



Item: BF: A-2

BUDGET AND FINANCE COMMITTEE

Tuesday, November 14, 2023

SUBJECT: AMENDMENTS TO REGULATION 6.008, PROCUREMENT

PROPOSED COMMITTEE ACTION

Recommend approval of amendments to Regulation 6.008.

BACKGROUND INFORMATION

The University seeks to amend FAU Regulation 6.008, Procurement. The primary purpose of these amendments is to update certain provisions in compliance with recent amendments to Florida Board of Governors' (BOG) Regulations. The proposed changes are summarized as follows:

1. Updates the competitive solicitation threshold from \$75,000 to \$150,000, as authorized by BOG Regulation 18.001.
2. Updates the term "vendor" to "supplier" for consistency with FAU's Workday system.
3. Updates the reference to the administration of Construction Services to include University Construction Services policies, as authorized by Chapter 14 of the BOG Regulations.
4. Removes the limitation on working days for the 72-hour posting period, in compliance with BOG Regulation 18.002.
5. Adds the terms "piggyback" and "adopted" as a commonly-used references for agreements from other sources that are not subject to further competitive solicitation.
6. Revises other provisions for closer conformity with the language of BOG Regulation 18.001.

IMPLEMENTATION PLAN/DATE

The proposed Regulation will be implemented and effective upon adoption by the Board of Trustees.

FISCAL IMPLICATIONS

Competitive solicitations will no longer be required for purchases between \$75,001 and \$150,000; provided, however, that comparable quotations shall be required under University procurement policies.

Supporting Documentation: Proposed Amended Regulation 6.008, Procurement

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Florida Atlantic University

Regulation 6.008 Procurement

(1) Definitions.

(a) Artistic Services – Services provided by an individual or group of individuals who profess and practice a skill in the area of music, dance, drama, folk art, creative writing, painting, sculpture, photography, graphic arts, web design, craft arts, industrial design, costume design, fashion design, motion pictures, television, radio or tape and sound recording or in any other related field.

(b) Commodity – Any of the various supplies, materials, goods, merchandise, food, equipment or other personal property, including a mobile home, trailer or other portable structure, which are purchased, leased, lease-purchased or otherwise contracted for by the University. Commodity also includes interest on deferred-payment contracts entered into by the University for the purchase of other commodities. Printing of publications, vehicles and software and license agreements shall be considered commodities.

(c) Competitive Solicitation – An Invitation to Bid, Request for Proposal or Invitation to Negotiate to competitively select a contractor.

(d) Construction Services – Contractual services, including labor or materials, for the design, construction, renovation, repair or demolition of University facilities.

(e) Contractor/Vendor/Supplier – A person or firm who contracts to sell commodities or contractual services to the University.

(f) Contractual Service – The rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors.

(g) Extension – An increase in the time allowed for the performance of the contract.

(h) Independent Contractor – A person or firm who provides a service to the University but does not have any employment or other relationship or connection with the University, except as provided in Section 112.313, F.S.

(i) Invitation to Bid – A written solicitation for competitive sealed bids, designating the title, date, and hour of the public bid opening and also defining the commodity, group of commodities or services.

(j) Invitation to Negotiate – An invitation extended to prospective contractors, whether by advertisement, written solicitation, electronic media, or any other form of communication, to define the specifications, terms and conditions of a contract for commodities or contractual services. An invitation to negotiate may be used when negotiations are beneficial to achieve the best outcome for the University.

~~(k)~~ Public Entity Crime – A violation of any state or federal law by a person in the transaction of business with any public entity of any state or with the United States government involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

~~(l)~~ Purchase - An acquisition of commodities, services or licenses obtained by purchase order, contract, or other authorized purchasing method, whether by rent, lease, installment, lease-purchase, or outright purchase.

~~(m)~~ Purchases for Resale – The purchase of commodities or contractual services acquired for the purpose of selling them for the benefit of the University.

~~(n)~~ Renewal – Contracting for an additional period of time after the initial contract term, provided the original terms of the agreement specify an option to renew.

~~(o)~~ Request for Proposal – A written solicitation for competitive proposals for commodities or contractual services designating the title, date, and hour of the public opening. The request for proposal is used when the scope of work is not clearly defined.

~~(p)~~ Vehicles – Includes any automobile, truck, motorcycle, bicycle, golf cart, watercraft or other vehicle designed primarily for transporting persons as well as construction vehicles or farm equipment.

(2) Authority.

