

System-wide Policy:	
Procedure for FI0405: Procurement - Procurement Methods	
Version: 1	Effective Date: 03/05/2024

Objective

This procedure specifies the various competitive sourcing methods that each procurement office may utilize.

Scope

This procedure applies to the University's procurement offices.

Procedure

I. Request for Information (RFI)

- A. Generally, the University will utilize an RFI when the University needs to conduct market research because it is uncertain about products or services.
- B. Procurement directors may decline to process an RFI if the procurement director believes that processing an RFI would not assist the University.
- C. The University will not collect any cost information when managing an RFI.
- D. The University cannot issue an award through an RFI.

II. Public, competitive solicitation types

- A. Request for Quotations/Quotes (RFQ)
 - 1. Through an RFQ, the University's procurement offices solicit quotes.
 - 2. The procurement office will make an award based on price, and will generally award to the bidder offering the lowest price, provided that the bidder's response meets the University's specified needs and that the bidder can deliver the goods or services within the University's specified timeframe.
- B. Request for Qualified Suppliers (RFQ-S)
 - 1. Through an RFQ-S, the University will evaluate respondents only on qualifications.
 - 2. The University will collect cost responses during the RFQ-S process, but the University will not score cost responses as part of its evaluation of the RFQ-S responses.
 - 3. Procurement staff members may utilize an RFQ-S when they believe that doing so is in the University's best interest. Generally, the procurement offices will utilize RFQ-S solicitations when intending to award to multiple respondents.
- C. Request for Proposals (RFP)
 - 1. Through an RFP, the University will evaluate respondents in order to determine the respondent offering the best overall value.
 - 2. The Procurement office must ensure that cost responses are in a format such that allow the Procurement office to compare each response.

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3. The University will formally score technical responses and cost responses. The University will score the cost responses utilizing the following cost-response formula:

(Lowest cost from all proposals ÷ Evaluated proposal’s costs)

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Maximum possible points for the cost section

III. Cooperative Procurement

A. Generally

1. Procurement staff members may utilize the following to satisfy the competitive sourcing requirement:

i. State of Tennessee Statewide Contract:

- a. Procurement departments may utilize a Tennessee “statewide contract” (often referred to as an “SWC”) issued by the State of Tennessee’s Central Procurement Office, provided that the statewide contract was procured through a public, competitive process.
- b. The University cannot exceed the end date stated in the statewide contract.

ii. Cooperative Contracts:

- a. Procurement departments may utilize contracts that were procured by (a) another government agency in the United States through a public, competitive process, or (b) a group procurement organization that established the contract through a public, competitive bid process that is reasonably similar to the University’s procurement process.
- b. The University cannot exceed the end date stated in the cooperative contract.

iii. U.S. General Services Administration (GSA) Contracts:

- a. If a vendor has a contract with the GSA that is open to state-government agencies, the University may utilize that GSA contract.
- b. When utilizing a GSA contract, the University cannot exceed the end date of the GSA contract.

IV. Requisitions

A. Generally

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1. To start the bid process, a department will submit a requisition. The bid process can take several weeks to months, so the University recommends that departments submit requisitions as far in advance as possible.
2. After the requisition goes through appropriate workflow steps, it will arrive in the applicable procurement office's workflow. The procurement office will assign the requisition to a staff member and the procurement staff member will assist the department through the remainder of the process.

B. Grant-funded purchases

1. If a department submits a requisition to purchase goods or services utilizing grant funds, the department must attach all relevant grant documentation to the requisition and must specify all applicable special requirements from the granting agency, such as "flow through" terms and conditions.
2. The principal investigator is ultimately responsible for ensuring that the applicable procurement office complies with the terms of the grant.

C. Trade-ins

1. If a department submits a requisition for goods and intends to trade-in University-owned equipment, the department must disclose this information in the requisition.

V. Solicitations

A. Generally

1. The University's procurement departments will conduct solicitations in a public manner and in a manner that ensures reasonable competition. Pursuant to Tennessee Code Annotated § 12-3-801, the University will ensure that its bid specifications are structured in a manner that permits open and competitive bidding.
2. The University's procurement departments must make a good faith effort to obtain a reasonable number of substantive responses.

B. Tennessee Diversity Business Enterprises

1. Pursuant to Tennessee Code Annotated § 12-3-1104, the University will actively solicit bids from businesses that are certified by the Tennessee Governor's Office of Diversity Business Enterprise (Go-DBE) as a Diversity Business Enterprise (DBE).

VI. Bidders' responses

A. Amending or withdrawing a response

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1. Before the submission deadline: A bidder may amend or withdraw its response at any time before the submission deadline. If the bidder intends to resubmit their bid, they may do so anytime before the submission deadline.
2. After the submission deadline:
 - i. A bidder may withdraw its response after the submission deadline.
 - ii. A bidder may revise their submission only if the Procurement office allows a revision.

B. Late submissions

1. Generally, the University will reject a bidder's response if the bidder submits the response after the submission deadline.
2. Each Procurement director has sole and absolute discretion to accept a late submission, if the bidder demonstrates good cause for the late submission, such as the University's procurement system being unavailable for a prolonged period of time.

C. Bidder's offer to match or beat lowest cost

1. Pursuant to Tennessee Code Annotated § 12-3-302, the University cannot accept a statement by a bidder indicating the bidder's willingness to match or beat the lowest price submitted. Such statements are adverse to competition.
2. If a bidder includes a statement in their response indicating the bidder's willingness to match or beat the lowest price submitted, the University may either allow the bidder to revise its submission and remove the statement, or reject the submission.

VII. Cancellation

- A. The University may cancel a solicitation at any time for any reason or for no reason.
- B. The University is not obligated to explain why it cancels a solicitation.
- C. If the University cancels a solicitation, the University will provide appropriate notice to all bidders.
- D. The University may cancel a notice-of-intent-to-award for any reason.

VIII. Tied Bids

- A. Negotiations
 1. The University may engage in negotiations with bidders to break a tie.
 2. If the University engages in negotiations in an attempt to break a tie, the University must provide the same negotiation opportunity to each bidder.
- B. If a solicitation results in a tie, the University will resolve a tie utilizing the following criteria to break the tie:

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1. In-state business: The University's first preference will be to break the tie by awarding to a bidder that has a permanent, physical location in Tennessee, provided that the location is operational.
2. Delivery: The University's second preference will be to break the tie by awarding to the bidder who offers the fastest delivery.
3. Lot or coin toss:
 - i. Lot: If three or more bidders are tied, the University's third preference will be to break the tie by drawing lots.
 - ii. Coin toss: If two bidders are tied, the University's third preference will be to break the tie by awarding by coin toss.

IX. Cost Negotiations

- A. The applicable Procurement office may engage in negotiations with one or more bidder to ensure that the University receives the best possible pricing. The University may utilize negotiation strategies, such as target price negotiations, best-and-final offer negotiations, or other negotiations to obtain lower pricing.

X. Awards

- A. If the University is unable to negotiate terms and conditions with the apparent winning bidder, the University may award to the next bidder.

XI. Terminating Purchase Orders

- A. Procurement may terminate a purchase order at any time, subject to the terms and conditions of the purchase order.
- B. Procurement may terminate a contract that results from a competitive bid process at any time, subject to the terms and conditions of the contract.

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Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number (xxx) xxx-xxxx	Email/Web Address
Policy Clarification and Interpretation	Blake Reagan	865-974-3971	breagan@tennessee.edu

Related Policies/Guidance Documents

- FI0130
- FI0315
- FI0420
- FI0425
- FI0445
- FI0525
- FI0530
- FI0620
- GE0002