

BFGuide

draft

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Responsible Official: Chief Financial Officer

Responsible Office: Procurement and Contract Services

Purpose

This Guideline establishes the criteria and process for procurements conducted by the University of Memphis (University). It is not intended to cover all University policies and guidelines or all possible issues that may arise in the procurement process; rather, it is intended to provide a general guideline for how to address procurement issues. University is responsible for complying with all other relevant policies. This Guideline is subject to regular update, revision and improvement.

Definitions

Aggrieved Respondent	A respondent, who was not awarded a contract and claims his or her rights were infringed in connection with a solicitation or award by the University.
Approver	An individual appointed by a financial manager to approve financial transactions in Banner and requisition up to \$5,000 in Tigerbuy. An approver is strongly encouraged to attend Tigerbuy training.
Banner Finance	A computerized on-line system used to produce and maintain the University's financial records (ERP).
Calendar Day	All days in a month, including weekends and holidays. In the event a final calendar day falls on a weekend, holiday or other day where offices are closed, the next business day becomes the final calendar day.
State Procurement Office	The State office established and empowered by T.C.A § 4-56-104.
Change Order	A document issued by Procurement and Contract Services directing the contractor or vendor to amend or cancel a purchase order.
Chief Procurement Officer	An official of the State as defined by T.C.A. § 4-56-104; the chief procurement official of the University.
Commodity Codes/Classes	The National Institute of Government Purchasing (NIGP)
Competitive Bid Process	Qualified vendors are provided a fair opportunity for their goods and services to be considered through a formal bid process.

Contracting Party/Contractor	A person or legal entity with the independent legal capacity to contract or sue and be sued that has been awarded a contract through proper authority.
Cooperative Purchasing Agreement	A written contract procured for the benefit of two or more governmental entities to make purchases of goods or services.
Debarment	A Vendor that has been excluded from participation in procurements or contracts.
Designee	An individual appointed by a financial manager to act on his or her behalf when creating and approving financial transactions in Banner and Tigerbuy. A designee is strongly encouraged to attend Tigerbuy training.
Emergency Purchase	A purchase made during an actual emergency arising from unforeseen causes without the issuance of a competitive solicitation.
Evaluation Team	The committee comprised of persons who will evaluate responses to a RFP, RFI or RFQ. All persons serving on an evaluation committee shall be adequate to the scope and nature of the procurement.
Financial Manager	Authority is granted to create or approve, and monitor financial transactions in Banner and Tigerbuy. A financial manager is expected to give careful consideration to appointing designees, approvers, requesters and receivers to act on his or her behalf and to oversee their activities. A financial manager is strongly encouraged to attend Tigerbuy training.
Fully Executed Contract	A signed contract that has been duly approved by all necessary State signatories as required by policies, guidelines, and laws.
General Services Administration	The procuring agency of the U.S. Federal Government
Gift	A voluntary transfer of goods or services to the University made gratuitously and without consideration.
Grant	Any grant of money awarded to the University, for the furnishing by the University of assistance, whether financial or otherwise, to any person or entity to support a program authorized by law. The term "Grant" does not include an award with the primary purpose of procuring an end product, whether in the form of supplies, services, or construction, or any contract resulting from such an award that should otherwise be provided on a competitive basis.
Hosted Catalog	An online version of a supplier's printed catalog. Hosted catalogs contain product data and details, along with pricing information for each item. When a product search is performed in Tigerbuy, the products in all of the hosted catalogs are searched. Hosted catalog search results contain product information from all suppliers depending on the search criteria entered by the user.
Immediate Family	A spouse, parent, sibling or child
University	The University of Memphis
Notice of Intent to Award	The University's written notice to a bidder/proposer of a solicitation that the evaluation is complete, that names the respondent who is considered for award, and states that the procurement file is open for public inspection.

Non-responsive	Failure of a bidder/proposer who submits a response to a solicitation to conform in all material respects to the solicitation's requirements.
Proposal	A Proposer's response to the University's solicitation for goods or services
Proposer	Any person or legal entity with the legal capacity to enter into contracts and sue and be sued who responds to a written solicitation for goods or services issued by the University.
Proprietary Purchase	The procurement of a good or service that is protected under trade secret, patent, trademark, or copyright law by a vendor having exclusive legal right to provide, manufacture, or sell the good or service.
Protest	A written complaint filed by an Aggrieved Respondent in connection with a solicitation or award of a contract by the University.
Punch-out Catalog	Integrated external links to a supplier's web-based catalog. The user is connected electronically to the selected punch-out catalog to search and select products from a supplier's web catalog, the items are returned to the Tigerbuy shopping cart. The selected items are then submitted through the standard requisition/order process.
Purchase Order	A written or electronic document issued by the University's Procurement and Contract Services Office to a supplier authorizing a purchase.
Registered Vendor List	A list of potential bidders who have successfully completed the University's vendor registration process.
Request for Information	A solicitation sent to a broad base of potential suppliers for the purpose of developing strategy, building a database, or preparing for a Request for Proposal or a Request for Quotation.
Request for Proposal	A written solicitation for written proposals to provide goods or services to the University.
Request for Quotation	A procurement method where a contract is awarded to one or more bidders based on the lowest Responsive and Responsible bid which meets the required specifications, taking into consideration quantifiable factors including but not limited to the conformity of the goods and/or services to the specifications, and discount allowed for prompt payment or other reason(s), transportation charges, and the date of delivery specified in the solicitation.
Respondent	A person providing a written response to a solicitation.
Response	A respondent's written response to a solicitation.
Responsible Bidder/Proposer	A vendor who has the capacity in all material respects to perform fully the contract requirements, and the integrity and reliability that will assure good faith performance.
Responsive Bidder/Proposer	A person who has submitted a proposal which conforms in all material respects, to the terms of a solicitation.
RFP Coordinator	The University's procurement professionals who act as the primary point of contact and manages the procurement process.
Small Dollar Purchases	The procurements of goods or services totaling less than the amount required for

competitive bids.

Sole Source Purchase	The procurement of a good or service from a single uniquely qualified vendor.
Solicitation	A written document that facilitates the award of a contract to Contracting Parties for goods or services. Examples of solicitations include, but are not limited to, a Request for Quotation, a Request for Information, and a Request for Proposal.
State	The State of Tennessee, including its departments, agencies, and entities that fall under its purview.
State Agency	The departments, agencies, and entities of the State of Tennessee.
Statewide Contract	A contract for goods or services established by the State Chief Procurement Officer that all State Agencies must utilize and that may be used by local governments, higher education and not-for-profit entities.
Supplier/Vendor	A person or legal entity who has the legal capacity to enter into contracts and who supplies goods or services to the University through a contract or a purchase order. A “supplier” includes all persons or legal entities referenced as “vendors” in this Guideline.
Term Contract	A contract for goods or services in which a source or sources of supply are established for a specified period of time at an agreed upon price or prices.
Tigerbuy Receiver	An individual appointed by a financial manager to create receipts of goods
Tigerbuy Requester (Requester)	An individual appointed by a financial manager to create purchase requisitions in Tigerbuy. A requester must attend Tigerbuy training before access is granted to create requisitions.
Tigerbuy Eprocurement System	A computerized Eprocurement system used to manage the University’s procurement process online. The Tigerbuy application includes modules that address each step in the procurement process: source and bid, contract manager, shop and compare, create requisition, requisition approval process, create and distribute purchase order, receive, and payment.

Procedures

- I. Introduction**
- A. The purpose of this Procurement Guideline is to provide guidance and detailed procedures concerning procurement methods, administration, award and management. For procurements that result in contract documents, this Guideline; the [University Policy BF4007, Procurement and Contract Services](#); [University Contract Guideline \(10953\)](#) and [University Policy BF4008, Contracts and Signatory Authority](#) apply to the University of Memphis.
- II. Code of Ethics**
- A. This Code of Ethics shall be applicable to all employees at the University of Memphis who are primarily responsible for the purchase of goods and/or services.
- B. Employees must discharge their duties and responsibilities fairly and impartially.
- C. Employees shall grant competitive bidders equal consideration, regard each transaction on its own merits, and foster and promote fair, ethical and legal trade practices.

D. It shall be a breach of ethical standards for any employee who is involved in procurement to become or be, while such an employee, the employee of any party contracting with the particular governmental body by which the employee is employed.

III. Conflict of Interest

A. It shall be a breach of ethical standards for any employee, in the performance of his or her official duties, to participate directly or indirectly in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter pertaining to any contract, or subcontract, and any solicitation or proposal thereof, in which to his or her knowledge:

1. he or she or any member of his or her Immediate Family has a substantial financial interest; or
2. a business or organization in which he or she or any member of his or her Immediate Family has a substantial financial interest as an officer, director, trustee, partner or employee, is a party; or
3. any other person, business, or organization with whom he or she or a member of his or her Immediate Family is negotiating or has an agreement concerning prospective employment is a party.

B. The determination of whether a substantial financial interest exists shall be based upon University purchases from businesses in which an employee or family member has a financial interest:

1. T.C.A. §12-4-103 declares that it is unlawful for any state official or employee to “bid on, sell, or offer for sale, any merchandise, equipment or material, or similar commodity, to the state of Tennessee” or “to have any interest in the selling of the same to the state” during that person’s term of employment and for six months thereafter.
2. Disclosure of any such transaction by an employee or member of the employee's family or by a business in which an employee or member of the employee's family has any significant (more than 4%) ownership interest or for which an employee or employee family member serves as an officer.
3. T.C.A. §12-4-106(b)(2013) declares that it is a conflict of interest for any person or any company with whom such person is an officer, a director, or an equity owner of greater than 1% interest to bid on any public contract for products or services for a governmental entity if such person or “immediate family” of such person is a member of a board or commission having responsibility for letting or approving such contract.
4. For the purpose of this section only, “immediate family” means spouse, dependent children or stepchildren, or relatives related by blood or marriage.

