THE UNIVERSITY OF TENNESSEE

System-wide Policy: Procedure for Fiscal Policy FI0405: Procurement - Informal Bid Procedures	
Version: 1	**Effective Date: 03/05/2024**

Objective

This procedure specifies basic practices related to informal bidding.

Scope

This procedure applies to only those campuses or institute that have issued a campus-specific procedure related to informal bids.

Procedure

I. Generally
   A. Informal bids must be for a one-time purchase.
   B. Informal bids must be based solely on price (lowest price meeting specifications) and no other factors.
   C. The applicable procurement office may reject a department's informal bid for any reason.
   D. The University reminds departments that they may negotiate directly with all suppliers that have purchasing agreements (which are posted on this page). Departments might be able to bypass the informal bidding process by obtaining an acceptable quote from these suppliers.

II. Prohibited Informal Bids
   A. Departments may not conduct an informal bid for the following goods or services:

      1. Any purchase that would require a contractor's license: see the State's requirements at https://www.tn.gov/commerce/regboards/contractor.html
      2. Any transaction that has renewals
      3. Any transaction that will result in a contract (for example: hotel services)
      4. Construction, demolition, renovation, installation services (excludes the Facilities Services department)
      5. Any purchase order that has a stated start and end date during which the University may make multiple orders or purchases
      6. Leases/Rentals
      7. Products that require trademark licensing approval
      8. Security cameras
      9. Travel agency services
      10. Vehicles (including ATVs, Gators and golf carts)

B. The applicable procurement services office may conduct an informal bid for the items listed above, except that only the UT System Procurement Office may conduct bids, informal or formal, for travel agency services designed to either:
    1. Cover an entire campus, institute, or unit, or the entire University; or
    2. Have a duration beyond a single event (for purposes of this procedure, a single event might have more than one day associated with the event, such as an athletics tournament).

III. Mandatory Informal Bid Procedures

A. Departments must comply with all applicable University policies and procedures and all applicable campus/institute procedures.

B. When interacting with potential vendors to obtain an informal bid response, the department must make it clear that the department is seeking quotes and not making a binding commitment.

C. Departments must mention all requirements in their communication to potential vendors.
    1. If something is a requirement, departments must mention it in their informal bid. For example, if a department is seeking informal bid responses on goods, and the departments wants to take the suppliers' warranty into consideration, the department must mention this in its specifications.
    2. If the department wants to require that delivery occur by a particular date, the department must include this in their informal bid.
    3. Specifications must include requirements for design, installation, warranties, maintenance, and shipping.

D. Departments must seek bids from at least 3 separate suppliers. Generally, the applicable procurement office will not accept a "no bid" response as a valid response. The applicable procurement office has discretion to allow fewer than 3 substantive bid responses.

E. Departments must not split transactions or bids in an effort to be below the formal bid limit of $50,000.00.

F. Departments must not falsify or manipulate a supplier's bid response details.

G. Departments must develop sufficiently clear specifications to define what goods and services are being sought. Departments must permit competition between products of equal quality.

H. Departments must write specifications in an objective manner.

I. Departments must ensure that each informal bid for a particular item or service contain the exact same specifications. Departments must not modify the specifications after sending the specifications.

J. Departments must require suppliers to include in the supplier's response all possible costs involved in the supplier's good or service (for example, delivery, installation, etc.).
K. Once the department receives 3 responses, the department must submit all relevant documentation to the applicable procurement services office through the requisition process.
L. The University encourages all departments that engage in informal bidding to obtain informal bids from businesses certified by the Tennessee Governor's Office of Diversity Business Enterprise as Diversity Business Enterprises (DBEs). A list of certified diverse businesses is available on the Governor's Office of Diversity Business Enterprise (GoDBE) website: https://tn.diversitysoftware.com/?TN=tn
M. Departments' informal bid requests must be in writing (email, fax, or letter). The University encourages departments to use email, as this reduces costs and increases the efficiency and effectiveness of the informal bid process. Telephone bids and website screen-shots are not acceptable.
N. If a department seeks quotes on used or refurbished equipment, the department must also obtain quotes on new equipment.
O. Departments must use the bid tab report located here [insert link], and departments must submit this with each requisition.
P. Departments must ensure that a vendor number is created before the department submits the requisition to the Office of Procurement Services.
Q. The department may not share any bid information submitted from any bidder with other than the procurement services office.
R. Department staff must not:
    1. inform a bidder that they are the lowest bidder or the winning bidder;
    2. discuss other bidders' responses with any other bidder;
    3. communicate the results with suppliers;
    4. share a bidder's information, communication, or bid response with any other bidder;
    5. notify any bidder of the award.

Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this procedure might result in procurement services rejecting a department's requisition. Further, falsifying documentation or structuring an informal bid process to obtain a particular result might result in criminal charges or civil penalties.

Any failure to comply with this procedure might result in adverse human resources actions, up to and including termination.

Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number (xxx) xxx-xxxx	Email/Web Address
Policy Clarification and Interpretation	Andrea Addis	865-974-4421	andrea.addis@tennessee.edu

Related Policies/Guidance Documents

FI0130

FI0315

FI0420

FI0425

FI0445

FI0525

FI0530

FI0620

GE0002