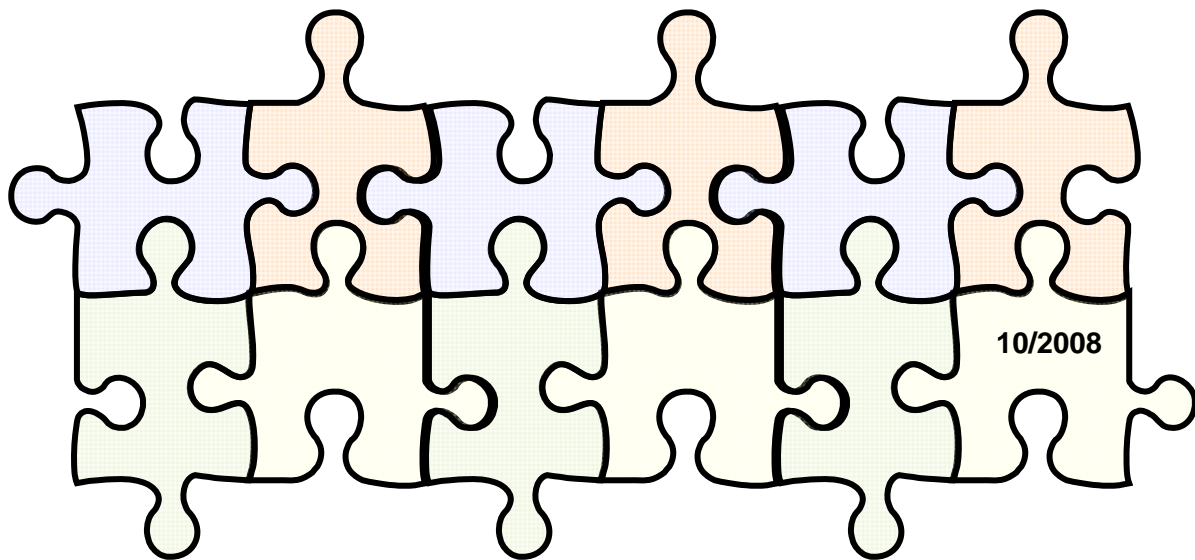


NEBRASKA
Administrative Services
Material / Purchasing Division



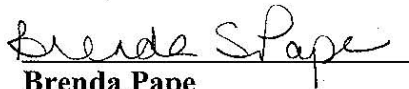
To Our State of Nebraska Agencies:

On behalf of the AS Materiel/Purchasing Division, I would like to extend a warm welcome to our state agencies. This manual is for you. It has been carefully prepared to assist you in purchasing the commodities you need. If you should have questions your requests for assistance will be enthusiastically received. We are here to help you!

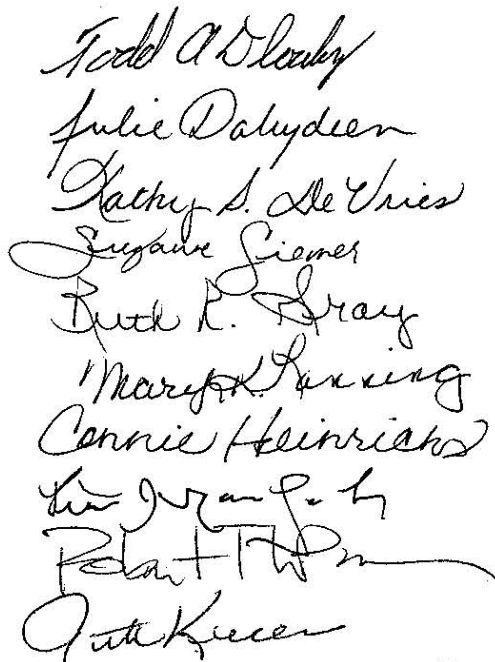
Thank you for allowing us the opportunity to serve you.



**Steve Sulek
Acting Administrator
AS Materiel**



**Brenda Pape
Procurement Manager
AS Materiel**



Todd A. Blawie
Julie Dalydeen
Kathy S. McVries
Suzanne Siemer
Beth K. Gray
Mary Jo Lansing
Carnie Henriksen
Liz Morgan
Robert Thompson
John Keener

Materiel Division • Steve Sulek, Acting Administrator

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STATUTES

What statutes govern the procurement of commodities/goods?

Statutes may be viewed on the following website: <http://uniweb.legislature.ne.gov/QS/laws.html>.