The President shall delegate to the Procurement Department the powers and duties to approve, execute and administer University contracts for the purchase of commodities and contractual services and to establish policies, procedures, guidelines and best practices to facilitate such duties. In addition, the Procurement Department has the responsibility to:

(a) Canvass sources of supply and enter into contracts for the purchase of goods or services including installment or lease-purchase contracts.

(b) Evaluate the ability of any ~~vendor-s~~Supplier to remain on a competitive ~~vendor~~sSupplier list, based on the ~~Vendor's-Supplier's~~ responsiveness to competitive solicitations, the ~~Vendor's-Supplier's~~ ability to fulfill the duties specified in contracts, or any disruptive or unprofessional conduct or conduct which is not conducive to the University environment on the part of the ~~Vendor-Supplier~~ or its agents, and bar ~~vendors-Ssuppliers~~ from doing business with the University for demonstrated cause as determined by the President, including previous unsatisfactory performance.

(c) Planning and coordinating purchases in volume and negotiating with ~~Vendors~~Suppliers.

(d) Develop an Annual Certification List to serve as a waiver of the competitive solicitation requirement for commodities/ services that are frequently purchased and are available from a single source.

(e) Evaluate, approve, and utilize contracts that are entered into after a public and open competitive solicitation by the Federal Government, the State, other states, political subdivisions

or entities, colleges, universities, cooperatives or consortia for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University to make purchases under contracts let by such other entities;~~;~~ maintaining appropriate justification for the use of services contract adoption; and ~~to review existing consortia and cooperative contracts to~~ identify potential savings and, if there is the potential for savings, enter into new consortia and cooperative contracts to achieve the savings, with the goal of achieving a five-percent savings on existing contract prices.

(f) Elect as an alternative to the provisions of Section (8) herein, to proceed with a bid solicitation or contract award process when it is set forth, in writing by the President, particular facts and circumstances which require the continuance of the solicitation or contract award process without delay in order to avoid an immediate and serious danger to the public health, safety or welfare.

(g) Award contracts for commodities and contractual services. This includes the authority to make awards to multiple suppliers, awards in multiple year terms, or award contracts on behalf of multiple institutions or entities.

(h) Reject or cancel any or all competitive solicitations, in whole or in part, when determined to be in the best interest of the University.

(i) Purchase insurance as deemed necessary and appropriate for the operation and educational mission of the University.

(j) Coordinate with University Facilities Management on the administration of Construction Services, which services shall be administered pursuant to Chapter 14 of the Florida Board of Governors (BOG) Regulations and University Construction Services policies.

(3) Competitive Solicitations.

(a) General.

1. The opportunity to bid on a University contract is a privilege, not a right.
2. All contracts for the purchase of commodities or contractual services exceeding ~~\$75,000~~\$150,000 shall be awarded pursuant to a competitive solicitation, unless otherwise set forth in this regulation.
3. The purchase of commodities and contractual services shall not be divided to avoid the requirement of competitive solicitation.
4. In the event that no quotes, bids, proposals, or responses to Invitations to Negotiate are received in response to a competitive solicitation, the University shall negotiate the purchase at the best possible price.
5. When only one response is received to a competitive solicitation for commodities or contractual services exceeding ~~\$75,000~~\$150,000, the Procurement Department shall review the solicitation response to determine if a second call for a competitive solicitation is in the best interest of the University. If it is determined by the Procurement Department that a second call would not serve a useful purpose, the University will proceed with the acquisition.
6. When multiple responses are received to a competitive solicitation pursuant to subsection (3)(a)2 for personal property or printing, a preference shall be provided to ~~vendors~~suppliers with a principal place of business in Florida as

set forth in BOG Regulation 18.001(3).

7. The intended award shall be publicly posted by the Procurement Department for 72 hours ~~which is interpreted as three working days excluding Saturdays, Sundays, and State and University Holidays.~~
- ~~8. Advertisements. All competitive solicitations Invitations to Bid, Requests for Proposal, and Invitations to Negotiate expected to be in excess of \$150,000 shall be advertised in the Florida Administrative Weekly, MyFloridaMarketPlace (MyFlorida.com), or on the Procurement Department's web site. The Procurement Director, or a designee, shall determine if any additional advertising or the direct solicitation of relevant Suppliers should be used based on the nature and quantity of the commodities, contractual services and the availability and extent of competitive solicitation lists.~~
- 8.
9. The contents of Competitive Solicitations shall be kept confidential by the University until the University provides notice of an intended decision or as otherwise provided in Section 119.071(1)(b), F.S.
10. In the case of extension errors, the extended price (unit price multiplied by the quantity) will be based on the unit price as stated in the ~~Vendor's~~ Supplier's Response.

