The majority of purchases made by the Purchasing Office are primarily straight forward bids. A request for quotation is written, based on the department’s specifications. The form is sent to potential vendors as well as publicly posted. Quotations are received by a specified time, tabulated, reviewed, and an award is made to the responsible vendor with the low bid meeting specifications. Boom! We are done! If everything goes well, depending on complexity & dollar amount, the process from purchase requisition to purchase order can be done in two to four weeks.

Life has gotten more complicated however, and sometimes the standard bid process doesn’t lend itself to truly address all the nuances that a particular piece of equipment or specialized services may entail. Purchasing Office is using the negotiation process more and more to obtain the best equipment / services that are in the “best interest of the University”, which isn’t always the lowest bid. It is a much longer process – at least 90 days from start to finish. When using the negotiation proposal process, the dollars involved are high ($100,000 or higher) and/or long term, e.g. multi-year. But the process is worth it because a better, long-term partnership with the vendor is the end result.

A negotiated procurement process involves:

- A purchase requisition (PR), as usual.
- A letter requesting a negotiating committee be established is sent from dept. through KSU Purchasing to Vice-President of Admin. & Finance (letter draft attached). VPAF approves the procurement negotiation committee (PNC), usually three people, two representatives from the department and the Procurement Officer.
- Request for Proposal is written, sent, & posted. Pre-Bid conference is optional. Responses received & reviewed by PNC who determine which vendors to pursue further negotiations.
- Points to consider in review.
  - Adequacy and completeness of proposal.
  - Vendor’s understanding of the project.
  - Compliance with the terms and conditions of the Request.
  - Experience in providing like services.
  - Qualified staff.
  - Methodology to accomplish tasks.
  - Response format as required by the Request.
  - Cost or Financial proposal (this is purchasing after all).
- Scheduled face time with vendors or question & answers via e-mail, to clarify proposals is next.
- Make the award and write the contract.
(current date)

TO: Cindy Bontrager,
    Vice President for Administration & Finance

FROM:

SUBJECT: NEGOTIATED PROCUREMENT for (subject)

In connection with the university’s request for (description) as listed on Purchase Requisition #______, (department) request to convene a procurement negotiating committee.

The reasons for this request are due to the nature of the proposal, possible changes in types of equipment &/or services being offered, and the unknown options that may be available. The negotiated procurement process will enable us to discuss the types of equipment &/or service being offered by vendors and the options available to us.

We wish to nominate (name of individual(s)) to serve on the negotiating committee.

Your consideration of our request is appreciated.

cc: Carla Bishop, Dir. of Purchasing

Approved: Cindy Bontrager, VPAF

Date: _____________________________