only on their qualifications, experience, and ability to perform the requirements of the contract. After receipt of the

responses for qualifications, the perspective offerors shall be ranked from most qualified to least qualified on the basis of the information provided. Proposals shall then be solicited from at least the top two perspective offerors by means of an RFP. The failure of a perspective offeror to be selected to receive the request for proposals shall not be grounds for protest under Section 11-35-4210.

- (5) Evaluation Factors. The RFP shall state the relative importance of the factors to be considered in evaluating proposals but shall not require numerical weighting for each factor. Price may but need not be an evaluation factor.
- (6) Discussion with Offerors. As provided in the RFP, discussions may be conducted with apparent responsive offerors for the purpose of clarification.
- (7) Selection and Ranking. Proposals shall be evaluated using the criteria stated in the RFP and must be adherence to the weightings previously assigned. Once evaluation is complete, all responsive offerors shall be ranked from most advantageous to least advantageous to the University, considering the evaluation factors stated in the RFP. If price is an initial factor, award shall be made in accordance with Section 11-35-1530(9) below.
- (8) Negotiations. Whether price was an evaluation factor or not, the University, through the appropriate procurement official, may, in its sole discretion and not subject to challenge through a protest filed under Section 11-35-4210, proceed in any of the manners listed below:
  - (a) Negotiate price with the highest ranked offeror. If a satisfactory price cannot be agreed upon, price negotiations may be conducted, in the sole discretion of the procuring agency, with the second, and then the third, etc.
  - (b) Negotiate with the highest ranking offeror on matters affecting the scope of the contract, so long as the overall nature and intent of the contract is not changed. If a satisfactory contract cannot be negotiated with the highest ranking offeror, negotiations may be conducted, in the sole discretion of the University with the second, third, etc.
  - (c) During the negotiation process as outlined above in (1) and (2), if the University is unsuccessful in its first round of negotiations, it may reopen negotiations with any offeror with whom it previously negotiated.
  - (d) If, after following the procedures set forth in Section 11-35-1530(8), a contract is not able to be negotiated, the scope of the RFP may be changed in an effort to reduce the cost to a fair and reasonable amount, and all responsive offerors must be allowed to submit their best and final offers. In conducting negotiations, there must be no disclosure of any confidential information derived from proposals and negotiations submitted by competing offerors.

- (9) Award. Award must be made to the responsive offeror whose proposal is determined in writing to be the most advantageous to the University, taking into consideration price and the evaluation factors set forth in the RFP, unless the University determines to utilize one of the options provided in Section 11-35-1530(8). The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit. Procedures and requirements for the notification of intent to award the contract shall be the same as those stated in Section 11-35-1520(10).

### ***South Carolina Business Opportunities***

South Carolina Business Opportunities is the official State government publication and is published bi-weekly by the Division of Procurement Services. The purpose of this publication is to provide a listing of proposed procurements of construction, information technology, supplies, services, and other procurement information of interest to the business community. This publication is available in the Procurement Office and at all public libraries throughout the State.

### **Drug Free Workplace**

The State of South Carolina has amended Title 44, Code of Laws of South Carolina, 1976, relating to health, by adding Chapter 107, so as to enact the Drug Free Workplace Act. The University will comply with Section 44-107-20 of the Drug Free Workplace Act by requiring vendor certification on all contracts of \$50,000.00 or more that a drug free workplace has been provided for their employees. This applies to sole source, emergency, interagency, construction, and exempt contracts.

### **Term Contracts**

It is mandatory that the University utilize term contracts established by the Materials Management Office. "Term contract" is defined by the South Carolina Consolidated Procurement Code as a contract established by the Materials Management Office for a specific product or service for a specified time and for which it is mandatory that all State agencies procure their requirements for the goods/services during its term. If a State agency is offered goods/services at a price that is at least 10% less than the term contract price for the same goods or services, the agency may purchase from the vendor offering the lower price after first offering the vendor holding the term contract the option to meet the lower price. If the vendor holding the term contract meets the lower price, the agency must purchase from the contract vendor. A list of these contracts is maintained in the Procurement Office. These contracts are frequently updated by the State and individuals seeking information on contract items should contact the Procurement Office.

### **Blanket Purchase Agreements**

A blanket purchase agreement is a simplified method of filling anticipated repetitive needs. The agreement shall contain the following provisions:

1. Description of agreement: a statement that the supplier shall furnish the need during the specified period and not to exceed a stipulated dollar amount.
2. Extent of obligation: a statement that the State is obligated only to the extent of responding to authorized calls.

3. Notice of individuals authorized to place calls.
4. Delivery tickets: all shipments except subscriptions shall be accompanied by delivery tickets or sales receipts. Tickets must include: (1) name of supplier; (2) blanket purchase agreement number; (3) date of call; (4) call number; (5) itemized list of supplies or services furnished; (6) quantity, unit price, and extension of each item less applicable discounts (unit price and extensions need not be shown when incompatible with the use of automated systems, provided that the invoice is itemized to show this information); and (7) date of delivery or shipment.
5. Invoicing can be done several ways:
  - (a) A summary invoice shall be submitted at least monthly or upon expiration of the blanket purchase agreement, whichever occurs first, for all deliveries made during a bill period, identifying the delivery tickets covered therein, stating their total dollar value, and supported by receipted copies of the delivery tickets; or
  - (b) An itemized invoice shall be submitted at least monthly or upon expiration of the blanket purchase agreement, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. Such invoices need not be supported by copies of delivery tickets.
  - (c) When billing procedures provide for an individual invoice for each delivery, these invoices shall be accumulated provided that a consolidated payment will be made for each specified period; and the period of any discounts will commence on final date of billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever is later. This procedure should not be used if the accumulation of the individual invoices materially increases the administrative costs of this purchase method.
  - (d) An invoice for subscriptions or other charges for newspapers, magazines, or other periodicals shall show the starting and ending dates and shall state either that orders have been placed in effect or will be placed in effect upon receipt of payment.

### **Sole Source Procurement**

The determination for sole source procurement is made in writing by the Director of Procurement and authorized by the President or his designee of the University. Sole source items are those which perform a certain function which no other items are known to exist that can perform the same function, or where the compatibility of equipment, accessories, or replacement parts is the paramount consideration. Sole source procurements are reported on a quarterly basis to the Chief Procurement Officer.

### **Emergency Procurement**

The determination for an emergency procurement is made in writing and authorized by the Director of Procurement. Emergency procurements are permitted only when there is an immediate threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, fire loss, or such other reason as may be proclaimed by the Director of Procurement. Emergency procurements shall be made with as much competition as practical under the circumstances. Emergency commitments are made in accordance with Emergency Requisition ordering procedures. Emergency procurements are reported on a quarterly basis to the Chief Procurement Officer.

## **Procurements at Auction or Sale of Supplies from a Bankruptcy**

The University may elect to participate at an auction or sale of supplies at a bankruptcy by: (a) surveying the items being offered at auction to ascertain their condition and usefulness; (b) determining the fair market value for new like items through informal quotes, (c) determining the fair market value for similar items considering age and useful life, and (d) estimating repair cost and delivery cost, if any, of the desired items. Using this information, the University will determine the maximum price that it can pay for each desired item and not exceed this price.

## **Equipment Leases**

1. Lease or rental agreements must be justified in writing and require the use of the State of South Carolina Standard Equipment Agreement. Rental of equipment valued in excess of \$10,000 or which is for more than 90 days requires the use of the State Standard Equipment Agreement. Vendor agreements are not acceptable.
2. Installment purchases must be submitted to the Materials Management Office on a purchase requisition along with a written justification for approval and these must then be bid by the Materials Management Office. The State Treasurer's Office is responsible for securing the financing and does not allow installment purchases less than \$25,000.

## **Lease and/or Rental of Office Space and Other Real Property**

All requests for lease of office space or other real property must be directed to the Division of General Services, Real Property Management Section, for negotiations. The exception is for leases less than three months duration or total cost of less than \$25,000 in a single fiscal year.

## **Legal Service**

Procurement of such services shall be made in accordance with the *South Carolina Consolidated Procurement Code*. Prior to the award of any state contract for the services of attorneys, approval for such services shall be obtained from the State Attorney General.

## **Auditing Services**

Prior to the award of any state contract for auditing or accounting services, approval for such services shall be obtained from the State Auditor. Procurement of such services shall be made in accordance with the *South Carolina Consolidated Procurement Code*.

## **Consultant Services**

Consultant services are defined as follows: An individual, partnership, corporation, or any other legally established organization performing consulting services for or providing consulting advice to Coastal Carolina University over whom the University has the right of control as to the result to be accomplished but not as to the details and means by which the result is to be accomplished. Services which fall within this definition shall be procured in accordance with the *South Carolina Consolidated Procurement Code*.

## **Art Procurements**

Before Coastal Carolina University procures any art objects such as paintings, antiques, sculptures, or similar objects above \$1,000, the President of the University shall prepare a written determination specifying the need for such objects and benefits to the State. The South Carolina Arts Commission, acting on behalf of the Budget and Control Board, shall have the responsibility to review such determination for approval prior to any acquisition.

## **Food Service Contracts**

Any food service contracts entered into shall be solicited under code §11-35-1530, Competitive Sealed Proposals and Regulation 19-445-2095. A review panel composed of one representative from Coastal Carolina University, the Materials Management Office, and the Commission on Higher Education shall review such proposals and grant approval prior to contract award.

## **Procurement of Furnishings Covered Under §11-35-450**

1. Under §11-35-450 of the South Carolina Consolidated Procurement Code, the purchase of furniture, floor coverings, wall coverings, or any other decorative or ornamental item by a governmental body for at least one of the following uses will be reported to the Board of Trustees when the cost of the furniture, coverings, or items exceed \$1,000:
  - (A) In an office or adjoining reception area utilized by the President or Vice-Presidents;
  - (B) In a board room or a conference room used as a board room.
2. The reports must include the item to be purchased and its price. The Board of Trustees shall approve or disapprove the purchase. These approvals will be retained in the Procurement Office to substantiate compliance by the Materials Management Office's Audit and Certification Team.
3. All Assistant and Associate Vice-Presidents and Deans must obtain approval in advance from the President for the aforementioned purchases.

