

## INFORMATION REGARDING THE USE OF STATEWIDE CONTRACTS

### Item 1: Background: mandatory use of statewide contracts

As a specified state agency, the **University is mandated by South Carolina law to utilize statewide contracts when items to be purchased are available from such contracts.** This law is found in the S.C. Code of Laws, Section 11-35-310 (37) which reads as follows:

(37) "Term contract" means contracts established by the chief procurement officer for specific supplies, services, or information technology for a specified time and for **which it is mandatory that all governmental bodies procure their requirements during its term.** As provided in the solicitation, if a governmental body is offered the same supplies, services, or information technology at a price that is at least ten percent less than the term contract price, it 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. The solicitation used to establish the term contract must specify contract terms applicable to a purchase from the vendor offering the lower price. If the vendor holding the term contract meets the lower price, then the governmental body shall purchase from the contract vendor. All decisions to purchase from the vendor offering the lower price must be documented by the procurement officer in sufficient detail to satisfy the requirements of an external audit.

#### Notes:

- Statewide or "term" contracts have been established for all state agencies through competitive solicitations by the S.C. Division of Procurement Services for a variety of goods and services.
- In-place statewide contracts means the University does not have to issue its own solicitation for the same goods and services. No other quotes are required when using statewide contracts.
- There are no dollar limits when purchasing goods and services available through statewide contracts.
- No additional software contracts/agreements are necessary when software is purchased through statewide contracts (if such is requested by the supplier, contact the Procurement Buyer working on your requisition).

### Item 2: Items that can be found elsewhere with lower pricing than statewide contract pricing.

As indicated in the S.C. law section noted above, there may be times when the University can purchase the same item from a non-statewide contract supplier when the price is at least ten percent (10%) lower than the price provided through the statewide contract.

However, there are several notes regarding the use of this method:

- A buyer within the Procurement Services area must be contacted.
- The statewide contract supplier must be contacted to determine if they will meet the lower-offered pricing. If yes, then the purchase must be made from the statewide contract supplier.
- Many times, there are multiple statewide contract suppliers offering the good or service. **All** such suppliers must be contacted regarding the lower pricing, not just one.
- A form must be completed by Procurement Services and sent to the non-statewide supplier who must sign that they agree to the same terms and conditions as the statewide supplier who was awarded a contract by state procurement.

## FAQs

Q. I want to purchase a model of an item where the manufacturer is listed on a statewide contract but not the exact item needed. Do I have to purchase another model that is listed on the statewide contract?

A. Not necessarily. If your department has a specific and documented need for a particular model, contact Procurement Services to discuss. The University Chief Procurement Officer may approve for such an item to be purchased from a non-statewide contract supplier. Be aware that the purchase may have to be put out for competitive bid first, however, if the amount exceeds a certain dollar amount (usually \$10,000).

Q. The item I need to purchase cannot be delivered for several days or weeks and I need the item right away for a specific project. I found the same item from a non-statewide supplier which can be obtained right away. Must I wait on the statewide contract item to be delivered?

A. Not necessarily. Contact a member of Procurement Services to discuss. If the situation warrants and is properly documented, then the University Chief Procurement Officer may approve the purchase from the non-statewide supplier, again given that no competitive bid process is necessary. However, this does not mean that someone can just wait until the last minute to ask for this type of request when it has been known for some time that the purchase needed to be made.

Q. I need an item that is on a statewide contract for \$50. I found the same item at Walmart for \$40. That's more than 10% lower. Can I just purchase the item from Walmart?

A. As stated in Item 2 above, there are numerous steps involved before the item can be purchased. An inquiry must be made of the statewide supplier (or suppliers if there are others) to see if they will sell the item at \$40. If they can't, then Walmart must complete a form (must be obtained from Procurement Services) agreeing to the statewide term contract conditions. This is a time-consuming process, and many times the additional time far outweighs the cost savings. In addition, it is nearly impossible to get large suppliers such as Walmart to sign the required form. Also, make sure the items are exactly the same. Many times there are slight variations in the models that causes the pricing to be different.