C. Direct or indirect participation shall include, but not be limited to, involvement through decision-making, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

IV. Purchasing Authority

A. Procurement of goods and services made in accordance with the guidance provided herein may be approved by the President, Chief Procurement Officer or designees of the University.

B. No employee has authority to make any purchase commitment, enter into any contract for goods or services, or otherwise take action with respect to third parties which may be construed as financially binding to the University except through the authority of Procurement and Contract Services, unless specifically authorized by other applicable University policy or in writing by the President. This policy applies to all expenditures of funds. Specific procedures related to signatory authority are available in [University Policy BF4008, Contracts and Signatory Authority](#).

C. The following agreement and contracts shall be expressly subject to the approval of the President or designee: the purchase, disposal or lease of real property; insurance or agreements providing insurance or other benefits; all capital outlay projects; personal, professional or consultant services contracts over \$249,999.

1. Purchases as noted above may require the additional approval of Fiscal Review or the State Building Commission (SBC), etc. as appropriate.
2. See [Contract Submittal Checklist form](#) for submitting contracts to Procurement and Contract Services for Fiscal Review approval.

D. Goods, Materials and Supplies

1. Procurement of goods, materials, and supplies under this guideline shall not require a monitoring plan, but shall comply with University internal controls and audit procedures.

V. Procurements Generally

A. The procedures set forth in this section shall apply to all procurements of goods or services.

1. In cases where University policies and procedures do not address a specific procedure for purchase of a particular item, federal and state requirements will govern, as applicable.
2. All purchases shall be based upon the principle of competitive bidding except as may be otherwise provided herein. It is the responsibility of the Chief Procurement Officer to ensure that the competitive bid process is fair and open. Required documentation related to competitive bidding shall be routed through the University's procurement/contracts office, prior to the purchase, to ensure compliance with applicable policies and guidelines.
3. No procurement shall be divided or split to circumvent the proper procurement process. For example, if seven items totaling \$12,000 are needed for a particular project or purpose and can be obtained from a single source of supply, these items should be obtained via a competitive process instead of multiple Small Dollar Purchases. Similarly, if purchases that fall within the Small Dollar Purchase authority (less than \$10k) are of a recurring nature and the aggregate total is expected to exceed the amount allowable for Small Dollar Purchases, the procurement is presumed to exceed the Small Dollar Purchase authority and a competitive procurement method must be used (e.g., RFQ or informal quotes). If an estimate of total expenditures cannot be determined, but may exceed the bid threshold, a competitive process should be followed.
4. All purchases must be for official University use or benefit and support the University's mission. Each ordering department is responsible for determining that all items to be purchased are necessary. Regardless of the funding source (State, Federal or otherwise), University purchasing procedures are applicable in all cases where the expenditure is from funds administered by the University.
5. If authorized departmental personnel wish to evaluate/test vendor's equipment on campus prior to making a decision to request the purchase, the [Approval to Evaluate Capital Equipment Form](#) must be completed and forwarded to Procurement and Contract Services.
6. Purchase of Hazardous Materials. University personnel purchasing hazardous chemicals, biological agents, and items emitting ionizing radiation are reminded of the following requirements:

a. Chemicals purchased outside Tigerbuy and classified by the Department of Homeland Security (DHS) as "Chemicals of Interest" must be reported to the Environmental Health and Safety Office (EH&S) at the time of purchase, regardless of quantity purchased. A list of these chemicals is available at: http://www.dhs.gov/xlibrary/assets/chemsec_appendixa-chemicalofinterestlist.pdf. All planned purchases of Chemicals of Interest in excess of the DHS threshold limits, whether handled through Tigerbuy or not, should be discussed with EH&S prior to ordering.

b. Chemical purchasers must also ensure that all Safety Data Sheets (SDSs) for hazardous chemicals are sent to the EH&S, 216 Browning Hall. When received in EH&S, the SDSs are scanned and made available via the EH&S website at <http://www.memphis.edu/ehs>.

c. Prior to purchasing biological agents and toxins contained in the federal list of "Select Agents," University personnel should discuss plans for such purchases with EH&S. The list of Select Agents is available at <http://www.selectagents.gov>.

d. Purchases of radioisotopes and ionizing radiation producing devices (e.g., x-ray machines) must be approved by the EH&S prior to making such purchases. Radioisotope purchases should not be made through the Tigerbuy system unless pre-approved by EH&S.

B. Purchases from Small/Minority/Women/TN Service Disabled Veteran Owned Businesses:

1. The University, in accordance with state and federal law, shall actively promote and encourage diversity participation with small, minority, women and TN service disabled veteran owned businesses, as further defined in the [Minority/Ethnicity form](#).
2. University shall encourage businesses to seek certification by the Governor's Office of Diversity Business Enterprise (GoDBE), as applicable.
3. Procurement and Contract Services maintains a list of small, minority-owned, women-owned and TN service disabled veteran-owned businesses that can provide goods and services for University departments.

C. Limitations of Liability

1. The President or designee may authorize the procurement of goods and services with a limitation of a contractor's liability.
2. Unless authorized by the President or designee, no contract shall limit a contractor's liability to the University in an amount less than two (2) times the maximum liability, estimated liability or maximum revenue of a contract.
3. A limitation of liability in a contract with the University shall not be permitted for the following:
 - a. Liability for intellectual property or to any other liability, including, without limitation, indemnification obligations for infringement of third-party intellectual property rights;
 - b. Claims covered by any specific provision in a contract with the University providing for liquidated damages; or
 - c. Claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

D. A limitation of liability included in a contract with the University shall not waive or limit the University's legal rights, sovereign immunity or any other immunity from suit provided by law.

E. Notwithstanding the above, the President or designee may authorize:

1. The acquisition of software for use restricted solely to academic teaching or research upon terms that may limit the contractor's liability or warranties in an amount less than two (2) times the maximum liability; provided, that in no event, shall the liability of the contractor be limited for intentional torts, criminal acts or fraudulent conduct; and
2. The acquisition of software or services, materials, supplies and equipment for free or at nominal cost upon terms that may limit the contractor's liability or warranties in an amount less than two (2) times the maximum liability; provided, that in no event,

shall the liability of the contractor be limited for intentional torts, criminal acts or fraudulent conduct. T.C.A § 12-3-1210.

F. The provisions of this Section V.E, are not required to be followed for contracts of adhesion; for such contracts, the provisions of [University Contract Guideline \(10953\)](#), may be applied.

VI. Procurement Methods

A. The following methods may be used to procure goods and/or services:

1. Purchasing Card. Any full time employee of the University can apply for a P-Card upon the approval of his or her department head or financial manager. Additionally, P-Card requests and credit limit increases require the dean, provost or vice president approval. Cardholders may make small dollar purchases totaling less than \$5,000, for official business use. See University Policy BF4028, Purchasing Card Policy and [University Purchasing Card Guideline \(10119\)](#), for procedures, responsibilities and restrictions.
2. Small Dollar Purchases. University may make non-recurring purchases through Tigerbuy totaling less than \$10,000, cumulatively in expense or revenue, without documenting any quotes or proposals from multiple vendors. Purchasers should take appropriate steps, e.g., conducting price comparisons, processing appropriate contract documents, etc., to ensure that such Small Dollar Purchases are made based upon terms, conditions and pricing that are in the best interest of the University.
3. Informal Solicitations. Except as provided in Sections 1. and 2. above, University may make purchases totaling less than \$50,000 in expense or revenue based upon written, telephone or electronic bids. For purchases totaling \$10,000 - \$49,999.99, bids must be solicited from at least three (3) Responsive/Responsible Bidders/Proposers. Informal bids or quotes do not require an original signature, and bids may be written, electronically transmitted or telephoned. Each Bidder must be given the same minimum bid requirements to ensure equal consideration. Complete file documentation shall be maintained.
4. Formal Solicitations. A formal solicitation process shall be used when the estimated aggregate total of the expense or revenue is \$50,000 or more, including renewal terms of multi-year awards. Written sealed bids must be solicited from fifteen (15) vendors or the number of vendors on the Registered Vendors List--whichever is less and to all that request the specific RFQ/RFP. The Chief Procurement Officer must approve the use of less than fifteen (15) vendors. In addition, if the annual estimated aggregate total of the purchase is \$100,000 or more, solicitations must be sent in a manner that verifies proof of delivery.

a. The types of formal solicitations are provided below:

(1) Request for Information (RFI). An RFI may be used to gather information regarding the capabilities, including technical aspects and services offered, by various suppliers/vendors for particular goods or services. The information resulting from the RFI shall typically be followed by a competitive process for the actual procurement.

(2) Request for Quotation (RFQ).

(a) Goods, materials, and supplies (cumulatively called "goods") should be awarded to the lowest Responsive and Responsible Bidder pursuant to an RFQ.

(b) An RFQ may be used to procure services, if the specifications for delivery of such services are defined to a level of detail such that award is made to the lowest Responsive and Responsible Bidder. Examples of this type of services may include, but not limited to: pest control; security services; moving and hauling; refuse collections; charter services; printing services, and maintenance services

(3) Request for Proposal (RFP).

(a) For competitive procurements of goods and/or services, where cost is not the only determining factor for award, an RFP using the [Standard RFP Template](#) should be used.

(b) An RFP shall specify all steps and evaluation criteria as necessary to finalize selection of the successful proposer.

(c) A multi-step RFP process should be used when additional steps are necessary to qualify and/or demonstrate the goods and/or services proposed.

(4) Determining Type of Solicitation.

(a) For competitive procurement of goods, an RFQ is appropriate, and in general, a purchase order may be used to finalize the purchase.