## **Conference Facilities Procurement**

Prior to entering into a contract for both in-state and out-of-state facilities, the following guidelines must be met:

1. Whenever possible, the conference site should be changed from those utilized for previous conferences.
2. South Carolina State Park facilities should be considered whenever they meet conference requirements.
3. A minimum of two hotels/motels shall be contacted in at least two different cities when the conference is to be held in a different city than the one in which the agency's central office is located. If the conference is to be held in the same city in which the agency's central office is located, a minimum of two hotels/motels shall be contacted in that city.

4. A written determination of the site selection shall be made by the using department on the Justification for Conference Site Selection (MMO Form No. 138). This determination must be submitted with the requisition to be retained by the Procurement Office for audit purposes by the Materials Management Office's Audit and Certification Team.

### **Trade-In Procedures**

In accordance with the South Carolina Consolidated Procurement Code Regulation 19-445-2150, Subsection G, when the original unit purchase price of personal property exceeds \$5,000, the matter is referred to the Materials Management Officer for disposition according to State procedures. When the original unit purchase price does not exceed \$5,000, the Director of Procurement for the University will approve the trade-in value of personal property for the purchase of new like items. Trade-in procurements are reported quarterly to the Chief Procurement Officer.

### **Contracts between State Agencies**

In accordance §11-35-710 of the South Carolina Consolidated Procurement Code, the Division of General Services has the authority to exempt contracts between State agencies for supplies and services. This approval is secured by providing a cost justification, MMO Form No. 136, to the Materials Management Officer. The following types of contracts are exempt and do not require approval: (1) agreements between state agencies which are mandated by federal or state laws; and (2) service agreements between agencies for services authorized by that agency's enabling legislation as its purpose, duty, or mission.

### **Compensation and Honoraria**

It is University practice to compensate for occasional special services such as honoraria and the like by issuance of checks by the Accounting Department. Forms for payment are initiated by submitting a requisition. Purchase orders may be issued only to compensate bona fide private contractors for services.

### **Equipment Repair**

For equipment repair covered under a maintenance contract, notify the department contact person for service calls. When equipment needs repair and is not covered under a maintenance contract, submit a requisition through proper channels. In case of an emergency, the walk-through process may be used.

### **Direct Expenditure Vouchers**

The Direct Expenditure Voucher (DEV) may be used for payment of the following types of expenditures by submitting a requisition and/or invoice through the proper channels to Purchasing:

- A. Membership dues, subscriptions, freight, small invoices (less than \$2,500).
- B. Travel reimbursements.
- C. Purchases which are inappropriate, as determined by the Director of Procurement, for the purchase order process. For example, Direct Expenditure Vouchers may be used when prepayment is required by vendor, vendor offers prepayment/publication discount, or free shipping with prepayment.

- D. Purchases in excess of \$2,500 when the source of funds is exempt, specifically object codes 15, 18, 19, 22, 23, 24, and 26.
- E. Goods or services which are exempt from the Procurement Code and Regulations, or that are required by statute or law.
- F. Supplies, materials, and/or services for Auxiliary Services, Athletics, and Student Club Activities.

The Direct Expenditure Voucher will not be used for the purchase of any item of equipment which is inventoriable. These items must be procured by the purchase order process.

### **Commitments**

The Procurement Office is the sole agency authorized to make commitments for supplies, equipment, and services necessary for the operation of the University. Commitments are made in accordance with requisition ordering procedures.

### **Unauthorized Procurement Procedures**

- A. Upon finding after award that a State employee has made an unauthorized award of a contract or that a contract award is otherwise in violation of law, the appropriate official may ratify or affirm the contract or terminate it in accordance with this section. The contract may be terminated and reasonable termination costs, if any, may be awarded as provided in this section. The contract may be ratified and affirmed only if it is in the best interests of the State. The decision required by this subsection A may be made by the chief procurement officer, the head of a purchasing agency, or a designee of either officer, above the level of the person responsible for the person committing the act. If the value of the contract exceeds one hundred thousand dollars, the chief procurement officer must concur in the written determination before any action is taken on the decision.
- B. All decisions to ratify or terminate a contract shall be supported by a written determination of appropriateness. In addition, the appropriate official shall prepare a written determination as to the facts and circumstances surrounding the act, what corrective action is being taken to prevent recurrence, and the action taken against the individual committing the act. Any governmental body shall submit quarterly a record listing all decisions required by subsection A to the chief procurement officers. A copy of the record shall be submitted to the board on an annual basis and shall be available for public inspection.
- C. Except as provided in subsection D, if a contract is terminated pursuant to subsection A, the State shall, where possible and by agreement with the supplier, return the supplies delivered for a refund at no cost to the State or at a minimal restocking charge. If a termination claim is made, settlement shall be made in accordance with the contract. If there are no applicable termination provisions in the contract, settlement shall be made on the basis of actual costs directly or indirectly allocable to the contract through the time of termination. Such costs shall be established in accordance with generally accepted accounting principles. Profit shall be proportionate only to the performance completed up to the time of termination and shall be based on projected gain or loss on the contract as though performance were completed. Anticipated profits are not allowed.

