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IHL Technology Procurement Procedures

USM Faculty Senate

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015-020 Procurement Limits Policies: IHLs

Procedures for the Acquisition of Information Technology Equipment, Software, and Services by Procurement Type and Total Lifecycle Cost for Institutions of Higher Learning

By law, all acquisitions of information technology products or services by IHLs must be approved by ITS. ITS has delegated this responsibility to the State's Institutions of Higher Learning for certain types of purchases and lifecycle cost limits. Please note that these thresholds are based upon **total lifecycle costs** and that **there are situations in which actual monies paid is not the sole determinant of the requirement for a competitive procurement process**. For purchases in which (1) the value of the goods and services exceeds bid limit, (2) there is a competitive market, and (3) there is potential for vendor profit from the project, contracts must be awarded based on an open and competitive process that allows the state to compare offerings to obtain the best product, service, and value, regardless of monies paid directly to the vendor by the state entity. The competitive process ensures the state's requirements are well-defined, project contracts are negotiated to protect the state's interest, and the vendor selected is the one with the most advantageous combination of cost and services.

The only statutory exception to the requirement for ITS approval is for acquisitions of computer equipment and services made by IHLs wholly with federal funds. These acquisitions do NOT fall within ITS' purview.

The table below defines the procedures and the required approvals for each category and project lifecycle cost range. For current Director Approval thresholds, see Section 018-030.

| Procurement Type/Lifecycle Cost | \$ 01 - \$5,000.00 | \$5,000.01 - \$25,000.00 | \$25,000.01 - \$250,000.00 | > \$250,000 but below Director Approval Threshold | Above Director Approval Threshold |
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| Regular Competitive Procurement | <ul style="list-style-type: none"> • Delegated to the Office of the CIO • May purchase without advertising or otherwise requesting competitive bids | <ul style="list-style-type: none"> • Delegated to the Office of the CIO • May purchase without advertisement for bids, provided at least two competitive | <ul style="list-style-type: none"> • Delegated to the Office of the CIO • Advertisement & receipt of competitive bids required by law | <ul style="list-style-type: none"> • Requires ITS / IHL approval: CP-1 • Advertisement & receipt of competitive bids required by | <ul style="list-style-type: none"> • Requires ITS / IHL Board approval and CP-1 • Advertisement & receipt of competitive bids |

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| | | <u>written bids</u> have been obtained <ul style="list-style-type: none"> • Requires approval from IT BoD • Requires written Business Case | <ul style="list-style-type: none"> • Requires approval from IT BoD • Requires written Business Case | law <ul style="list-style-type: none"> • Submit Procurement Request to ITS 2 - 5 months before purchase | required by law <ul style="list-style-type: none"> • Submit Procurement Request to ITS 3 - 8 months before purchase |
| Telecommunications Systems and Services (See <u>Acquisition of Telecommunications Services by IHLs</u> for more information) | No delegation. ITS has conducted these procurement s on behalf of the state and has contracts in place that can be used by IHLs for telecommunications systems and services (voice and data). See <u>ITS Telecommunications Contracts for IHLs</u> for details. To acquire these services other than via an ITS contract, submit an exemption request to ITS prior to acquiring the service. | No delegation. ITS has conducted these procurement s on behalf of the state and has contracts in place that can be used by IHLs for telecommunications systems and services (voice and data). See <u>ITS Telecommunications Contracts for IHLs</u> for details. To acquire these services other than via an ITS contract, submit an exemption request to ITS prior to acquiring the service. | No delegation. ITS has conducted these procurement s on behalf of the state and has contracts in place that can be used by IHLs for telecommunications systems and services (voice and data). See <u>ITS Telecommunications Contracts for IHLs</u> for details. To acquire these services other than via an ITS contract, submit an exemption request to ITS prior to advertising for the service. | No delegation. ITS has conducted these procurement s on behalf of the state and has contracts in place that can be used by IHLs for telecommunications systems and services (voice and data). See <u>ITS Telecommunications Contracts for IHLs</u> for details. To acquire these services other than via an ITS contract, submit an exemption request to ITS prior to advertising for the service. | No delegation. ITS has conducted these procurement s on behalf of the state and has contracts in place that can be used by IHLs for telecommunications systems and services (voice and data). See <u>ITS Telecommunications Contracts for IHLs</u> for details. Note: ITS contracts have already received Board approval. IHL acquisitions of services from these contracts do not require additional Board |