(b) Except as permitted under Section VI.A.3.(2)(b), for competitive procurement of services, an RFP is more appropriate, and a purchase order is generally not sufficient to serve as the written contract for the services.

(c) For procurement of services which will require the President's approval, the [Standard RFP Template Format](#) shall be used.

(5) Bid Calendar.

(a) The University's [Bid Calendar](#) is provided as an information tool for interested vendors to view RFIs, RFQs and RFPs. Official documents are the RFIs, RFQs and RFPs prepared and issued by Procurement and Contract Services.

(b) Ordering departments may also find the Bid Calendar useful to obtain information about relevant bid requests. Departmental personnel are invited to attend public bid openings.

5. Reverse Auction. A reverse auction process allows for specified goods or services to be made electronically during a specified time period. When conditions are favorable, University may elect to use a reverse auction procurement method to achieve maximum competition among qualified Respondents, and to obtain the highest level of quality at the lowest price for goods or services. An award shall be made to the lowest Responsive and Responsible bidder.

6. Procurements Under Another State Entity's Bid Process. University may purchase goods or services using the competitive procurement process of another state entity. The process of the other state entity must have specified that the University or other Institutions would be permitted to purchase under the process. University is strongly encouraged to include language in its competitive processes to allow extension of its process for use by other Tennessee institutions as well as state departments. The Section does not preclude University from using a Statewide Contract as a bid in accordance with its competitive bidding process.

7. General Services Administration (GSA) Contracts. When a vendor maintains a General Services Administration (GSA) agreement with the United States of America, or any agency thereof, the University's procurement office may directly negotiate with that vendor for the commodity/services provided for in the GSA agreement. The price shall not be higher than that contained in the contract between the General Services Administration and the vendor affected.

8. State Manufactured Goods and Services. University is required to purchase goods and services from other State agencies, e.g. Department of Correction, Tennessee Rehabilitative Initiative in Correction (TRICOR), Tennessee Business Enterprises, and Community Rehabilitation Agencies (CMRA) / TRUST in Tennessee, whenever such items or services are available therefrom and meet the desired conditions and standards. Such contracts may be based upon non-competitive negotiation.

9. Procurements under Cooperatives. Pursuant to the Tennessee Interlocal Cooperation Act, T.C.A. § 12-9-101, University may purchase goods and services through University approved Cooperative Purchasing Agreements. The current approved list of University contracted cooperatives may be found at: <http://www.memphis.edu/procurement/help/link.php>

10. Emergency Purchases. University may make purchases of goods or services without utilizing formal solicitation procedures, to meet bona fide emergencies arising from any unforeseen cause. To initiate an emergency requisition, the authorized person must submit an approved requisition to Procurement and

Contract Services stating on the requisition, "Emergency Request." To assist in expediting the order, include the vendor's phone number, email and fax number. If the cost of the emergency requisition is \$10,000 or more, the ordering department shall submit a written report justifying the emergency to the Chief Procurement Officer. Bona fide emergency purchases must be approved by the Chief Procurement Officer, President or designees and file documentation of the circumstances of any such emergency shall be maintained. Emergency purchases must be made on a competitive basis and processed by the University's Procurement and Contract Services Office, if practicable.

11. Competitive Negotiation/Alternative Competitive Procurement Method.

a. A competitive negotiation process may be used only in cases when the University is unable to obtain needed goods and/or services by a traditional competitive bid process. Reasons to use a competitive negotiation process include:

- (1) Public need will not permit the delay incident to the RFP process;
- (2) No acceptable proposals have been received after the RFP process;
- (3) Rates payable for the services are regulated by law;
- (4) Other circumstances as approved by the University.

b. The requesting party shall work with the University's procurement office to define the process to ensure the safeguarding of the information and provide fairness to the vendors in the process.

c. Use of the competitive negotiation process requires prior approval of the President or designee.

d. File documentation specific to each use of competitive negotiation shall be maintained.

12. Non-Competitive Procurements.

a. Contracting with another State/Governmental Entity. Personal, professional and consultant service contracts may be obtained by non-competitive negotiation when the contractor is a State Agency, a political subdivision of the state, or any other public entity in Tennessee, or an entity of the federal government.

b. Sole Source and Proprietary Purchases.

(1) Whenever specifications are not so worded or designed to provide for competitive bidding, a Sole Source or Proprietary Purchase may be allowed. A Sole Source Purchase is available only from a single Supplier; a Proprietary Purchase allows for a competitive procurement process to be used that specifies a particular good or service.

(2) Written justification for Sole Source or Proprietary Purchases must be submitted in writing for approval by the President, Chief Procurement Officer or their designee. The [Justification for Sole Source Purchases and Contracts form](#) must be completed and approved by the University Procurement and Contract Services Office.

(3) In addition to the Justification for Sole Source Form, the following additional documentation may also be required as a part of the request:

(a) A letter from the vendor, which details the basis for non-competitive procurement, based upon the factors listed in Section b.(4) below.

(b) Letter(s) from business and industry which supports the purchase of a particular good or service as industry or business standard.

(c) A letter from the manufacturer specifying their distribution practices, i.e. available only directly or through distributors. (Note: All letters mentioned in this section are to be provided on the originator's company letterhead and must be signed by an authorized official of the company).

(4) Factors to be considered in determining Sole Source and Proprietary Purchases include the following:

(a) Whether the vendor possesses exclusive and/or predominant capabilities or the items contain a patented or copyrighted feature providing superior utility not obtainable from similar products;

(b) Whether the product or service is unique and easily established as one of a kind:

(c) Whether the program requirements can be modified so that competitive products or services may be used;

(d) Whether the product is available from only one source and not merchandised through wholesalers, jobbers and retailers;

(e) Whether items must be interchangeable or compatible with in-place items;

(f) Whether the cost of conversion, including but not limited to disruption, retraining and replacement precludes bidding competitively;

(g) Whether the product is to be used in an instructional setting and the intent is to provide instruction on the specific product or diversity of products;

(h) For personal, professional and consultant services, whether the use of non-competitive negotiation is in the best interest of the University;

(i) Other justification(s) as approved by the President, Chief Business Officer, Chief Procurement Officer or their designees.

(5) For goods and certain services where a purchase order is required, the [Justification for Sole Source form](#) must be completed and approved by the department's financial manager or designee if the amount is less than \$50,000. The Dean/AVP level of authority is required if the amount is \$50,000 or more. The Provost/Vice President level of authority is required if the amount is \$250,000 or more. This form, along with an approved purchase requisition and a signed letter from the vendor indicating that it is a sole source provider shall be submitted to Procurement and Contract Services for approval prior to goods or services being acquired. For purchase orders and contracts of \$250,000 or more, the additional approval of the President is required.

(6) For personal, professional and consultant services contracts, the Justification for Sole Source form must be completed and approved. This form, along with the Contract/Agreement Routing form; Agreement for Personal, Professional and Consultant Services form, and Minority/Ethnicity form shall be submitted to Procurement and Contract Services for approval prior to services being acquired. Procurement and Contract Services shall forward contracts in the amount of \$250,000 to Legal Counsel or the Chief Business Officer to obtain the approval of the President. The additional approval of the President is required if the dollar amount is \$250,000 or more. Prior approval of the Fiscal Review Committee is required on all non-competitive (sole source) contracts of \$250,000 or more and for a term greater than one (1) year. (Allow a minimum of 60 days prior to the effective date of the agreement).

c. Purchases for Resale in Auxiliary Enterprises. Certain items for resale for which customers have expressed a preference, and/or promotional items procured under accepted retail merchandising practices, may be purchased without adherence to requirements for minimum notice and number of bids. Appropriate documentation shall be maintained which supports the action taken.

13. Special Purchase Categories

a. Purchases for Libraries

(1) University shall be responsible for developing procurement policies and procedures for its library. Reference AA3015, [Acquisition of and Accounting for Library Materials](#)

(2) Purchases of materials for additions to a library collection, e.g., books, electronic or hard copy, are capital expenditures and can be made without formal bids or quotations, in accordance with [University Policy AA3015, Acquisition of and Accounting for Library Materials](#).

(3) Purchases of electronic journals, subscriptions, and databases for libraries shall be procured through the University's Procurement and Contract Services office in instances when a competitive process can be used or when Fiscal Review Committee is required.

(4) In addition, any required electronic or written agreements to license journals, subscriptions, or databases shall be routed through the University's Procurement and Contracts Services Office for review and approval prior to use.

(5) Appropriate documentation must be maintained for purchases to support Sole Source Purchase.

(6) Library purchases for electronic media may be subject to Accessibility Standards. (See Section XIV).

b. Grant Purchases

(1) Purchases utilizing grant funding shall comply with the conditions of the grant and applicable state and federal guidelines.

https://www.govregs.com/regulations/expand/title2_chapterII_part200_subpartD_subjgrp31_section200.318

(2) State grant purchases for goods or services shall not be made from vendors on the State of Tennessee Debarred Vendors List,

http://www.tn.gov/assets/entities/generalservices/cpo/attachments/Debarred_Vendors.pdf

(3) Federal grant purchases for goods or services shall not be made from vendors on the List of Parties Excluded from Federal Procurement and Non-Procurement Programs, available at <http://www.sam.gov>.

c. Utility Contracts

(1) University shall purchase or contract for all telephone, electric light, gas, power, postal and other services for which a rate for the use thereof has been established by a public authority in such manner as the University deems to be in the best interest of the State of Tennessee.

