



3.2.12 Vendor Selection

Policy Statement

The University of Georgia will comply with federal, state, and Board of Regents requirements when selecting vendors to provide goods and services to the University

Reason for policy

To assure that the decision process for selecting a vendor supports the University's purchasing objectives, gives potential vendors an opportunity to compete as sources for goods and/or services, and complies with all Federal, State, and Board of Regents (BOR) policies and procedures.

Procedures

A department needing to procure goods or services should review the following key questions to determine what steps to take in selecting the vendor:

1. Is the providing vendor or needed good or service exempt from the State Purchasing Act?

Some goods and services are exempt based on the vendor providing the needed goods services. Below are vendor categories and good/services categories that fall into the exempt area.

A. Contracts between Intergovernmental Entities:

Contracts between intergovernmental entities for goods and services and contracts with non-profit entities for services are exempt from the State Purchasing Act.

A contract between two governmental entities is an intergovernmental agreement, as described below.

The Georgia Constitution authorizes state entities to enter into an intergovernmental agreement if the items to be acquired are available from that source.

An intergovernmental agreement is a contract between two or more government entities. Permissible government entities include state and local (county, city, etc.) government entities within the state of Georgia as well as other states of the United States. Intergovernmental agreements do not require approval from the State or competitive bidding and are not subject to dollar limits.

B. Contracts with Non-profit Entities:

Non-profit entities providing "services only" must comply with the provisions of OCGA 50-20-1 et seq. in order to be considered exempt from the State Purchasing Act.

OCGA 50-20-1 defines a "Nonprofit organization" as any corporation, trust, association, cooperative, or other organization that is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; is not organized primarily for profit; and uses its net proceeds to maintain, improve, or expand its operations. The term nonprofit organization includes nonprofit institutions of higher education and hospitals. For financial reporting purposes guidelines issued by the American Institute of Certified Public Accountants should be followed in determining nonprofit status.

C. Construction and Public Works Contracts:

The Board of Regents has a partial exemption for construction/public works contracts as defined by Section 1.3.6.1 – Construction or Public Works of the State of Georgia Procurement Manual.

Note: This exemption does not include a purchase limited to construction or building materials (a “materials only” contract). In addition, this does not preclude BOR from utilizing statewide contracts.

Note: The fact that a purchase may be exempt from the State Purchasing Act is not a representation that no other laws apply or that the purchase may not need to be competitively bid.

Refer to Section 3.2.1.4 for specific policy and procedures for processing purchase requests for construction and public works contracts.

D. Specific Goods or Services that are Exempt per the State Purchasing Act:

The purchase of certain goods or services is exempt from the State Purchasing Act. The State of Georgia Procurement Manual, section 1.2.3.1, Table 1.5 provides the following list of exempt categories.

| CATEGORY | SPECIAL NOTES |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Personal Employment Services | Personal Employment Services includes only those services rendered by a person who works full-time or part-time for and under the control of the state entity and receives compensation as a salary in direct payment from the state entity. |
| Professional Services | Professional Services, which are limited to those services defined by statute as a “profession” or “professional service”. For example, the following services are statutorily defined as “professions” or “professional services”: certified public accountancy, actuarial services, architecture, landscape architecture, interior design, licensed or accredited appraisers or licensed or accredited financial analysts providing opinions of value, chiropractic, dentistry, professional engineering, podiatry, pharmacy, veterinary medicine, registered professional nursing, harbor piloting, land surveying, psychology, medicine and surgery, optometry, and osteopathy. |
| School Textbooks | SPD defers to the Department of Education to define school textbooks |
| Space Management for Real Estate Administration | |

E. Specific Goods or Services that are Exempt per the State Purchasing Division:

The purchase of other goods or services may not be exempt from the State Purchasing Act; however, the State Purchasing Act does authorize SPD to waive the competitive bidding requirements for the purchase of certain goods. The State of Georgia Procurement Manual, section 1.2.3.2, Table 1.6 provides a list of categories that SPD has waived the competitive bidding requirements.