- D. Upon finding after award that an award is in violation of law and that the recipient of the contract acted fraudulently or in bad faith, the appropriate chief procurement officer shall declare the contract null and void unless it is determined in writing that there is a continuing need for the supplies, services, information technology, or construction under the contract and either (i) there is no time to re-award the contract under emergency procedures or otherwise; or (ii) the contract is being performed for less than it could be otherwise performed. If a contract is voided, the State shall endeavor to return those supplies delivered under the contract that have not been used or distributed. No further payments shall be made under the contract and the State is entitled to recover the greater of (i) the difference between payments made under the contract and the contractor's actual costs up until the contract was voided, or (ii) the difference between payments under the contract and the value to the State of the supplies, services, information technology, or construction it obtained under the contract. The State may in addition claim damages under any applicable legal theory.
- E. Regardless of its ratification and affirmation of a contract, the State shall be entitled to any damages it can prove under any theory including but not limited to contract and tort.

### **Budget Accounts & Funds**

Designated funds and budget accounts are established by the Assistant Vice President for Business Affairs. Computer printouts of expenditures will be disbursed monthly by the Accounting Department to the appropriate department heads.

### **Conflict of Interest**

It is the responsibility of each staff member in the Procurement Office to take all appropriate steps to ensure that the University does not knowingly enter into any purchase commitment which could result in a conflict of interest situation.

### **Correspondence with Vendors**

Correspondence with vendors concerning prices may be secured in accordance with the South Carolina Consolidated Procurement Code by the requisitioning unit and submitted to the Procurement Office. However, it is University practice that the Procurement Office has final responsibility to verify and conclude all negotiations concerning prices and conditions of all purchases and contemplated purchases. Furthermore, all correspondence pertaining to a purchase order which has been placed, and which involves prices, terms, conditions, delivery, quantity, substitutions, complaints, or anything whatsoever involving the commitment, shall be carried on by the Procurement Office.

### **Personal Purchases**

The Procurement Office does not enter into any negotiations or become involved in any transactions for the purchase of anything whatsoever for the personal account of University employees. Certain items which might be classified as personal in nature and are suspect as inappropriate expenses from University funds may be questioned or disallowed.

## **Requests for Catalogs and Literature**

The Procurement Office maintains catalog files and, upon request, will make available or secure catalogs and literature necessary for department reference to satisfy University requirements. It is permissible for departments to solicit such material independently providing the communication is restricted to a request for free material only and does not involve any commitment on the part of the University.

## **Specification Considerations**

The specification for the requirement considered essential to satisfy the user's need is the initial prerogative of the requisitioning unit. The Procurement Office will assist, when requested, in formulating the specification. The final decision on the specification for the purchase is a joint responsibility and requires the joint approval of the requisitioning unit and the Procurement Office. It is University practice to submit specifications in a manner which will permit fair and equitable consideration from all known sources qualified to meet University requirements. The Procurement Office will consult with administrative officers, competent specialists, or secure such technical assistance as is required to arrive at a decision.

## **Source Selection**

It is the practice of the Procurement Office to recognize the potential of the "Free Enterprise System," and to select those sources which can best serve the interests of the University. The Procurement Office reserves final decision in the selection of sources and justification is required from the requisitioning unit for any transactions where, in the judgment of the Procurement Office, a justification is warranted.

## **Conditions for Use of Multi-Term Contracts**

A multi-term contract is a contract for the acquisition of supplies, services, or information technology for more than one year. A contract is not a multi-term contract if no single term exceeds one year and each term beyond the first requires the governmental body to exercise an option to extend or renew. A multi-term contract is appropriate when it is in the best interest of the State to obtain uninterrupted services for a period in excess of one year, where the performance of such services involves high start up costs, or when a changeover of service contracts involves high phase in/phase out costs during a transition period. The multi-term method of contracting is also appropriate when special production of definite quantities of supplies for more than one year is necessary to best meet state needs but funds are available only for the initial fiscal period. Special production refers to production for contract performance when it requires alteration in the contractor's facilities or operations involving high start up costs.

### Exceptions

This Regulation 19-445.2135 applies only to contracts for supplies, services, or information technology and does not apply to contracts for construction.

### Conditions for Use

- (1) A multi-term contract may be used if , prior to issuance of the solicitation, the Procurement Officer determines in writing that:
  - (a) Special production of definite quantities or the furnishing of long term services are required to meet state needs; or

- (b) a multi-term contract will serve the best interests of the state by encouraging effective competition or otherwise promoting economies in state procurement.
- (2) The following factors are among those relevant to such a determination:
- (a) firms which are not willing or able to compete because of high start up costs or capital investment in facility expansion will be encouraged to participate in the competition when they are assured of recouping such costs during the period of contract performance;
  - (b) lower production cost because of larger quantity or service requirements, and substantial continuity of production or performance over a longer period of time, can be expected to result in lower unit prices;
  - (c) stabilization of the contractor's work force over a longer period of time may promote economy and consistent quality;
  - (d) the cost and burden of contract solicitation, award, and administration of the procurement may be reduced.
- (3) The determination must contain sufficient factual grounds and reasoning to provide an informed, objective explanation for the decision.