(2) Each such purchase or contract shall be made on a competitive basis, whenever possible unless it has been determined that such purchase is single/sole source. If such purchase has been determined to be single source, the purchase shall then be made pursuant to the section above related to Non-Competitive Negotiation.

d. Acquisition of Computer Systems

(1) Procedures for Ordering Dell Computers. The University has a contract with Dell Marketing, L.P. for computer systems and peripherals, effective April 1, 2016 to March 31, 2021. To place an order and utilize the University's negotiated pricing, users must log on the Tigerbuy Eprocurement system. From the "Product Search" tab, users can enter Dell's website by selecting the Dell punch-out catalog icon. Users can browse and select items within the site, "add them to a cart", save as an "E-quote" and then select "Create Order Requisition." Users will be directed to a "Shipping" page, in which a series of questions are required to be answered. Upon completion, select "Submit Order Requisition" and the requisition will be imported to the Tigerbuy Eprocurement systems. Users have the ability to review the draft requisition and then select "Place Order."

14. Gifts. Gifts do not require a procurement process subject to this Guideline.

15. Outsourcing. University is encouraged to determine whether some services can be delivered more economically by the private rather than the public sector. The following process is hereby permitted and encouraged:

a. The state's cost of the service may be ascertained and kept confidential as part of the evaluation process. This cost must be finally determined and provided to the President, as appropriate, in a sealed envelope prior to bid/proposal due date.

b. The service may be the subject of an RFQ/RFP, as appropriate, which approximately describes the services provided by the University.

c. The RFQ/RFP may require that if the proposer's/bidder's price exceeds the state's confidential cost, the proposal/bid may be rejected.

16. Local Campus Moving Services. The University has established local campus moving services contracts through a competitive bid process with five (5) contractors. Hourly rates for labor and trucks are firm with each contractor to ensure the best price, quality, delivery, and compliance with State requirements. Each contractor shall utilize the negotiated rates of service for each job; however, the number of trucks and man-hours may differ among the contractors. Therefore, all requests for local campus moving services will be sent to Procurement and Contract Services by the ordering department through use of an on-line requisition and a completed Moving Specifications Sheet. The Procurement Specialist will submit the Moving Specifications Sheet to each contractor and request a final cost for the moving job. Ordering procedures are established below:

a. Ordering department shall complete the [Moving Specifications Sheet](#) detailing all requirements that may affect the move. A listing of the moving contractors is available online at the following Procurement and Contract Services Web site <http://bf.memphis.edu/theipi/umcontracts.php?orderby=vendor>). Allow at least 7-10 days for the Procurement Specialist to complete the quote process. If the move is complex, allow additional time to schedule a walk-through or site visit with the contractor. If there is an emergency or urgent request, the Procurement Specialist will attempt to obtain quotes within a shorter time frame.

b. Attach the [Moving Specifications Sheet](#) to an on-line requisition in Tigerbuy, the University's eprocurement system.

c. If the requirements of the [Moving Specifications Sheet](#) change prior to the bid closing, the ordering department shall notify the Procurement Specialist immediately so that all contractors receive an updated [Moving Specifications Sheet](#).

d. The Procurement Specialist will submit the [Moving Specifications Sheet](#) to each contractor and request a final cost for the moving job. Quotes shall be received by the Procurement Specialist on or before the bid closing time and date. The ordering department will be given an opportunity to review quotes and then recommend award to the Procurement Specialist.

e. Procurement and Contract Services will issue a purchase order to the selected contractor.

f. After award of the purchase order, the ordering department will be responsible for coordinating and monitoring the moving project with the selected contractor.

g. When the local campus moving job is complete, the ordering department is responsible for entering a receipt in the Tigerbuy System as "Approval for Payment." All invoices should be sent to the Accounting Office; however, if an ordering department receives the invoice, indicate the purchase order number on the invoice and forward it to Accounting to expedite payment.

h. Call Procurement and Contract Services at extension 2265 for questions or assistance.

VII. Procurement Processes A. Initiating a Purchase

1. A Purchase Requisition or other appropriate documentation may be used by a University department to request the Procurement and Contract Services Office procure a given good and/or service. All Purchase Requisitions/requests require sufficient detail, as specified by the University's Procurement and Contract Services

Office, to allow the proper processing to acquire the good and/or service (e.g. quantity, description, vendor, delivery instructions, etc.).

2. Purchase requisitions/requests will result in one of the following: a. Purchase Order; b. Contract; c. Purchasing Card Purchase and d. Competitive Solicitation
3. Using the Tigerbuy Eprocurement System to create, approve, query, track and cancel requisitions

a. Access to Tigerbuy

(1) A financial manager is expected to give careful consideration to appointing designees, approvers, requesters and receivers to act on his or her behalf and to oversee their activities.

(2) To authorize Tigerbuy system access to approvers, requesters and receivers, the [Request for B&F System Access](#) form shall be filled out, signed by the user and approved by the appropriate financial manager. Once the form is completed, submit to Information Technology System and Support (ITSAS), 311 Scates Hall, or email a scanned copy to bfsas@memphis.edu or fax to 678-3061. User certifies that any data and materials accessed through the Tigerbuy system shall be treated in a professional and confidential manner. Financial managers shall notify ITSAS when an employee leaves the department, has a change in employment status or a change in job responsibilities.

(3) Registration for Tigerbuy training is available online through Learning Curve in the myMemphis portal

(4) Detailed information regarding the Tigerbuy system may be found in the [Tigerbuy Training Materials](#).

b. Purchase Requisition and Approval Procedures

(1) The Tigerbuy system is accessible through the myMemphis Portal. Purchase requisitions shall be submitted on-line by accessing the Tigerbuy system. To provide for segregation of duties in initiating and approving requisitions, the individual creating the requisition (requester) cannot be the same person who approves the requisition (approver).

(2) A requester in Tigerbuy may be a financial manager, designee, approver or receiver. Electronic approvals are established by the financial manager of the Organization associated with the purchase. Additional approval authority is provided through the approval hierarchy in the Banner Finance System. See [Finance Program Guide](#) for more information.

(3) Purchase requisitions are submitted by the requester and authorized by the approver and forwarded electronically through the Tigerbuy system to Procurement and Contract Services to process and approve a RFQ/RFP or a purchase order. Certain purchase orders do not require review and approval by Procurement and Contract Services and are submitted directly to the vendor.

(4) When purchase requisition approval is provided, the approver is authorizing the expenditure of funds when goods or services are received in Tigerbuy.

(5) **Note on Internal Controls.** *A key element of an organization's internal control over purchases is the monthly review of financial transactions by the responsible financial manager. Reports are available through eprint, Banner, and/or Tigerbuy. Refer to [University Policy BF4000](#), [Authorized Signatures](#) or the [Finance Program Guide](#).*

(6) The purchase requisition should include, but not be limited to the following:

(a) Information describing the purpose of the acquisition, technical requirements, bidder qualification and any other information considered relevant to the goods or services being acquired. Whenever possible, all specifications for materials,

supplies, equipment and services shall be worded or designed so as to permit open and competitive bidding. If available, furnish with the purchase requisition such specifications, catalog pages, brochures, or other data as will provide an adequate basis for determining the quality and functional capabilities of the products being requested.

(b) Quantity or amount of articles or services required

(c) Approximate time of delivery

(d) Estimated cost of goods or services

(e) Capital or sensitive minor equipment items must be coded as an equipment account code in order for the Fixed Asset System to identify items required to be tagged, as defined in [University Policy BF4025 Equipment Inventory](#). Refer to the [Finance Program Guide](#) for an account code listing.

(7) User profile. Users have the ability to access their own profile and set up basic information such as, user settings, email preferences, ship to addresses, and custom fields such as frequently used FOAPA codes. Users can select one FOAPA code as a default. Additional information regarding user profile may be obtained through training classes and the [Tigerbuy Training Materials](#).

(8) Creating shopping carts and checking out. The Tigerbuy system provides an efficient, one-stop shopping experience for all purchase requests. Users can find; comparison shop in hosted catalogs; and select products, services and negotiated prices in on-line catalogs (hosted and punch-out). Then, users transfer shopping cart items electronically, along with specifications and attachments, if needed, to one or more purchase requisitions. Other functionality includes: creating favorites, placing non-catalog item orders, copying requisitions to a new cart, deleting carts, approving requisitions, reviewing the history of documents, and entering receiving. After reviewing and updating the order, the final step is to select the "Place order" button to complete the order. Additional information regarding creating shopping carts and checking out may be obtained through training classes and the [Tigerbuy Training Materials](#).

(9) Approving requisitions. After a requisition has been placed, individuals with financial manager, designee, or approver status may review, modify, reject, or approve requisitions for which they have budget authority. Additional information regarding approvals may be obtained through training classes and the [Tigerbuy Training Materials](#).

(10) Accessing historical data. Departmental users may review and export historical data from Tigerbuy, including purchase requisitions, purchase orders, receipts and invoice information. By clicking on the History tab, users may search specific documents or a range of documents utilizing various filters in the system. The information contains details about any items ordered, approved, rejected, received, invoiced and distributed.

(11) Receiving. Receiving through Tigerbuy allows authorized users to electronically state that they have satisfactorily received goods or services in accordance with the purchase order. This is a vital step in the procurement process that in connection with receipt of an invoice initiates payment for goods or services received. An authorized user may enter a receipt by locating the purchase order and selecting either "Create Qty or Cost Receipt and Go." The receipt will automatically be populated with the purchase order information. Add any additional information, such as packing slip, carrier, tracking or notes. Review each line item data, enter the appropriate quantity received, and select the complete button. Receipts may be entered for partial or fully complete orders. Receipt information is attached to the original purchase order and department users can see that information by viewing the purchase order in the Status tab. The receiver may be any authorized Tigerbuy user in the ordering department. Additional information

regarding receiving may be obtained through training classes and the [Tigerbuy Training Materials](#).

