

REVISION TO THE BOARD OF REGENTS POLICY MANUAL - CHAPTER 7

Recommended Action: Consider, as a first and final reading, revising Chapter 7.06 of the Board of Regents Policy Manual to authorize the institutions to increase the bid threshold for purchasing from \$10,000 to \$25,000.

Executive Summary: The institutions report that raising the competitive bid threshold from \$10,000 to \$25,000 will allow purchasing agents to concentrate on major bid activity. Given continued budget cuts, purchasing departments must manage workloads with fewer staff resources. The increase from \$10,000 to \$25,000 also brings the institutions closer in line with the state of Iowa's bid threshold, which is \$50,000.

The proposed change is illustrated below.

7.06 Purchasing

The Regents affirm that the best interests of the state of Iowa and the Regent institutions are served through implementation of a fully competitive purchasing system.

E. Competitive Conditions

The following policies establish the competitive conditions under which Regent institutions shall operate.

1. **Competitive Procedures.** Each purchasing director or chief business officer shall be responsible for establishing procedures to ensure that goods and services are competitively selected. Written bids are required for purchases, which are expected to exceed \$~~40~~25,000. Competitive selection may incorporate multiple criteria of award, with awards made based on bidder whose proposal provides the best value as determined by the institution / purchasing department.

Negotiated, noncompetitive, and sole source purchases are recognized by the Regents as proper procurement procedures in appropriate circumstances where the public will be served. With appropriate institutional review, both competitive negotiation and noncompetitive negotiation processes may replace written competitive bidding when the purchase is anticipated to exceed \$~~40~~25,000. Regent institutions shall justify the use of negotiated, noncompetitive, and sole source purchasing procedures upon request.