Solicitation

The solicitation shall state:

- (1) the estimated amount of supplies or services required for the proposed contract period;
- (2) that a unit price shall be given for each supply or service, and that such unit prices shall be the same throughout the contract (except to the extent price adjustments may be provided in the solicitation and resulting contract);
- (3) that the multi-term contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the first; however, this does not affect either the state's rights or the contractor's rights under any termination clause in the contract;
- (4) that the procurement officer of the governmental body must notify the contractor on a timely basis that the funds are, or are not, available for the continuation of the contract for each succeeding fiscal period;
- (5) whether bidders or offerors may submit prices for:
  - (a) the first fiscal period only;
  - (b) the entire time of performance only; or
  - (c) both the first fiscal period and the entire time of performance;

- (6) that a multi-term contract may be awarded and how award will be determined including, if prices for the first fiscal period and entire time of performance are submitted, how such prices will be compared; and,
- (7) that, in the event of cancellation as provided in (E) (3) of this subsection, the contractor will be reimbursed the unamortized, reasonably incurred, nonrecurring costs.

### Maximum Contract Periods

Prior to opening, a contract with a total potential duration in excess of five years must be approved as required by Section 11-35-2030(4).

### **Determinations and Reports**

Determinations as listed in Sections 11-35-2410, 2420, 2440, 3820, and 5260 of the South Carolina Consolidated Procurement Code are completed, attached to the procurement records and filed in the office of the Purchasing Agent. A report listing contracts covered under §11-35-2410, 2440, and 3830 are submitted to the Chief Procurement Officer on a quarterly basis and contracts covered under §11-35-5260 are reported to the Governor.

### **Retention of Procurement Records**

All procurement records shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the Department of Archives and History after consultation with the Attorney General. All retained documents shall be made available to the Attorney General or a designee upon request and proper receipt thereof.

### **Food Service Contracts**

Any food service contracts entered into by any governmental body shall be solicited by the Materials Management Office under Code Section 11-35-1530, Competitive Sealed Proposals, and Regulation 19-445.2095. A review panel composed of one representative each from the governmental body, the Materials Management Office, and the Commission on Higher Education shall review such proposals and approve it prior to the issuance of an award or notification of intent to award, whichever is earlier.

## **OPERATING PROCEDURES**

### **Ordering Procedures**

1. The requisition form for supplies, equipment, and miscellaneous services is the official University document used to initiate a purchase transaction. These forms are available from the Central Supply warehouse. This requisition form is to be typed, properly completed, and approved by the Department Head, appropriate Vice President if required, then submitted to the Purchasing Office. Since this is the only document submitted, it must contain specific and complete details on the commodity or service desired. It must be correct as to quantity, item(s), specifications, and required delivery date. When any item requisitioned must be compatible with existing equipment, the reason must be clearly explained and the requisition with a specific brand or model

(permitting no substitution) must be accompanied by a letter of justification.

2. Upon receipt of the requisition in the Procurement Office, the process of procurement is determined in accordance with the *South Carolina Consolidated Procurement Code*. The Coastal Carolina University purchase order consists of six parts. Once typed, proofread and signed, the original copy is mailed to the vendor. The second copy is forwarded to Central Receiving for delivery information. The third and fourth copies are retained in the Procurement Office (one attached to the original requisition and filed numerically, the other filed alphabetically for cross-reference). The fifth copy is forwarded to the Accounts Payable Office for payment information and documentation. The final copy is sent to the requesting department for its records and verification. When the ordered items are received, the Receiving Copy is forwarded to Accounts Payable with notations of items received, damages, backorders, etc. This copy is kept on file in Accounts Payable until the order is complete. When complete, the Receiving Copy of the purchase order is forwarded to the Accounting Office for check write to the vendor.
3. All invoices are received in the Accounts Payable office where they are verified and forwarded to the Accounting Department.
4. Procurements over the university's authorized purchasing limits are requisitioned on a State Requisition Form by the Procurement Office and submitted to the Materials Management Office, the Information Technology Management Office, or the State Engineer's Office.

### **Amendment to Purchase Orders**

An amendment to a purchase order will be issued when:

1. The form is needed to notify the vendor of the change. On changes or cancellations where the vendor is aware, the Purchase file will be noted as such and Accounts Payable will be E-Mailed if they are unaware of the change.
2. The item on purchase order is an inventoriable item and involves model change or item substitution.

The amendment form consists of the same number and color parts as the original purchase order and is distributed in the same manner.

Accounts Payable is authorized by Purchasing to exercise their judgment and pay increases up to ten percent without contacting Purchasing for approval, with the following exceptions:

1. When the purchase order total for these goods plus freight exceeds \$2,500.00.
2. When more than one quote has been received by Purchasing. In this case the purchase order will be annotated with a "Q" after the buyer's initials to indicate more than one quote.
3. State contract orders.
4. All increases in quantity.

On price increases of ten percent or more, Accounts Payable will E-Mail for approval or disapproval and Purchasing will E-Mail decision back to them with a copy to the Purchasing file and also to Inventory Control on an inventoriable item.

### **Emergency Requisition Ordering Procedures**

A properly executed requisition form must be submitted to the Procurement Office by the most expeditious means consistent with the emergency. In the case of critical emergencies where telephone communication is feasible, and where pricing can be accommodated by telephone, contact the Purchasing Office stating the requirement and the date the service or material is needed. Upon receipt of the requisition, the Purchasing Office will determine how to procure the requirement and assign a purchase order number to initiate the transaction. The purchase order will be clearly marked "CONFIRMING ORDER" and mailed to the vendor.

