

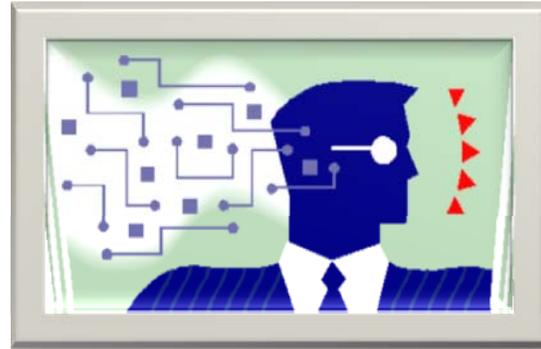
Department of Administration

Procurement 101

(Or Procurement in 15 Minutes!)

Initial Considerations:

1. Do you have authority?
2. Dollar value and on-going need?
3. On contract?
4. Exempt?
5. Authorized Expenditure?
6. Competition Requirements?
7. Additional Resources?



1. Do You Have Authority?

- Division directors have been delegated the authority to purchase goods and non-professional services costing up to \$50,000, provided that a division staff member is certified through the DGS Procurement Officer Certification Program. The director's authority is directly tied to the level of certification of the person in the division who is conducting the procurement. Directors also have authority to procure professional services up to \$10,000.
- Division directors may sub-delegate their purchasing authority to their staff, but it must be in writing (using the DAS form) and approved by the DAS procurement specialist.
- In addition to the written delegation, you must also be certified through the DGS Procurement Officer Certification Program.
- Know what your delegation is and abide by it. Violation of the procurement statutes, regulations, Administrative Manual, department Policies and Procedures, or delegation is cause for revoking a purchasing authority and may result in civil or criminal penalties.



2. Dollar Value and On-going Need?

In determining the dollar value, you must consider:

- Total price, including all renewal options
 - Similarity of products (consider combining like items)
 - Predictability of procurement (How often will you need this?)
- The Admin. Manual requires us to consider our potential purchases of an item or service for a year and procure using the

appropriate level of competition)

Artificial division or fragmentation of a procurement in order to avoid the requirements of competition is prohibited and will be considered a purchasing violation.

Evaluating Quotations:

- Bids must meet all the minimum specifications in order to be considered responsive-no material variances are allowed. Material is defined as effecting *Price, Delivery, Quantity, or Quality*.
- A "no quote" response from a vendor who normally carries the item or provides the service is a viable quote
- Take into account all applicable preferences

3. On Contract?

- The Division of General Services establishes multi-department use contract awards and many are mandatory use. Check the website!
- In addition, DAS establishes Department of Administration specific (and sometimes others) contracts.
- If it's on contract, you normally don't have to perform additional tasks in order to procure, just issue a purchasing document.
- Once a contract has expired, it is no longer valid.



4. Exempt?

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| • | governmental agencies | Contracts with other |
| • | programs/accredited youth education programs | Certified employment |
| • | | Advertising |
| • | travel, hotel accommodations, and travel agency services, but excluding motor vehicle rentals; | Contracts for travel services, including airplane |
| • | | Correctional Industries |
| • | | Audio-visual materials |
| • | | Medical doctors or dentists |
| • | organizations | Membership dues in mission-related |
| • | | Book binding services |
| • | | Conference attendance fees |
| • | ordinance | Expenditures when rates are set by law or |
| • | | Employee moving expenses |
| • | | Periodicals/books/publications |

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Network information services access
 Professional Witnesses
 Guest speakers or performers for

an educational or cultural activity



5. Authorized?

AAM 35.140 Unauthorized Expenditures (04-06)

Tangible items, services, and training that are required to conduct state business are generally authorized. Expenditures that are not essential to state operations are generally unauthorized. Unauthorized expenditures include those that have no clear public purpose or benefit individual employees more than the state.

The following list includes examples of items that are generally not authorized. An agency head may specifically authorize listed items when the mission of the agency or the business requirements for individual job duties justify such an expenditure.

1. **Printing:** Printing of a personal nature, such as personal letterhead stationary, holiday cards, or personal photographs. (Photo galleries maintained as state property are generally authorized.)
2. **Fixtures and Equipment:** Nonessential office fixtures and equipment such as personalized items, occasional furniture, wall pictures or framing of same, pen and pencil desk sets, etc. (Microwave ovens, refrigerators, and other reasonable kitchen equipment for offices and break rooms may be purchased with approval by the appropriate agency head.) Determinations on furnishings such as carpeting, draperies, and planters must be made by the Division of General Services or Department of Transportation and Public Facilities, depending on who manages the building. State expenditures for purchase of these items without prior approval are prohibited.
3. **Foodstuffs and Utensils:** Coffee, doughnuts, or other food, unless reviewed by the appropriate agency head and deemed necessary for such state functions as training, conferences, board meetings, or other gatherings, and not to exceed a reasonable amount.
4. **Dues:** Dues for personal memberships in professional and technical associations and organizations when state agency membership is available.
5. **Other:** Any items similar in nature or content to the above listed items that cannot be justified as essential in the administration or conduct of a state office or program.

Expenditures on employee recognition and service awards are authorized in accordance with guidelines developed by the Division of Personnel. See AAM 100.090.

Proper and adequate control in the handling of public funds is the responsibility of all state administrators. To a great extent, the success and adequacy of stewardship in

state government is measured by the integrity and the propriety of acts of state administrators. All department heads and administrators are required to join in the intent and purpose of this section, and guidance should be sought from the Division of Finance when questionable situations arise.

6. Competition Requirements?

Goods and Services	<\$5,000	adequate and reasonable
Goods and Services	>\$5,000 but <\$25,000	three verbal or written quotes
Goods and Services	>\$25,000 but <\$50,000	three written quotes on RFQ
Goods and Services	>\$50,000	DAS procures via formal procurement (Invitation to Bid or Request for Proposals)
Professional Services	>\$5,000	adequate and reasonable
Professional Services	>\$5,000 but <\$25,000	three verbal or written quotes
Professional Services	<\$25,000 but <\$50,000	three written proposals via Request for Informal Proposals process
Professional Services	>\$50,000	DAS procures via formal Request for Proposals Process



7. Additional Resources?

Division of Administrative Services Homepage

<http://doa.alaska.gov/das/>

Resourceful Flow Charts
Procurement Section link

Division of General Services-Purchasing Section

<http://doa.alaska.gov/dgs/purchasing/index.html>

Online Procurement Training and Certification System

Contract Awards Manual
Purchasing documents and forms
Procurement Information Messages
Procurement Statutes
Procurement Regulations

Procurement Administrative Manual