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| | | | | | <p>action. Exemptions to acquire these services other than via ITS contracts require Board approval. Submit an exemption request to ITS 6 - 8 weeks prior to advertising for the service.</p> |
| <p>Sole Source Procurement</p> | <ul style="list-style-type: none"> • Delegated to the Office of the CIO • May purchase without advertising or otherwise requesting competitive bids | <ul style="list-style-type: none"> • Sole Source Certification Delegated to the Office of the CIO | <ul style="list-style-type: none"> • Sole Source Certification Delegated to the Office of the CIO | <ul style="list-style-type: none"> • Requires ITS approval: CP-1 • Submit Sole Source Request with vendor and institution documentation to ITS 3 - 5 weeks before purchase | <ul style="list-style-type: none"> • Requires ITS Board approval and CP-1 • Submit Sole Source Request with vendor and institution documentation to ITS 2-4 months before purchase |
| <p>Exemption from ITS</p> | <ul style="list-style-type: none"> • Not applicable: Already Delegated to the Office of the CIO | <ul style="list-style-type: none"> • Not applicable: Already Delegated to the Office of the CIO | <ul style="list-style-type: none"> • Not applicable: Already Delegated to the Office of the CIO | <ul style="list-style-type: none"> • Requires ITS approval: CP-1 • Advertisement & receipt of competitive bids required by law (conducted by the Institution after the exemption is approved) | <ul style="list-style-type: none"> • Requires ITS Board approval • Requires ITS approval • Advertisement & receipt of competitive bids required by law (conducted by the Institution after the exemption is approved) |

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| | | | | <ul style="list-style-type: none"> • Submit Exemption Request to ITS 2-4 weeks prior to advertising the procurement • (Note: ITS cannot exempt a sole source procurement > \$250,000) | <ul style="list-style-type: none"> approved) • Submit Exemption Request to ITS 4 - 6 weeks prior to advertising the procurement |
| Express Products Lists (EPLs) | <ul style="list-style-type: none"> • Delegated to the Office of the CIO • Access EPL on ITS web site • Follow instructions on specific EPL | <ul style="list-style-type: none"> • Delegated to the Office of the CIO • Access EPL on ITS web site • Follow instructions on specific EPL | <ul style="list-style-type: none"> • Delegated to the Office of the CIO • Access EPL on ITS web site • Follow instructions on specific EPL | <ul style="list-style-type: none"> • Delegated to the Office of the CIO up to EPL limit • Access EPL on ITS web site • Follow instructions on specific EPL | <ul style="list-style-type: none"> • Requires ITS Board approval and CP-1 • Submit Procurement Request to ITS 2-4 months before purchase |
| Planned Purchases | <ul style="list-style-type: none"> • Not applicable | <ul style="list-style-type: none"> • Not applicable | <p><u>Purchase above EPL limit:</u></p> <ul style="list-style-type: none"> • Requires ITS approval: Letter from ITS Executive Director • Requires submitting IT Plan to ITS for review; equipment /software needed must appear on a current EPL • I ITS planners and procurement analysts assess the | <ul style="list-style-type: none"> • Requires ITS approval: Letter from ITS Executive Director • Requires submitting IT Plan to ITS for review; equipment /software needed must appear on a current EPL • I ITS planners and procurement analysts assess the request | <ul style="list-style-type: none"> • Requires ITS Board approval • Requires approval letter from ITS Executive Director • Requires submitting IT Plan to ITS for review; equipment /software needed must appear on a current EPL • I ITS planners and procurement analysts assess the plan and the |

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| | | | plan and the procurement request • See <u>EPL Planned Purchase</u> for further details. | • See <u>EPL Planned Purchase</u> for further details. | procurement request • See <u>EPL Planned Purchase</u> for further details. |
| Emergency Procurement | • Not applicable | • Inform ITS in writing, using ITS' Emergency Purchase Form signed by the Institution's president or designee, as soon as possible after the emergency procurement | • Inform ITS in writing, using ITS' Emergency Purchase Form signed by the Institution's president or designee, as soon as possible after the emergency procurement | • Inform ITS in writing, using ITS' Emergency Purchase Form signed by the Institution's president or designee, as soon as possible after the emergency procurement | • Inform ITS in writing, using ITS' Emergency Purchase Form signed by the Institution's president or designee, as soon as possible after the emergency procurement • ITS Board informed of emergency procurement and surrounding circumstances |
| E-Government Procurement NOTE: Due to the different vendor business models for E-Government services and products, the procurement approach is not governed by the total expenditure but by the true market value , as | • Delegated to the Institution • Advertisement & receipt of competitive bids required if true market value of services exceeds \$25,000, regardless of funds expended | • Delegated to the Institution • Advertisement & receipt of competitive bids required if true market value of services exceeds \$25,000, regardless of funds expended | • Delegated to the Institution • Advertisement & receipt of competitive bids required | • Requires ITS approval: CP-1 • Advertisement & receipt of competitive bids required by law • Submit Procurement Request to ITS 2 - 5 months before purchase | • Requires ITS Board approval and CP-1 • Advertisement & receipt of competitive bids required by law • Submit Procurement Request to ITS 3 - 8 months before purchase |

determined by the complexity and size of the project. See Section 001-020 of this handbook for additional information on Electronic Government procurements.

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