(12) Canceling or withdrawing a requisition. Requisitions can be cancelled or withdrawn utilizing one of the following methods:

(a) Prior to selecting the final step of a requisition, *Place Order*, user may choose to remove selected line items or all items

(b) After a user has selected *Place Order*, the department's financial manager or designee (approver) may go to the *Approval* tab, assign the requisition to his/her self, and then reject selected items or withdraw the entire requisition

(c) After a requisition has been placed and approved by the department's financial manager or designee (approver), it will be processed according to Tigerbuy workflow (additional approval, bid, sole source, contract review, etc., as appropriate) and subsequently the purchase order is sent electronically to the vendor. Departmental approvers may request changes to a requisition by submitting a change order request form within the Tigerbuy system. Procurement and Contract Services can then cancel or change the order, as appropriate.

(d) Closing encumbrances on purchase orders. Financial managers or business officers should review monthly budget reports to determine if outstanding purchase orders are complete and need to be finalized. If it is determined that no additional activity will occur on a specific purchase order (e.g., all items have been ordered, received, invoiced and paid), but a remaining balance is still indicated in the Banner Finance System, departments should send a change order request form in Tigerbuy to request that the remaining encumbrance is to be closed.

(e) Processing payment of invoices. An authorized Tigerbuy user is responsible for receipting the items received or services performed into the Tigerbuy system. Through the receipt process, the receiver is confirming the supplies, materials, or equipment received or services performed are equal in quality and quantity to those requisitioned. This is a vital step in the procurement process that in connection with receipt of an invoice initiates payment for goods or services received. All invoices are directed to the Accounting Office; however, if a user receives the invoice, user should indicate the purchase order number on the invoice and forward it to Accounting. This will ensure that payment is made against the approved purchase order. Payments are then processed by the University's General Accounting Office, located in AD 275, in accordance with University Policy BF4012, Disbursement of Funds. Vendors are to submit invoices to the Accounting Office within five (5) days after shipment of goods or services rendered. The purchase order number must appear on the invoice. Invoices must show applicable trade and cash discounts. A separate invoice showing the purchase order number must cover each shipment.

B. Purchase Order

1. A purchase order means a written or electronic document issued by the University's Procurement and Contract Services Office to a vendor authorizing a purchase. Sending a purchase order to a supplier constitutes a legal offer to buy products and/or services. Acceptance of a purchase order by a supplier forms a contract between the University and supplier. Delivery by the supplier constitutes acceptance of the purchase order. See [Purchase Order \(PO\) Terms and Conditions](#).

C. Contract

1. A contract is a written agreement which conforms to [University Contract Guideline \(10953\)](#).

D. Purchasing Card Purchase

1. A purchasing card is an acquisition of goods and/or services using a payment method whereby purchasers are empowered to deal directly with suppliers for purchases using a credit card issued by a bank or major credit card provider. Generally, a pre-established credit limit is established for each card issued. Purchasing card purchases are subject to the requirements of University policies, guidelines and applicable state laws.

E. Competitive Solicitations

1. Whenever a purchase necessitates a competitive solicitation, the solicitation may be a formal or informal process and may take the form of a Request for Quotation (RFQ) or Request for Proposal (RFP), which may involve a multi-step process in order to determine the successful proposer. The steps and components defined below are required in a competitive solicitation, regardless of its form.

a. Planning the Solicitation. Proper and sufficient planning should be performed to ensure the successful acquisition of the goods/services. Such planning may include, but not be limited to, the following:

- (1) Determine appropriate method of procurement, i.e., RFQ/RFP, based upon nature and scope of deliverables being purchased;
- (2) Estimate expected total expenditure or revenue;
- (3) Confirm availability of funds for expenditure;
- (4) Evaluate historical spending trends for the same or similar items;
- (5) Draft open specifications using available information sources;
- (6) For all RFQ/RFPs exceeding \$100,000, [Bid Specification Written Certification form](#) from the author or committee that the specifications, to the best of their knowledge, are not proprietary shall be documented in the bid file.
- (7) Identify existing equipment, if any, as trade-ins;
- (8) Define timeline for receipt of deliverables;
- (9) Determine evaluation criteria, i.e., how an award will be made, such as lowest total cost, lowest cost per item or groups of items, best overall evaluated bidder, etc.
- (10) Identify prospective vendors.

b. Scope of Work and Specifications. Whenever possible, the scope of work and procurement specifications for goods and services shall be worded or designed to permit open and competitive solicitation.

(1) The scope of work is a detailed description of what is required of the vendor to satisfactorily perform or deliver what is required under the contract. The scope of work should provide a clear and concise description of the desired goods and/or services.

(2) Specifications used for competitive bidding shall be functional or performance specifications, when practicable, and must be clear, unambiguous and written to promote open and fair competition. Specifications may take the following forms:

(a) Descriptive Specifications. A descriptive format consists of a conventional listing or paragraph text description of specification data and should; if practicable:

- (i) Identify the product using generic terminology in the description;
- (ii) List any characteristics that determine performance capability and identify those characteristics that are essential in order to meet performance requirements; and
- (iii) Detail the minimum or maximum acceptable performance requirements for each characteristic with as much tolerance and flexibility as practicable.

(b) Specifications Based on Brand Name.

(i) All brand and model numbers used for the purchase of goods must be those in current production and available in the market. The use of brand and model names alone will not be permitted as a substitute for performance or functional specifications, unless providing performance or functional specifications is impracticable. When an item is specified by the use of brand names, the words "or equal" should be included.

(ii) Reference to brand names, trade names, model numbers, or other descriptions peculiar to specific brand goods, is made to establish a required level of quality and functional capabilities. It is not intended to exclude other goods of comparable quality or functionality. Comparable goods of other manufacturers will be considered if proof of comparability is contained in the response.

(iii) It shall be the responsibility of the vendors, including vendors whose product is referenced, to furnish with the bid such specifications, catalog pages, brochures or other data as will provide an adequate basis for determining the quality and functional capabilities of the product offered. Failure to provide this data may be considered valid justification for rejection of a bid.

(c) Specifications Based on Standard Specifications and Scopes of Work. University may develop standard specifications and scopes of work for the procurement of goods and/or services which fit, insofar as possible, the requirements of the majority of its departments that use the same.

(d) Specifications Based on Catalogs, Price List, or Price Schedules. Specifications may require vendors to respond to a solicitation using a plus (+) percentage (%), minus (-) percentage (%), or net cost offered as a discount or surcharge applying to the goods listed in the catalog, price list, or price schedule described within the solicitation. Solicitations of this type shall include a specific list of items for competitive analysis.

(e) Specifications Based on Qualified Goods List. Specifications may include a list of pre-approved brands and model numbers that meet the requirements. Whenever such pre-approved items are listed, the solicitation shall provide an opportunity for the submittal of additional items for consideration by the University for inclusion in the approved brands/model numbers. If additional items are approved for bidding, notification shall be provided to all bidders. The decision to approve additional brands/models for bidding shall be at the sole discretion of the University.

(f) Life Cycle Costing. The life cycle costs of commodities as developed and disseminated by the federal government shall be used as feasible. In determining life cycle costs, the following factors may be considered in the bid evaluation:

- (i) the acquisition cost of the product;
- (ii) the energy consumption and the projected energy cost of energy over the useful life of the product; and
- (iii) the anticipated resale or salvage value of the product.

(g) Energy Efficiency Standards. Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that has established energy efficiency standards utilized by the federal government in its contracting for major energy-consuming goods. The Energy Star website, <http://www.energystar.gov/>, provides a qualified list of goods meeting Energy Star's minimum energy specifications, life cycle costing calculations, life cycle cost formula information, and qualified goods that meet Energy Star's rating for using less energy and helping to protect the environment. University may use goods listed on the Energy Star website's list of qualified goods as "acceptable brands and models" on bid documents. Office equipment, appliances, lighting, and heating and cooling products and systems purchased by University shall be Energy Star qualified; provided, that such Energy Star qualified products and systems are commercially available.

(h) Specifications to Permit Remanufactured/Recycled/Re-Refined/ Used Goods. All goods offered and furnished must be new unless the RFQ/RFP specifically permits offers of used, remanufactured, or reconditioned. RFQs/RFPs which specifically permit offers of used, remanufactured, or reconditioned goods shall require a warranty; however, the President, Chief Procurement Officer or designee shall have the authority to waive this requirement. For applicable procurements, whenever the University deems such to be advantageous, specifications may be worded or designed so as to permit bidding of remanufactured/recycled/re-refined/used goods. Such specifications shall be comparable in use and quality to new materials, supplies and equipment.

(i) Specifications for Purchases of Chemical Products. Specifications for purchases of chemical products shall require the vendor to provide a material safety data sheet (MSDS) for such chemical products as listed on the national MSDSSEARCH repository. A site, operated by or on behalf of the manufacturer or a relevant trade association shall be acceptable so long as the information is freely accessible to the public.

c. Drafting the Solicitation. The University's procurement office will prepare a solicitation document using the information developed during solicitation planning. The solicitation document shall include sufficient information to permit a complete and accurate bid/proposal and shall, at a minimum, contain the following information:

- (1) The required sole point of contact from the University;
- (2) The time and place that bids will be received and opened;
- (3) Information describing the purpose of the procurement, technical requirements, bidder qualifications, and any other information considered relevant to the goods or services being acquired;
- (4) The quantity of goods or services required;
- (5) If the estimated expenditure or revenue exceeds \$100,000 annually, the solicitation document shall specify at least one question/answer period and/or pre-bidders' conference, with a written record of questions and responses provided to all prospective bidders;
- (6) Expected time of delivery;
- (7) Amount of insurance, bid or performance bond, if any;
- (8) Pro-forma contract, if applicable, containing the terms and conditions required by the University;
- (9) Description of the criteria used to evaluate bids/proposals;
- (10) Date bids/proposals will be available for public inspection;

(11) An inquiry to bidder regarding whether other Tennessee higher education institutions and/or state agencies may purchase from the contract; and if so, the period of time during which the contract terms and pricing will be available to other institutions; and

(12) Standard terms and conditions applicable to the solicitation.

d. Minimum Notice and Number of Bids. The minimum required notice and number of bids for competitive solicitations shall be as follows:

(1) If the estimated amount of the purchase (or revenue) is \$10,000 but less than \$50,000, written, telephone or electronic bids must be solicited from at least three (3) qualified vendors. When telephone bids are solicited, a record of the bidders and amounts bid shall be maintained.