(b) Purchasing actions that are not subject to the competitive solicitation process include:

1. Emergency Purchases. When the President or designee determines, in writing, that the delay due to the competitive solicitation process would cause an immediate danger to the public health, safety or the welfare of person(s), animal(s), the preservation or protection of property, including University tangible and/or intangible assets, or the continuance of a vital University function, the Procurement Department is permitted to proceed with the procurement of commodities or contractual services without a competitive solicitation. The emergency purchase shall be limited to the purchase of the type of items and quantities needed, or for a time period sufficient to meet the immediate threat, and shall not be used to meet long-term requirements.
2. Sole Source Purchases. The Procurement Department shall certify in writing that a particular commodity or service is available from a single source and shall publicly post the certification for three working days.
3. Purchases from contracts and negotiated annual price agreements established by the Federal Government, the State, other states, political subdivisions or entities, colleges, universities, educational cooperatives or educational consortia are not subject to further competitive solicitation. These agreements are commonly referred to as "adopted" or "piggyback" agreements.
4. Construction Direct Purchase Program (Owner/Contractor Program). Commodities to be incorporated into any public work (as that term is defined in Rule 12A-1.094, F.A.C.), which are procured by the University in accordance with the requirements of the University's direct purchase program, are not subject to any further competitive solicitation.

(c) Commodities and contractual services that are not subject to the competitive solicitation process include:

1. Artistic services;
2. Academic reviews;

3. Lectures;
4. Auditing services, including those services needed to address audit, financial, and fraud-related compliance, controls, and investigative matters, or such other related services;
5. Legal services, including attorney, paralegal, expert witness, appraisal, arbitrator or mediator services. Written approval from the Attorney General is not required for private attorney services acquired by the University;
6. Health ~~services involving~~ examination, ~~diagnosis,~~ treatment, ~~prevention,~~ medical consultation or administration. Prescriptive assistive devices for medical, developmental or vocational rehabilitation including, but not limited to prosthetics, orthotics, ~~and~~ wheelchairs, and other related equipment and supplies, provided the devices are purchased on the basis of an established fee schedule or by a method that ensures the best price, taking into consideration the needs of the client;
7. Services provided to persons with mental or physical disabilities by not-for-profit corporations organized under the provisions of s. 501(~~e~~)c(3) of the Internal Revenue Code or services governed by the provisions of the Office of Management and Budget Circular A-122;
8. Medicaid services delivered to an eligible Medicaid recipient by a health care provider who has not previously applied for and received a Medicaid provider number from the Department of Children and Family Services. This exception will be valid for a period not to exceed 90 days after the date of delivery to the Medicaid recipient and shall not be renewed;
9. Family placement services;
10. Training and education services;
11. Advertising; except for media placement services;
12. Services or commodities provided by governmental agencies, the Federal Government, the State, other states, another University in the State University System, direct support organizations of the university, political subdivisions or entities, ~~or~~ other independent colleges; and universities;
13. ~~Continuing education events or p~~Programs, conferences, workshops, continuing education events, or other university programs that are offered to the general public for which fees ~~have been~~are collected to pay all expenses associated with the event or program;
14. Purchases from firms or individuals that are prescribed by state or federal law, or specified by a granting agency;
15. Regulated utilities and government ~~franchised~~ services;
16. Regulated public communications, except long distance telecommunication services or facilities;
17. Purchases from the Annual Certification List developed by the University;
18. Purchases for resale;
19. Accountant Services;
20. Contracts or services provided by not-for-profit, direct support, health support and University affiliated organizations and faculty practice plans;
21. Implementation, programming, or training services available from the owner of copyrighted software or its ~~agent~~contracted supplier; and
22. Purchases of materials, supplies, equipment, or services for instructional or sponsored research purposes when the Director of Sponsored Research or designee, certifies that, in a particular instance, it is necessary for the efficient or expeditious prosecution of a research project in accordance with sponsored

research procedures or to attain the instructional objective.

(4) Bonds.

(a) Bid Bonds. The University will require payment of a bid bond as a condition for participating in a competitive solicitation when the Procurement Department determines that it is necessary based on the following factors: the size of the contract, the nature or scope of the project, the financial stability of the bidder or the ability of the bidder to fulfill the contract. The payment of the security shall be in the form of a certified, cashier's or treasurer's check, bank draft, bank official check, or bid bond.