### **Requisition Form Instructions**

To facilitate the processing of requisitions and accomplish the greatest level of service available, the Purchasing Office offers the following recommendations:

1. Prepare the requisition in typed form for clarification. Use an additional sheet when necessary.
2. In the designated spaces provide the exact budget account used to acquire the materials/services.
3. Give an adequate description of the materials or services required, indicating quantity, size, color, etc. (where applicable), and give catalog number(s) whenever possible. Be sure to include the exact unit prices(s).
4. Provide the requisitioning department's name, building, and room number.
5. Furnish separate requisitions for materials/services to be ordered from different sources of supply.
6. Indicate a suggested vendor. (The Purchasing Office reserves the right to order from the most economical sources offering the identical item/service and delivery required by the University.)
7. Requisitions should be submitted in sufficient time to permit the Purchasing Office to secure competitive quotations and to verify single-quote requests.
8. The requisition must be signed by approved department personnel.
9. A copy of each purchase order is sent to the requisitioning department. In case of questions, please refer to the purchase order number. It is the responsibility of the requisitioner to verify that the specifications on the purchase order copy are in agreement with the requisition.

### **Construction Procurement**

All construction procurement under \$100,000 shall be initiated by the Director of Facilities Management and coordinated through the Procurement Office. Accounts exceeding \$100,000 shall be forwarded to the State Engineer's Office for processing.

### **Minority Business Enterprise (MBE) Utilization Plan**

1. The South Carolina Consolidated Procurement Code requires that all State agencies formulate a Minority Business Enterprise Utilization (MBE) Plan. Under the plan, procedures have been established to assist minority-owned businesses in fully participating in all parts of the procurement process so that balanced economic and community growth may occur throughout the State.
2. The Director of Procurement is the MBE Liaison Officer and reports directly to the Associate Vice President for Finance. The duties of the MBE Liaison Officer include:
  - (A) Maintaining all records and reports required by §11-35-5240 of the Procurement Code.
  - (B) Developing, managing, and implementing the MBE program on a day-to-day basis.
  - (C) Establishing and maintaining a directory of minority firms who wish to do business with the State.
  - (D) Disseminating information on available business opportunities so that MBEs are provided an equal opportunity to bid on services, supplies, and construction projects.
  - (E) Establishing and maintaining records on the number of Requests for Quotations and Requests for Proposals sent to minority firms, answers received, and contracts awarded (when applicable to the dollar procurement limit of the agency).
  - (F) Maintaining an informal vendor list consisting of certified local minority firms interested in conducting business with the State. The primary purpose of this list is to ensure that certified minority firms are given an equal opportunity to quote on all purchases.
  - (G) Records shall be maintained to indicate the number and dollar value of purchases made from certified minority firms, including local purchase orders, service orders, and verbal contracts.

### **Central Supply Operations**

1. The primary purpose of the Central Supply is to provide required departmental office supplies when they are needed at the lowest optimum price. An office supply catalog is provided to each department which includes a description of the stock item, its unit of issue, approximate unit price, and stock number.

2. A Central Supply requisition form must be completed by the department and approved by the Department Head or designee when purchasing supplies from Central Supply. The form authorizes the Supply Manager to charge these supplies to the proper budget account and allows Accounts Payable to generate the requisite paperwork to charge the appropriate cost center on campus. This is done on a monthly basis and charges will be for items purchased in the previous month (one month lag). Any item not stocked in Central Supply may be purchased through the normal requisitioning procedures.

### **Receiving**

1. It is University practice to direct shipments to Central Receiving (Central Supply). Upon receipt of an order in Central Receiving the appropriate purchase order is pulled, package inspected, items verified and receiving report signed. Shipment is then delivered to the requisitioning department where an acknowledgment of receipt is signed. The receiving report, freight bills and packing slips are then forwarded to Accounts Payable for payment.
2. It is the responsibility of the individual submitting the requisition to immediately inspect and report to the Purchasing Office any problem concerning the shipment. Refer to the section on complaints, damage, and shortage reports.

### **Shipping**

The Procurement Office will handle shipments when an official purchase order is involved. Orders being returned should be taken to Central Receiving for packaging and shipping. Weight will determine the method of shipment. Costs will be charged back to the department against the purchase order involved, when applicable.

### **Damage and Shortage Reports**

Central Receiving will adhere to the following guidelines in order to comply with Interstate Commerce Regulations in making claims against either common carriers or vendors.

1. If the shipment is received in a damaged condition:
  - (A) If damage is apparent at the time of delivery, the driver of the delivering carrier will be asked to note the damage on both copies of the freight bill.
  - (B) The signed freight bill, noting damage, will be maintained by Central Receiving for follow-up correspondence with the vendor concerning re-shipment or replacement.
2. Damage discovered after receipt of shipment:
  - (A) Concealed damage (that which is not immediately apparent) must be reported to the delivery carrier within 10 working days after the date of delivery.
  - (B) Hold merchandise and all packing material for the carrier's inspection.
  - (C) Send a memorandum to Central Receiving describing the exact type of damage and

location of the material so that the transportation company inspector may be notified to make an inspection. The claim may be declined if the carrier does not inspect the packing material as well as the damaged article.