(2) If the estimated amount of the purchase (or revenue) is \$50,000 or more, written sealed bids must be solicited from fifteen (15) vendors or the number of vendors on the Registered Vendors List--whichever is less and to all that request the specific Solicitation. The University's Chief Procurement Officer must approve the solicitation of less than 15 bids.

(3) If the annual estimated amount of the purchase is \$100,000 or more, solicitations must be sent in a manner that verifies proof of delivery.

(4) An RFQ for goods and services must be sent at least fourteen (14) days (ten (10) days when all vendors are local vendors) before the date that the bids are scheduled to be opened. The Chief Procurement Officer may approve a shorter number of days for Guideline or electronic informal bids, as applicable.

(5) For RFPs and applicable RFQs, e.g. an RFQ having requirements in addition to or other than the purchase of goods, a minimum of four (4) to six (6) weeks should be allowed for vendors to adequately prepare a competitive proposal based on the method of RFP or RFQ delivery, bid specifications and pre-bid/proposal questions, comments, and responses. Examples of solicitation processes which would need to allow at least six (6) weeks include, but are not limited to:

(a) Banking and other financial services;

(b) Bookstore and food services operations;

(c) Custom software and or IT system services;

(d) Advertising management services, and

(e) Any other bid for which the additional time is appropriate.

(6) A vendor's general or standing request for notice for all Solicitations of a given type shall not suffice as a request for a specific Solicitation and shall create no obligation on the University.

e. Communication with Bidders/Proposers. When specified in the solicitation document, all bidders shall communicate only with the procurement sole point of contact. Failure of the bidder to communicate with the procurement sole point of contact may result in disqualification. Amendment and/or modifications to the requirements shall be in writing and provided to all prospective Respondents. No solicitation may be orally modified or amended.

f. Pre-Bid/Proposal Conference/Question and Answer Period. If appropriate, a pre-bid/proposal conference and/or a question and answer period shall be included in the solicitation process. The purpose of the pre-bid/proposal conference and question and answer period is to provide prospective bidders/proposers the opportunity to submit

questions/comments regarding the solicitation. A written record of all questions/comments submitted along with the University's official responses is to be prepared and made available to all prospective bidders, as an addendum to the solicitation document. Bids/proposals shall take into consideration any and all amendments to the solicitation document, and responses shall reflect any changes made to the solicitation. Should extensive changes to a solicitation document be required, the University may elect to cancel the solicitation and reissue it based upon a revised solicitation document.

g. Delivery of Bids/Proposals. Bids/Proposals must be received at the specified location on or before the date and hour designated for bid opening. All bids received shall be date and time stamped to show compliance with the designated opening date and time. Late bids will be rejected and may be retained unopened in the bid file or returned to the bidder/proposer upon their request. Whenever an unopened bid is returned to a vendor, a written record shall be maintained.

h. Vendor's Information on Bid. Each bid should include the full name and business address of the bidder. If the vendor is a corporation, the name shall be stated as it appears in its corporate charter. Any resulting contract or purchase order will be issued to the business name specified in the bid.

i. Bid Format and Signature. Bids must be in the form specified by the University. All formal bids must bear a signature. The signatory on the bid must have authority to bind his or her company in the contract.

j. Bid Withdrawal, Revision, and Rejection.

(1) Bid Withdrawal.

(a) Before bid opening, a vendor may be permitted to withdraw a bid entirely and/or submit a substitute bid. The vendor making such a request must submit suitable identification.

(b) After bid opening, a vendor will be permitted to withdraw a bid only where there is obvious clerical error in the bid such as a misplaced decimal point, or when enforcement of the bid would impose unconscionable hardship due to an error in the bid resulting in a quotation substantially below the other bids received. Withdrawal of a bid after bid opening will be considered only upon written request from the vendor. In cases of errors in the extension of prices in the bid, the unit price will govern.

(2) Bid Revision.

(a) A bid may not be revised after bid opening, however, after evaluation is completed and the successful bidder/proposer is selected, University may initiate negotiations which serve to alter the bid/proposal in a way favorable to the University. For example, prices may be reduced, time requirements may be revised, the bid/proposal may be revised to supply omitted contract terms, etc.

(b) In no event shall negotiations increase the cost or amend the proposal such that the apparent successful proposer no longer offers the best proposal.

(3) Bid Rejection.

(a) All bids shall be subject to rejection by the President, Chief Procurement Officer or respective designees

(b) Any proposal that restricts the rights of the University or otherwise qualifies or limits the bid/proposal may be considered to be Non-Responsive, and the bid/proposal may be rejected.

(c) If the University determines that a bidder/proposer has provided information which the proposer knew or should have known was materially incorrect, or was not submitted independently without collusion, the subject bid/proposal may be determined Non-Responsive and may be rejected, and the bidder/proposer may be excluded from the solicitation opportunities.

(d) Action to reject all bids shall be taken only for unreasonably high prices, errors in the RFQ/RFP, cessation of need, unavailability of funds, failure of all proposals to meet technical specifications, lack of competition, a determination that the goods/services can be more economically delivered pursuant to an agreement with another Tennessee higher education institution or other State Agency, or a determination that proceeding with the procurement would be detrimental to the best interests of the University, the reason for which must be documented and approved by the President, Chief Procurement Officer, or their respective designees.

(e) When it becomes necessary to reject all bids, in a formal solicitation process, the reason for such rejection must be set out in complete detail and made available to all bidders who submitted a bid.

(f) If another solicitation document is to be issued, all prior bids/proposals shall remain closed to inspection by the public until the evaluation of the re-bid is complete.

k. Acceptance of Bids/No Rights Created.

(1) Notwithstanding any provision contained herein or in any solicitation document, submission of a bid/proposal shall not create rights, interests or claims of entitlement in any bidder/ proposer, including the successful bidder/proposer. Notwithstanding any action or agreement to the contrary, no such right, interest, or claim shall exist unless and until a purchase order has been issued or a Fully Executed Contract is issued.

i. Evaluation of Bids Received in Response to an RFQ.

(1) When more than one item is specified in the bid, the University may specify in the bid document that it shall have the right to determine the low vendor(s) either on the basis of each individual item, a group of items, or the total of all items.

(2) The contract for purchase shall be awarded to the lowest Responsive and Responsible bidder which meets the required specifications, taking into consideration quantifiable factors including but not limited to the conformity of the goods and/or services to the specifications, any discount allowed for prompt payment or other reason(s), transportation charges, and the date of delivery specified in the solicitation.

m. Evaluation of Bids Received in Response to an RFP.

(1) An RFP includes subjective as well as objective evaluation criteria. Evaluation of proposals submitted in response to an RFP is based upon a points system, whereby a contract for purchase of goods or services is made to the best evaluated proposer and not necessarily the lowest cost proposer.

(2) The RFP requires that a proposal contain separately sealed technical and cost proposals. The goal is to permit the evaluation of a proposal's technical capabilities by a selected group of evaluators without considering the cost factor.

(3) Compliance with the mandatory RFP requirement shall be determined by the RFP Coordinator in consultation with the Chief Business Officer or designee.

(4) Evaluation of technical offers shall be determined by an Evaluation Team. Members of the Evaluation Team should be adequate and appropriate to the scope and

(5) Procurement and Contract Services representatives shall review the proposals to ensure procurement procedures were followed and shall offer guidance to the Evaluation Team, but shall not serve on the Evaluation Team, and shall not score technical proposals received, except in instances where the RFP is directly related to a good/service needed by the procurement department.

(6) Any technical offers shall be evaluated based on the criteria of the RFP and other information learned during the technical evaluation process.

(7) Technical offers not deemed acceptable will not proceed to the pricing phase. Cost proposals shall not be opened if the associated technical proposal has been deemed Non-Responsive and is rejected by the University.

(8) Technical proposals must not include any cost proposal information. Inclusion of cost proposal information in a technical proposal will result in automatic disqualification of the proposal without further consideration.

(9) Technical proposals are opened and scored separately prior to cost proposals being opened/evaluated. Once technical scores are finalized, the RFP Coordinator will open and score the cost proposals based upon the criteria as set out in the RFP, with the lowest cost bidder receiving the highest score and remaining proposers receiving a pro-rated score thereafter.

n. Site Visits and Presentations.

(1) A solicitation may provide for site visits to bidder/proposer locations by evaluators and/or presentations by bidders/proposers as part of the evaluation process. In such event, any scores resulting from these activities will be applied prior to the opening of the cost proposal.

o. Tied Responses - Resolution.

(1) A tie exists when two or more Respondents offer goods or services that meet all specifications, terms and conditions at identical prices including cash discount offered for prompt payment. A tie will be broken by considering the following factors, in descending order:

(a) First preference shall be given to a “Tennessee Bidder”. Pursuant to T.C.A. § 12-4-121(c)(2), a “Tennessee Bidder” means a business that is:

- (i) Incorporated in this State;
- (ii) Has its principal place of business in this State; or
- (iii) Has an established physical presence in this State.

(b) Second preference shall be given to certified Disadvantaged Business Enterprise (DBE) bidder.

(c) Third preference shall be given to the bidder who was the low bidder on other items being bid for the same requisition.

(d) Fourth preference shall be given to the bidder who offers the best delivery.