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| Categories Where Competitive Bidding Requirements are Waived by SPD |
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| Emergency supplies of drugs, chemicals and sundries; dental supplies and equipment. |
| Livestock for Slaughter |
| Perishable Articles such as Fresh Vegetables, Fresh Meat, Fish & Oysters, Butter, Eggs, Poultry & Milk. |
| Technical Books & Other Printed Matter on Technical Subjects. |
| Other Items (such as works of art) which have been specifically identified by SPD in the Exempt Good/Services by NIGP Code identified in Section 1.2.4 – Exempt Goods/Services by NIGP Code. |
| Technical Instruments and Supplies |

As an additional resource to state entities, SPD has established a list of goods and services by NIGP Code which are either exempt from the State Purchasing Act or represent goods for which SPD has waived the competitive bidding requirements. This list is available on SPD’s website under [NIGP Exempt List](#).

Once the University employee determines that the needed good or service is not exempt from the State Purchasing Act or the competitive bidding requirements have not been waived, the next key questions is;

2. Can the needed good or service be satisfied through the use of an existing contract to an established and approved source of supply?

To answer this question the University employee must follow the Order of Precedence. There are 4 tiers in the Order of Precedence which are addressed in the following paragraphs.

The first source to be reviewed for any non-exempt good or service is **Tier 1 Mandatory Statewide Contracts**. Mandatory Statewide Contracts are to be used regardless of the dollar value of the purchase. Waivers from using Mandatory Statewide Contracts can be requested by following the procedures outlined in section 2.2.2.1. The second source to review, once it is determined that a Mandatory Statewide Contract does not exist to provide the needed good or service, is **Tier 2 Existing State Entity Contracts**. These are contracts established by the UGA Procurement Office and more commonly referred to as Agency Contracts.

Tier 3 is made up of Statutory Sources. These are products certified as mandatory to be purchased from the Georgia Enterprises for Products and Services (GEPS) and the Georgia Correctional Industries Administration. Tier 4 is the last level in the Order of Precedence. Once it is determined that there is not a source of supply for the good or service from tiers 1 through 3, then the University employee has the option to select from any of these options at **Tier 4: Convenience Statewide Contracts, GEPS Preferred Products, SPD Pre-Approved Piggyback Purchases, SPD Pre-Approved Consortia and Cooperative Purchasing, or Open Market Purchase**.

Contact the UGA Procurement Office for assistance if you think you have a purchase that falls into the categories of SPD Pre-Approved Piggyback Purchases, or SPD Pre-Approved Consortia and Cooperative Purchasing.

An Open Market Purchase is one that does not fall into a higher tier. If below \$25,000, the University employee is free to select the best source for supply on open market purchases. Refer to Section 3.2.4.2 for specific policy and procedures for processing purchase requests for open market purchases that total less than \$25,000. Refer to Section 3.2.4.4 Request for Quote (eSource), for specific policy and procedures for processing purchase requests that total more than \$25,000.

Additional contacts
Robert Currey

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Policy definitions

OCCA – The Official Code of Georgia

SPD – State Purchasing Division

NIGP Code (National Institute of Governmental Purchasing Commodity/Service Code) – The NIGP Commodity/Services Code is a coding structure for standardizing purchasing that brings order and consistency for efficiency and economy.

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Procurement Officer

Policy Owner: Procurement

Policy Contact: Robert Currey

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FAQs

How do I determine if a statewide or agency contract exists?

All statewide and agency contracts are loaded into UGAmart. To see a complete listing of all contracts log into UGAmart and then click on the “contracts” option located within the Browse area which is located below the Shop bar.

Next, at the bottom of the “Search for Contract” window, you can click “Search” to see a complete list of all contracts. Additionally, you can click on “advanced search options” within the “Search for Contract” window to use any of the filters to limit the search results. Using the “Contract Type” filter you can select between Agency or Statewide contracts.

How do I determine if a statewide contract is mandatory or convenience?

http://www.busfin.uga.edu/procurement/pdf/Mandatory_Convenience.pdf

Related information

Date Reviewed: 02/01/2018

[← Payments to Accompany Order/Advanced Payments](#) | [Conflict of Interest](#) [→](#)

Policy Dates

Effective Date: 01/01/2016

Date Last Updated: 03/13/2013

Date of Last Review: 02/01/2018

Date of Approval:

Previous Version of Policy: