

PROCUREMENT 101

WHAT IS PROCUREMENT?

In simple terms, procurement is the process of buying goods & services. This process is essential to the operations of the University of Arkansas System Division of Agriculture (UADA), ensuring that we all receive the goods or services we need to function and fulfill our mission.

Additionally, UADA is bound to Arkansas State Procurement Law. The following will provide a general overview of State Procurement Law, as well as some internal requirements for everyday procurement tasks related to purchasing through the Requisition process.

PURCHASE PRICE RANGES & REQUIREMENTS ESTABLISHED BY ARKANSAS PROCUREMENT LAW

PURCHASE PRICE RANGES (including the cost of freight, but excluding sales tax)	REQUIREMENTS
Small Orders (\$0 - \$20,000)	<ul style="list-style-type: none"> • Competition should be used to the maximum extent practicable. • Artificially splitting or engaging in repeated small order purchases of similar items to circumvent the \$20,000 bid limit are prohibited.
Competitive Bids (\$20,000.01 - \$75,000)	<ul style="list-style-type: none"> • Requires a minimum of three (3) written bids. • If you receive a "no bid" or "no response." then that counts as an acceptable attempt to gather a quote. • We should proceed with the supplier who meets needed specifications, requirements, and has submitted the lowest bid. • Supporting documentation of received bids and no bids must be attached to the requisition in Workday.
Formal Bids (\$75,000.01+)	<ul style="list-style-type: none"> • Requires formal competitive sealed bid process completed by our Procurement staff. • Processing time varies as bid must be developed, advertised, responses evaluated, and bid awarded. • Includes leases which exceed \$75,000 for the duration of the contract.

SOLE SOURCE PROCUREMENT

For procurements exceeding \$20,000, there may be limited circumstances where seeking competitive bids is not practical or even possible. In these rare situations, a sole source procurement may be appropriate. The sole source procurement method **cannot** be used to circumvent competition requirements.

Sole Source purchases can be made only after submitting a Sole Source-type requisition in Workday with a completed Sole Source Request Form attached to provide full justification of the purchase.

The Procurement office will review for approval of such purchase.

Sole Source Request Form can be found [here](#) or on the UADA Procurement Web Page.

STATE CONTRACTS

The State of Arkansas has established many state-level contracts available for our use. Purchases on state contract can be made without requesting additional quotes, as competitive bid requirements have already been fulfilled by the state. A current list of active state contracts can be found [here](#).

When purchasing from a state contract, users should include contract reference numbers in the memo section of the requisition.

Among these state contracts, there are a small number of **mandatory** state contracts. Purchases of these commodities must – **without exception** – be made under these contracts.

Current mandatory state contracts include:

COMMODITY	VENDOR
Tires	Goodyear or Bridgestone Firestone
State Vehicles	see below**
Bathroom Tissue and Paper Towels	American Paper & Twine

**The purchasing of vehicles is handled directly with the Arkansas Department of Finance and Administration (DFA). To begin the process of purchasing a new vehicle, please contact vehicles@uada.edu.

COMPUTER & SOFTWARE PURCHASES

Purchases of computers and software must be coordinated and handled by IT. To proceed with such a purchase, contact your IT department. Depending on your business unit, you may need to create a Help Desk ticket or complete a Computer Order Request Form or Software Request Form.

Minor computer accessories, such as mouse and keyboard, web cams, printers, etc. can be purchased through standard processes.

MINORITY & WOMEN-OWNED BUSINESSES

Minority & Women-Owned Businesses certified with the Arkansas Economic Development Commission (AEDC) have been granted an increased small order price threshold by State Procurement Law. **This threshold is \$0 - \$40,000 for small orders.**

Collecting an initial bid from a certified Minority & Women-Owned Business wherever possible is encouraged. A directory of Minority & Women-Owned Businesses certified with AEDC can be found [here](#).

CONTRACT & GRANT DISCLOSURE

To remain compliant with Arkansas Executive Order 98-04, any contracts/purchases exceeding \$25,000 must include a signed Contract and Grant Disclosure and Certification Form.

There are limited exemptions to this requirement. Most notably, purchases on state contract are exempt from this requirement.

A blank form can be found [here](#).

RESTRICTION OF BOYCOTT OF ISRAEL

Per State Procurement Law, contracts exceeding \$1,000 must include certification from the supplier that they are not currently engaged in and agree for the duration of the contract not to engage in a boycott of Israel.

This certification occurs during supplier set-up through PaymentWorks. Additionally, this requirement is included in the University of Arkansas System's Standard Terms and Conditions.

TERMS & CONDITIONS AND LEGAL REVIEW

There may be instances where the chosen supplier's quote includes terms & conditions which are incompatible with our institution's [Standard Terms & Conditions](#).

If you believe this is the case, a [legal/contract review form](#) should be completed and submitted to contracts@uada.edu along with supporting documentation, as well as attaching the completed form to the requisition in Workday.

It is recommended that this process begin as early in the requisition process as possible.

WE ARE HERE TO HELP

There are several considerations when it comes to the procurement process, and we understand that large purchases can be especially daunting. Our procurement staff are happy to assist. Please contact us at purchasing@uada.edu or visit our [UADA Procurement Web Page](#) for in-depth guides, FAQs, & frequently used forms.