(e) If a tie remains, it shall be broken by lot or coin toss.

p. Notice of Intent to Award.

(1) For RFPs and applicable RFQs, a notice of intent to award shall be sent to all Responsive and Responsible bidders/proposers containing, at a minimum, the content provided by the University.

q. Alternate Bids.

(1) Alternate bids will not be considered unless specifically called for in the bid.

r. The scope of the good(s)/service(s), as defined in the solicitation, shall form the basis of the resulting contract and cannot be expanded beyond the scope of the final solicitation document.

s. In order to provide a clear audit trail, the RFQ/RFP file (hard-copy or electronic) shall contain, at a minimum, the following:

(1) Documentation from the requesting department,

(2) A copy of the RFQ/RFP issued (including specifications),

(3) A list of vendors for the solicitation, including the date vendors were sent the RFQ/RFP and bidders actions,

(4) For RFPs and applicable RFQs, any pre-bid questions/responses or addendums to the RFQ/RFP,

(5) Any vendor correspondence (i.e. intent to propose letters, questions, etc.),

(6) For RFPs and applicable RFQs, all documentation relating to the composition of the Evaluation Team and the evaluation documentation used to make the award,

(7) As applicable, any documentation that warrants a re-bid of the RFQ/RFP,

(8) Any informal bid complaints and the respective responses/actions,

(9) Any formal bid protests,

(10) As applicable, copies of intent to award letters,

(11) Purchase order and/or contract or respective reference information, and

(12) And any other documentation applicable to the procurement.

F. Exemptions

1. Certain procurements/payments, as specified by the University, may be exempted from these processes/procedures. These include but are not limited to the following:

a. Telephone bills

b. Utility bills, including connection fees

c. Internet connection fees

d. Freight charges

e. Postage charges

f. Notary public fees

- g. Fees in connection with titles or title searches
- h. Vehicle rental while on approved travel
- i. Tuition, fees and supplies for state employees
- j. Emergency medical expenses

VIII. Protested Bids

A. Right to Protest

1. Protest procedures shall be included, or a link thereto, in all RFQs/RFPs.
2. An Aggrieved Respondent may protest, in writing, to the Chief Procurement Officer within seven (7) Calendar Days from the date of notice to award. Protests must be received by the University's Procurement and Contract Services Office no later than the close of business of the seventh Calendar Day.
3. The following are the sole grounds for a protest:
 - a. The contract award was arbitrary, capricious, an abuse of discretion, or exceeded the authority of the awarding entity;
 - b. The procurement process violated a constitutional, statutory, or regulatory provision;
 - c. The awarding entity failed to adhere to the rules of the procurement as set forth in the solicitation and this failure materially affected the contract award;
 - d. The procurement process involved responses that were collusive, submitted in bad faith, or not arrived at independently through open competition; and
 - e. The contract award resulted from a technical or mathematical error during the evaluation process.
4. Any issues not raised by the protesting party after the seven (7) Calendar Day period shall not be considered as part of the protest.
5. Protests shall include the required bond, as specified in Section VIII.C, below. Protests received which do not include the required bond shall not be considered. See [Example Protest Bond](#).

B. Signature on Protest Constitutes Certificate.

1. A protest must be signed by an authorized company representative, who certifies that he/she has read such document, that to the best of his/her knowledge, it is well grounded in fact and that it is not submitted for any improper purpose, such as to harass, limit competition, or to cause unnecessary delay or needless increase in the cost of the procurement or of the litigation.
2. If the protest is submitted in violation of any provisions of this Section VIII.B, appropriate sanctions, which may include removal from future bid opportunities and forfeiture of the protest bond, may be imposed.

C. Protest Bond

1. The protesting party shall post, with the Chief Procurement Officer of the University, at the time of filing a notice of protest, a bond payable to the University in the amount of five percent (5%) of the lowest cost proposal. The protesting party shall post, with the Chief Procurement Officer of the University, at the time of filing a notice of protest, a bond payable to the University in the amount of five percent (5%) of the lowest cost proposal evaluated or five percent (5%) of the highest revenue proposal evaluated. Calculation of the value of the bond shall be made based on the total value of the procurement, including any renewals thereof. Such protest bond

shall be in form and substance acceptable to the University and shall be immediately payable to the University conditioned upon a decision by the Chief Business Officer or designee that:

- a. A violation of Section VIII.B.;
- b. The protest has been brought or pursued in bad faith; or
- c. The protest does not state on its face a valid basis for protest.

2. The University shall hold such protest bond for at least eleven (11) Calendar Days after the date of the final determination by the Chief Business Officer.

3. At the time of filing notice of a protest of a procurement in which the lowest evaluated cost proposal is less than one million dollars (\$1,000,000), or in which the highest evaluated revenue proposal is less than one hundred thousand dollars (\$100,000), a minority, women, small or service disabled veteran-owned business protesting party may submit a written petition to the Chief Business Officer for exemption from the protest bond requirement.

a. Such a petition must include clear evidence of business classification which shall be validated with the ethnicity information supplied with the solicitation. The petition shall be submitted to the Chief Business Officer who has seven (7) Calendar Days in which to make a determination.

b. If an exemption from the protest bond requirement is granted, the protest shall proceed as though the bond were posted.

c. Should the Chief Business Officer deny an exemption from the requirement, the protesting party shall post the bond with the Chief Procurement Officer of the University as required in Section VIII.C.1. within five (5) Calendar Days of the determination.

4. Authority to Resolve Protest.

a. The University's Chief Procurement Officer has the authority to resolve the protest. If deemed necessary, the University's Chief Procurement Officer may request a meeting with the protesting party to seek clarification of the protest issues.

b. The final determination of the University's Chief Procurement Officer shall be given in writing and submitted to the protesting party.

c. The protesting party may request that the final determination of the University's Chief Procurement Officer be considered by the University's Chief Business Officer. The request for consideration shall be made in writing to, and received by, the University's Chief Business Officer within seven (7) Calendar Days from the date of the final determination by the University's Chief Procurement Officer.

d. The University's Chief Business Officer has the authority to review and resolve the protest. If deemed necessary, the University's Chief Business Officer may request a meeting with the protesting party to seek clarification of the protest issues. The final determination of the University's Chief Business Officer shall be given in writing and submitted to the protesting party.

e. The protesting party may request that the final determination of the University's Chief Business Officer be considered by the President of the University. The request for consideration shall be made in writing to, and received by, the President within seven (7) Calendar Days from the date of the final determination by the University's Chief Business Officer.

f. The University shall have no longer than sixty (60) Calendar Days from receipt of the protest to resolve the protest.

g. The determination of the President or designee is final and shall be given in writing and submitted to the protestor.

5. Stay of Award

a. Prior to the award of a contract, a proposer who has protested may submit to the University's Chief Procurement Officer a written petition for stay of award. Such stay shall become effective upon receipt by the University's Chief Procurement Officer.

b. The University's Chief Procurement Officer shall not proceed further with the solicitation process or the award until the protest has been resolved in accordance with this section, unless the University's Chief Financial Officer makes a written determination that continuation of the solicitation process or the award without delay is necessary to protect substantial interests of the University.

IX. Reports

A. Reports shall be submitted to the appropriate State office as follows:

1. Small/Minority/Women/Veteran-Owned Business Report. This quarterly report, required by T.C.A. § 12-3-1107, consists of transactions with minority-owned, women-owned, small, service disabled veteran-owned businesses shall be reported to the Governor's Office of Diversity Business Enterprise (GoDBE) on a quarterly basis (January-March, April-June, July-September and October-December).
2. Contracts Report. This quarterly report consists of contracts for all personal, professional, and consulting contracts exceeding \$5,000. This report shall also include non-competitive contracts with a value of \$50,000 and greater. This report shall be reported to the State's Fiscal Review Committee.
3. RFQ/RFP Diversity Report. This quarterly report consists of contracts/purchase orders issued from request for quotations and request for proposals for goods and/or services pursuant to T.C.A. § 12-3-1107 and shall be reported to the Governor's Office of Diversity Business Enterprise (GoDBE).
4. Senate, Finance, Ways and Means Report. This annual report consists of a list of all contracts (both goods and services) with a value of \$50,000 or greater (both revenue and expenditure contracts). This request includes all contracts currently active. This shall be reported to the Senate Finance, Ways and Means Committee.

X. Vendors

A. Vendor Registration. University shall maintain a process by which prospective vendors may register to conduct business with the University.

1. The University's registration system shall enable the University to generate a list of vendors who have registered to provide specific commodity classes. Vendors may register at <http://www.memphis.edu/procurement/tigerbuy/>. Registration does not guarantee that vendors will receive RFQs and RFPs. All bid opportunities are advertised through the Tigerbuy system and the University's Bid Calendar.
2. The University may require the vendor to submit information (other than the vendor application) which demonstrates its ability to provide certain goods or services prior to inclusion on the list of vendors.

B. Tennessee Statutory Vendor Requirement/Registration

1. Illegal Immigrants

a. No person may enter into a contract to supply goods or services to the University without first attesting in writing that the person will not knowingly utilize the services of illegal immigrants in the performance of the contract, and will not knowingly utilize the

services of any subcontractor who will utilize the services of illegal immigrants in the performance of the contract. T.C.A. § 50-1-103.

2. Sales and Use Tax

a. No person may enter into a contract to supply goods or services to an entity without first registering registered or receiving an exemption from the Department of Revenue for the collection of Tennessee sales and use tax. T.C.A. § 67-6-601–608.

3. Pursuant to T.C.A § 62-6-101 et seq., construction bids with an estimated total of \$25,000 or greater require bidders to provide its TN contractor’s licensure information, including classification and date of expiration with its bid response.