3. To collect damage claims promptly from the carrier, the following must occur:
  - (A) A completed claim form showing, in detail, the amount of the claim.
  - (B) The original bill of lading and original invoice or certified copy.
4. The surrender of both freight bill and bill of lading is required to prevent duplicate claims being filed by both shipper and consignee.
5. In no case should damaged merchandise be returned to the vendor without authorization and shipping instructions from Central Receiving.
6. If shipment is received short:
  - (A) If shortage is noticed at time of delivery, Central Receiving will insist that the driver note shortage on both copies of the freight bill.
  - (B) Wait three days for delivery of missing package which may appear on a Free Astray Freight Bill.
  - (C) If the missing package does not show up in due time, the vendor will then be notified by the Procurement Office.
7. All freight bills will be processed from Central Receiving to Accounts Payable for payment when appropriate.

### **Equipment Inventory Control**

The control of inventoriable equipment is the responsibility of the Supply Manager. The duties and responsibilities will be discussed in a step-by-step procedure to be used for control of equipment in the following pages.

### **Recording of New Equipment**

The Procurement Office will provide the Supply Manager with a copy of purchase orders for equipment purchased as the orders are issued. The Supply Manager will ensure that each piece of capital equipment is tagged and entered on the computer. If the equipment is donated, the property gift record is completed in cooperation with the Controller, the Associate Vice President for Finance, and the Vice President for University Advancement.

### **Changes in Inventory**

The Department Head must notify the Supply Manager, in writing, of the removal of equipment from the department or from one room to another. Upon this notification, the Supply Manager will complete a Request for Removal/Transfer of Equipment which will then reflect an appropriate change on the inventory report for that department. When all departmental inventory reports are completed, the Supply Manager will prepare a list of equipment which cannot be accounted for and submit to the Director of Procurement. This will then be forwarded to the Associate Vice President for Finance to review with the Vice President for Business Affairs.

### **Periodic Review of Inventory**

1. The Supply Manager will advise a Department Head several weeks in advance that a reporting of inventory will be performed. Each Department Head will be given a copy of his/her department's inventory for this purpose.
2. During the reporting period, the Supply Manager will note any discrepancies in accounting for inventory and will advise the Department Head of such. If an item of equipment cannot be found, the Department Head will be requested to sign verification of this information. In cases of large discrepancies, a written report will be sent to the Associate Vice President for Finance and then followed up with the President of the University.
3. The Supply Manager will update the department inventory and ensure that the Department Head receives a copy of the equipment for which they are responsible.

### **Annual Review of Inventory**

Two copies of the inventory will be sent to each Department Head to verify and make corrections. A signed copy will be returned to the Supply Manager.

### **Determining Inventoriable Equipment**

Inventoriable equipment is defined as any item costing more than \$5,000 with a life expectancy of over two years. These items are identified on the purchase orders with the following object codes: 5601 - Instructional Equipment, 5602 - Computer Hardware, 5604 - Telephone Equipment, 5607 - Motor Vehicles, 5609 - Other Equipment, and 5732 - Construction Equipment, Movable.

Equipment that is permanently attached to or becomes part of a building will not be added to the personal property inventory, but will increase the capitalization value of the building. If purchased from a "non-construction" account, this equipment will be identified by the object code 5XXX - Non-Construction Equipment Fixed and if from a "construction" account by the object code 5731 - Construction Equipment Fixed.

Equipment purchased to "repair" equipment does not go on the personal property inventory and is coded 5322 - Off-Campus Repair of Equipment or 5501 - Supplies, if done by Coastal Carolina University. Equipment purchased to "repair" equipment permanently attached to a building also does not go on inventory and is coded 5324 - Off-Campus Repair of Buildings or 5501 - Supplies, if done by Coastal Carolina University.

When new equipment is purchased and an old piece traded-in, the new equipment value for inventory purposes will be its purchase price plus the amount allowed for the trade. The Coastal Carolina University inventory number for the property traded-in will be indicated on the purchase order for deactivation by Inventory Control.

The value of items added to inventory will include the price of the item, sales or use tax as applicable, freight, and installation charges, if any.

Inventoriable items received by gifts to the University will be added to the personal property inventory upon receipt of instruction from the Controller's Office. The Controller's Office will provide a description of the item and its valuation.

Inventoriable items that are "found" will be added to inventory after receipt of documentation of how the item was found, how it was valued, and why it should be inventoried.

