Colorado School of Mines

Information regarding Changes to Procurement Rules and Processes

Procurement Changes

Procurement Rule changes effective October 1, 2016.

- Purchases <$5,000
- Bid Thresholds/Quotes
- Exclusions/Exemptions

Procurement process changes effective October 1, 2016.

- Shipping
- Change Orders

Purchases Using Sponsored Funds

A good indicator of using sponsored funds is a Program Code of 1200 or an Index starting with a 4.

Purchases <$5,000 (including FPOs)

Previously: Use Pcard or PO. Create a Purchase Req, submit to Procurement, PO created, submit invoice to Accounts Payable, payment sent to vendor.

Now: Use Pcard or direct pay process. Submit a voucher request to Accounts Payable, payment sent to vendor.

Bid Thresholds

Previously: Goods >$10,000, Services >$25,000.

Now: Goods and Services >$50,000.

- Reduces the number of bids that will be required.
- Purchases >$50,000 will not need to be posted for public competition for 3 days.
- May still request a solicitation process if desired.

Quotes
(Purchases between $3,500 and $50,000)

Previously: Quotes have not been required. No previous requirement by regulations.

Now: Require at least 3 quotes for purchases >$3,500. Required by Uniform Guidance.

- **Provides compliance with federal regulation and competitive pricing.**
- **Indication of sponsored funding is: Program Code 1200 or Index starting with a 4.**

Purchases Using Funds Other Than Sponsored Funds

Every purchase not related to sponsored funds.

Purchases <$5,000 (including FPOs)

Previously: Use Pcard or PO. **Create a Purchase Req, submit to Procurement, PO created, submit invoice to Accounts Payable, payment sent to vendor.**

Now: Use Pcard or direct pay process. **Submit a voucher request to Accounts Payable, payment sent to vendor.**

Bid Thresholds

Previously: Goods >$10,000, Services >$25,000.

Now: Goods and Services >$50,000.

- Reduces the number of bids that will be required.
- Purchases >$50,000 will not need to be posted for public competition for 3 days.
- May still request a solicitation process if desired.

Quotes
(Purchases between $10,000 and $50,000)

Previously: Quotes have not been required. No previous requirement by regulations.

Now: Require at least 3 quotes for purchases >$10,000. Savings identified when 3 or more prices were provided for procurements <$50,000.

o **Provides competitive pricing.**
o **Indication of sponsored funding is: Program Code 1200 or Index starting with a 4.**

Exclusions/Exemptions

Previously: Nine types of purchases were exempted from the competitive solicitation process.

Now: 13 new exclusion were added as exemptions from the competitive solicitation process. Exemptions do not apply to purchases using sponsored funds.

o **Brief description of new exclusions on handout.**

o **See Procurement Rules for additional information and requirements.**

Procurement Process Changes

Procurement Procedure Changes

Shipping: Shipping/Freight should now be included on purchase requisitions as a separate line item with the appropriate account code (5527). Will appear on PO as a separate line item.

Change Orders: Change Orders will now be treated similar to any Purchase Order request. In order to ensure compliance with internal controls and adequately documentation to support the transaction.

Steps to Process a Change Order

- **Review Consideration Information**

- **Get quote or estimate from vendor for amount/ information for change request**

- **Complete Change Order Requisition**

- **Obtain your Financial Manager approval on form or electronically**

- **Send to Purchasing via the Procurement@mines.edu Inbox**

- **Purchasing will complete Change Order in Banner**

- **Purchasing will send Change Order to requestor and vendor**

Resources

Procurement Services:

Website: http://inside.mines.edu/Procurement_Services

Email: Procurement@mines.edu