(b) Payment and Performance Bonds. The University shall require a contractor providing commodities, services of commodities which include installation, to furnish a payment and performance bond, prior to the issuance of a contract, with good and sufficient securities, when the total contract amount is greater than \$200,000 and the University is uncertain about the contractor's ability to perform. The bond or security must be in an amount equal to 100% of the response submitted to the competitive solicitation.

(c) Solicitation Protest Bond. Any entity filing an action protesting a decision or intended decision to a competitive solicitation pursuant to Board of Governors' Regulation 18.002 shall, at the time of filing of the formal protest, post with the University, a bond prescribed by Board of Governors' Regulation 18.003.

(5) Contracts.

(a) Contracts for commodities or contractual services or licenses shall consist of a purchase order or bilateral agreement signed by the President or designee prior to goods or services being rendered by the contractor.

(b) Any contract for the purchase of services or tangible personal property for a period in excess of one fiscal year shall include the following statement: "The University's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Florida Legislature."

(c) Contract extensions, renewals, modifications to terms, conditions and scope, or amendments shall be permitted, shall be in writing, signed by all parties, and where applicable, are subject to annual appropriations by the Florida Legislature. The extension of a contract, entered into as a result of a competitive solicitation, shall be permitted for up to twelve (12) months or until completion of the competitive solicitation and award or protest, whichever is longer. The renewal of a contract, entered into as a result of a competitive solicitation, shall be permitted for a period that may not exceed five (5) years or twice the term of the original contract, whichever is longer.

(d) The University will enter into deferred payment agreements utilizing the State of Florida Comptroller's Consolidated Equipment Financing Program when the Procurement Department determines that it is financially favorable to the University to do so. No agreement shall establish a debt of the State or shall be a pledge of the faith and credit of the State; nor shall any agreement be a liability or obligation of the State except from appropriated funds.

(e) Contracts entered into by the University that limit the liability of the ~~Vendor~~

Supplier shall be consistent with Section 672.719, F.S.

(f) The total value of a contract shall be defined as the initial cost or revenue to the University for the maximum term of the contract including all options, extensions, and renewals.

(6) Purchases from Small and Minority Business Enterprises.

(a) The University is an equal opportunity institution, dedicated to improving small and minority business participation in its Procurement program and to continuing support for all segments of Florida's business community. The University will strive to solicit, advice, and make available opportunities for small and minority businesses.

(b) Certifications of minority business enterprises (MBEs) granted by state and local entities and business organizations are eligible for acceptance in the University's MBE Program. MBE certifications by the State of Florida will be accepted by the University.

(7) Standards of Conduct and Limitation on Participation.

(a) All individuals participating in the procurement process are bound by the State of Florida Code of Ethics for Public Employees, Chapter 112, Part 3, F.S., and Florida Atlantic University Regulation on University Ethics, Regulation 5.011.

(b) It shall be a breach of ethical standards for any employee of the University to accept, solicit, or agree to accept a gratuity of any kind for personal gain in connection with any contract for commodities or services. Current or potential contractors are prohibited from offering an employee of the University a gratuity of any kind for the employee's personal gain to influence the development of a contract or potential contract for commodities or services.

(c) All individuals taking part in the development or selection of criteria for evaluation, the evaluation process, and the contract award process in any purchase shall be independent of, and have no conflict of interest in the entities evaluated and selected. University employees and University direct support organization employees participating on a procurement selection committee for commodities or services are prohibited from soliciting donations from responding vendors Ssuppliers during the selection process, except for donations or other benefits expressly stated in the procurement document.

(d) The University shall not accept a competitive solicitation from, or purchase commodities or contractual services from a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list for a period of 36 months from the date the person or affiliate was added to the convicted vendor list.

(e) A person or firm who receives a contract to perform a feasibility study for potential implementation of a subsequent contract, participates in the drafting of a competitive solicitation, or develops a program for future implementation shall be ineligible to contract with the University or compete for such procurements dealing with the specific subject matter.

(8) Protest Procedures. Protests arising from all University contract procurement processes for the purchase of goods, services, leases and for construction-related competitive solicitations shall be handled in accordance with BOG Regulation 18.002.

Specific Authority—Florida Board of Governors Resolution dated January 7, 2003; Florida Board of Governors Regulations 1.001, 18.001, 18.002 and 18.003. History—New 3-26-80, Amended 11-10-82, Formerly 6C5-6.08, Amended 11-11-87, 2-13-03. Formerly 6C5-6.008, Amended 11-18-09; 3-11-14; 1-24-17; xx-xx-2023.