C. Removal from Vendors List

1. Vendors who fail to provide adequate goods and/or services may be removed from the vendors list.
2. Reported failure to comply with bids, awards, and/or orders, etc. shall be documented and maintained.
3. Examples of failure to comply include but are not limited to: a. Over, under and/or late shipments; b. Failure to ship; c. Damaged and/or defective products; d. Shipments not in conformance with specifications; and e. Unauthorized substitutions.
4. Other principal causes for removal from the vendor list are: a. Billing errors; b. Service deficiencies; c. Unethical practices; d. Misrepresentation of merchandise; e. Unwillingness to amend impermissible clauses; and f. State or federal debarment status.
5. Failure of a vendor to perform satisfactorily in any of the above areas may result in a vendor's liability for damages to the University.

D. Vendor Performance Evaluation

1. Vendor performance is very important to the business relationships developed between the University and its vendors. To collect feedback on vendor performance, University departments are requested to complete and submit an on-line [Vendor Performance Evaluation Form](#). If ordering departments are experiencing vendor’s failure to comply with University bids, awards and/or purchase orders, promptly submit an online [Vendor Performance Evaluation Form](#) to Procurement and Contract Services: <http://www.memphis.edu/procurement/tigerbuy/vendoreval.php>.

XI. Receiving

A. Freight, Shipping, Receipt, Storage and Inspection of Goods

1. Freight, Shipping, Receipt, Storage and Inspection of Goods

a. Free On Board (FOB). “FOB” is an acronym for "free on board" when used in a sales contract. The seller agrees to deliver merchandise, free of all transportation expense, to the place specified by the contract.

(1) FOB Destination. Under “FOB Destination,” title and risk remain with the seller until it has delivered the goods to the location specified in the contract. FOB Destination is the standard method for University shipments.

(2) FOB Origin. “FOB Origin” means that title and risk pass to the buyer at the moment the seller delivers the goods to the carrier. The parties may agree to have title and risk pass at a different time or to allocate shipping charges by a written agreement. In order to agree to FOB Origin, the vendor or University must provide shipment protection for the University’s interest.

b. Receipt. Upon receipt of supplies, materials, and equipment, the receiving University shall promptly make a written certification that the items received were equal in quality and quantity to those purchased by entering verification on the receipt documents (hard-copy or Eprocurement). The University's copy of the Purchase Order may be used to verify goods or services received.

c. Shipping Documents. Upon delivery, the University shall:

(1) Verify that the shipping documentation names the University as the actual consignee and that the number of cartons, crates, etc., listed is the same as the amount received.

(2) Examine containers for signs of external damage or pilferage. If signs of damage or pilferage are obvious or suspected, it must be noted on each copy of the freight bill and signed (not initialed) by the delivering driver.

(3) Sign the freight bill and retain a copy for University's records. The notation "SUBJECT TO FURTHER INSPECTION" may accompany the University's signature.

(4) Count and inspect the internal contents of all boxes, crates or cartons to determine that the material received matches the description listed on the packing slip, receiving documents, and/or purchase order, in regard to quantity, quality, size, color, model number, specifications, etc. and record in the University's Eprocurement system.

(5) If any discrepancies (i.e. wrong item(s), overages, shortages, damages) exist, they must be noted on the packing slip, receiving report, and/or purchase order. Appropriate corrective action shall be taken for all discrepancies.

(6) All receiving records should indicate the quantity and date received and any other information pertinent to the receiving process.

(7) The material received must be retained or sent to the proper department. Damaged goods deemed unacceptable are to be retained for further disposition.

XII. Contract Monitoring

A. Service Contracts. All service contracts shall contain a provision that states that the contractor's activities shall be subject to monitoring by the University and/or state officials. These contract types include, but are not limited to:

1. Personal Service
2. Professional Service
3. Software Related Agreements
4. Grants, including subcontracts
5. Memorandums of Understanding

B. Monitoring Plan. University shall maintain a [Contract Monitoring Plan form](#) for all service contracts to ensure the following:

1. Contract performance in terms of progress and compliance with contract provisions;
2. Communication with Contractor to ensure maximum performance and intended results;
3. Financial obligations of the University do not exceed the contract pricing;
4. Deliverables are received;
5. Appropriate approval and remittance of payments for acceptable work are in accordance with contract provisions and applicable law;
6. Maintenance of records for each contract that documents activities such as procurement, management, and subrecipient monitoring, if applicable; and
7. Evaluation of contract results in terms of the achievement of organizational objectives.

C. Goods, Materials and Supplies. Procurement of goods, materials, and supplies under this guideline shall not require a monitoring plan, but shall comply with State and University internal controls and audit procedures.

XIII. Surplus Property

A. Surplus property is personal property which has been determined obsolete, outmoded, unusable or, no longer usable by the University, or property for which future needs do not justify the cost of maintenance and/or storage.

B. Disposal of such property must be in accordance with [University Policy BF4027, Disposal of Surplus Property](#).

XIV. Accessibility

A. University shall seek to afford persons with disabilities the opportunity to use informational/instructional and technologies to acquire the same information, engage in the same interactions, and enjoy the same services as a person without a disability in an equally effective and equally integrated manner, with substantially equivalent ease of use.

B. University shall include language in applicable procurements that the products/services, including any updates, provided to the University will meet the accessibility standards set forth in WCAG 2.0 AA (also known as ISO standard, ISO/IEC 40500:2012), EPub 3 and Section 508 of the Vocational Rehabilitation Act.

C. When signature is required by the University, to demonstrate that the vendor's product complies with the aforementioned accessibility standards, the vendor shall verify accessibility by completing the [Vendor Product Accessibility Statement and Documentation Form](#). If the vendor is not compliant with the aforementioned accessibility standards, the vendor shall describe by using the Accessibility Conformance and Remediation Form its plan for product/service compliance.

XV. Fiscal Review

A. Certain procurements/contracts must be also filed with and reviewed by the State's Fiscal Review Committee. This includes procurements/contracts that meet all of the following criteria:

1. Contracts that are non-competitive; and
2. Contracts that have the potential of being for a period of more than one year; and
3. Contracts that exceed \$250,000 in total value (including all potential renewals)

B. For all procurements/contracts that meet these criteria, the University shall produce/coordinate the documentation required for Committee submittal/review.

XVI. Bonds

A. Performance Bonds

1. The University may require a bond to secure a Contracting Party's performance of a contract.
2. When required, the amount of the bond shall be stated as a percentage of the contract price (but may not exceed 100 percent (100%) of the total contract price), and the amount may be reduced proportionately after contract award or performance under the contract moves forward successfully.
3. All bonds must be filed with the University within fourteen (14) Calendar Days after receipt of request. Personal checks shall not be acceptable in the place of performance bonds. However, bank cashier's checks shall be accepted.
4. An irrevocable letter of credit or a certificate of deposit, which shall be held by the University from a State or national bank or a State or federal savings and loan association having a physical presence in Tennessee may be accepted by the University in lieu of a performance bond, subject to approval of the terms and conditions of said irrevocable letter of credit or certificate of deposit.

B. Bid bonds.

1. A bid bond is a surety bond issued by an insurance company, bank, or other financial institution, to ensure that the winning proposer will enter into a contract.
2. All bid bond amounts shall be stated as a set amount or as a percentage of the contract value. In no event shall the bid bond amount exceed five percent (5%) of the estimated value of the contract.
3. Bid bonds submitted by unsuccessful Respondents shall be returned upon contract award.
4. Personal checks shall not be accepted in the place of bid bonds.
5. Other forms of security to guarantee a bid bond may include an irrevocable letter of credit or a certificate of deposit or cashier's check from a state or national bank or a state or federal savings and loan association or other financial institution having a physical presence in Tennessee.
6. The terms and conditions of all forms of security to guarantee a bid bond shall be approved by the University before they are accepted as security for the Respondent's performance.
7. In addition to any applicable requirement of T.C.A. § 12-4-201, no contract for the services of a construction manager shall be awarded for any public work in this state by any city, county or state authority or any board of education unless there is posted at the time of the submittal of a bid for services by a construction manager a bid bond equal to ten percent (10%) of the value of the services proposed and the value of the work to be managed or may at the time of contracting provide payment and performance bonds in amounts equal to the combined monetary value of the services of the construction manager and the value of the work to be so managed. T.C.A. § 62-6-129.

C. Payment Bonds

1. A payment bond is a good and solvent bond to ensure that the contractor will pay for all the labor and materials used by the contractor, or any subcontractor under the contractor, in such contract.
2. University shall not award any contract in excess of \$100,000.00 for public work until a payment bond of twenty-five percent (25%) of the contract price is provided by the contractor to the University.
3. Where advertisement is made, the solicitation shall include the bond requirement. T.C.A. § 12-4-201.

D. Protest Bond - Refer to Section VIII. C., above.

XVII. Strategic Sourcing

A. The University shall seek opportunities to improve efficiencies and buying power by leveraging purchasing and sourcing resources across state higher education institutions and other state agencies. University shall seek advice and input from key functional areas in which procurement and sourcing needs are often common and substantial. Such collaboration may result in establishing new collective agreements and enhancing existing agreements to ensure that procurements are in the best interest of the state.

XVIII. Prohibited Transactions

A. No personal items shall be purchased through the University or from funds of the University for any employee of the University or any Immediate Family of any employee.

B. No employee of the University responsible for initiating or approving requisitions shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract may be awarded, by rebate, gift or otherwise, any money, or any promise, obligation or contract for future awards or compensation.

C. Whenever any contract is awarded contrary to the provisions of [University Policy BF4007, Procurement and Contract Services](#) or this Guideline, the contract may be void and of no effect, and if the violation was intentional, the employee responsible for the purchase may result in disciplinary proceedings under University policy. [University Policy GE2021, Conflict of Interest](#).