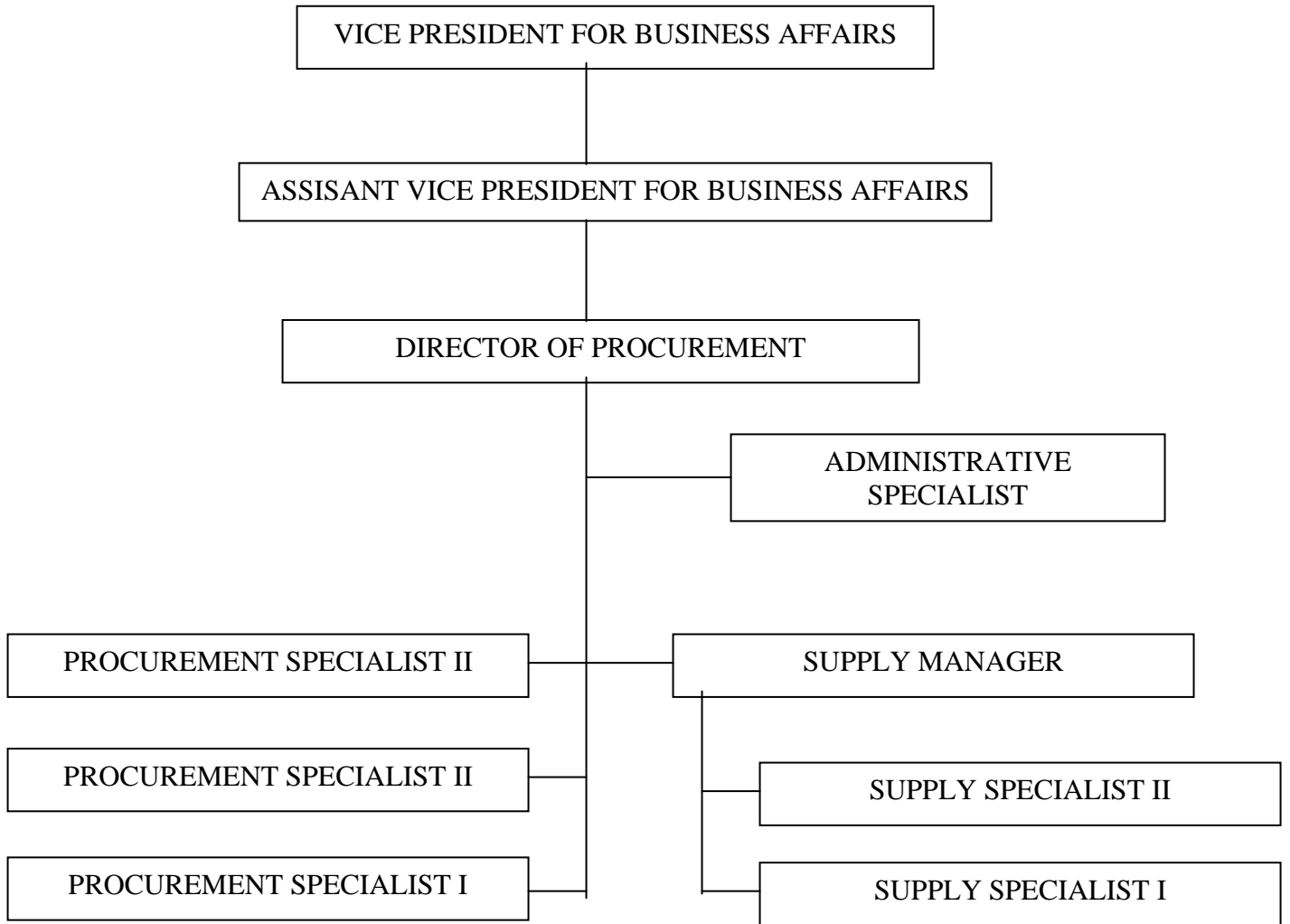
### **Disposition of Property and Supplies**

The department completes a Property Disposal Request to have an item removed from the inventory. The form is signed by the Department Head and forwarded to the Supply Manager for appropriate action. Obsolete supplies, equipment and scrap materials or "junk" are to be stored, classified, and listed until such time as they can be disposed of according to State Surplus Property Regulations.

### **Surplus Property**

1. Before any item can be sent to Central Supply for storage, the Supply Manager must be notified in writing by the Department Head of the intended use of the item(s). The materials will not be picked up for storage without such designation as follows:
  - (A) Convenience Storage: These are items which are used periodically or seasonally and are stored in the warehouse as a matter of convenience. A specific time frame must be identified (not to exceed six months).
  - (B) Available for Use: These are items that are in usable condition but are no longer needed by the department to which they were previously assigned. They are available for use elsewhere in the University.
  - (C) Disposal: These are items that are worn out and can no longer be used by any department within the University. The Supply Manger will determine the method of disposal of such items, as required by State Regulations.
2. On at least a bi-annual basis the Warehouse inventory will be reviewed by the Supply Manager for conformance with the categories described above.

**COASTAL CAROLINA UNIVERSITY**  
**PROCUREMENT ORGANIZATION**





RATIFICATION OF  
UNAUTHORIZED PROCUREMENT

Based upon the following determination, the procurement action described below is ratified pursuant to the authority of §19-445.2015, Subsection A, of the *South Carolina Consolidated Procurement Code*.

This governmental body ratifies procurement of \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

as an unauthorized procurement from \_\_\_\_\_

\_\_\_\_\_

based upon the following facts and circumstances surrounding the act and the corrective action to prevent reoccurrence:

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Price paid is considered fair and reasonable.

\_\_\_\_\_

DATE

\_\_\_\_\_

PRESIDENT  
COASTAL CAROLINA UNIVERSITY