73-101.01	Resident bidder, defined; preference
81-145	Materiel Division; Terms, Defined
81-153	Materiel Division, Powers and Duties, Enumerated
81-154	Materiel Division, Standard Specifications
81-154.01	Materiel Division, University of Nebraska; Purchase Agreements
81-156	Laboratory Tests; Fee
81-159	Requisitions by Using Agency; Procedures Used by Materiel Division
81-161	Competitive Bids, Award to Lowest Responsible Bidder; Elements Considered
81-161.01	Competitive Bids; Time Requirements; Waiver
81-161.02	Competitive Bids; Rejection by Materiel Division; Grounds; New Bids
81-161.03	Direct Purchases, Contracts, or Leases
81-161.04	Materiel Division; Surplus Property; Sale; Procedure; Proceeds of Sale
81-162	Purchases or Leases; Form of Contract
81-1118	Materiel Division; Established; Duties; Administrator; Branches Established
81-1118.01	Materiel Administrator; Inventory Record; State Property; Powers and Duties
81-1118.02	All Officers, Departments and Agencies; State Property; Inventory; How Stamped; Action to Recover
81-1118.03	Personal Property; Purchase or Lease; Approval; Solicitation by Administrative Services
81-1118.04	Materiel Division; Purposes
81-1118.05	Materiel Division: Powers and Duties
81-1118.06	Materiel Division; State Purchasing Bureau; Purposes
81-1183	State Government Recycling Management Act
81-1184	Legislative Intent
81-1185	State Government Recyclable Materiel, Defined
81-1186	Department; Duties
81-1187	Disposition of State Government Recyclable Material
81-1188	Resource Recovery Fund; Created; Use; Investment
81-1189	Rules and Regulations
81-2401 –	Prompt Payment Act
81-2408	
81-15,159	Legislative Findings and Intent, State Purchases, Preference Requirements
83-145	Department of Correctional Services-made goods; use; by whom; exchange of goods with other states; sales authorized
84-712.01	Public Records; Right of Citizens, Full Access, Access by Modem; Fee Authorized
84-712.05	Records Which May Be Withheld From the Public; Enumerated

HELPFUL POINTS OF WEBSITE REFERENCES FOR THE PROCUREMENT OF COMMODITIES/GOODS

Are there other website addresses helpful for the procurement of commodities/goods?

Information related to the Procurement Rules may be viewed on the following websites:

State Purchasing Home Page: <http://www.das.state.ne.us/materiel/purchasing/>

State Contracts Page:

http://www.nebraska.gov/das/materiel/purchasing/contract_search/index.php

Information for Agencies: <http://www.das.state.ne.us/materiel/purchasing/infogovt.htm>

Information and Instruction for NIS may be viewed on the following websites:

NIS Home Page: <http://www.das.state.ne.us/nis/>

NIS Sign On Page: <https://nis.ne.gov/>

NIS Procurement Instruction Manuals:

http://www.das.state.ne.us/nis/trainingmanuals/810_training_manuals/proc/index.html

NIS Procurement Approval Routes:

<http://www.das.state.ne.us/materiel/purchasing/approvalroutes.doc>

GLOSSARY OF TERMS

Addendum: Something added or deleted.

Agency: Any state agency, board, or commission other than the University of Nebraska, the Nebraska state colleges, the courts, the Legislature, or any officer or agency established by the Constitution of Nebraska.

Agent: A person authorized by a superior or organization to act on their behalf.

Amend: To alter or change by adding, subtracting or substituting. A contract can be amended only by the parties participating in the contract. A written contract can only be amended in writing.

Amendment: Written correction or alteration.

Appropriation: Legislative authorization to expend public funds for a specific purpose. Money set apart for a specific use.

ARO: After Receipt of Order

Award: All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the Request for Proposal. The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal, and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State.

Bid: The executed document submitted by a bidder in response to a Request for Proposal.

Bid Bond: A bond given by a surety on behalf of the bidder to ensure that the bidder will enter into the contract as bid and is retained by the State from the date of the bid opening to the date of contract signing.

Bidder: Any person or entity submitting a competitive bid response to a solicitation.

Business: Any corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or any other private legal entity.

Business Day: Any weekday, excepting public holidays.

Calendar Day: Every day shown on the calendar; Saturdays, Sundays and State/Federal holidays included. Not to be confused with "Work Day".

Collusion: A secret agreement or cooperation between two or more persons or entities to accomplish a fraudulent, deceitful or unlawful purpose.

Commodities: Any equipment, material, or supply; anything movable or tangible that is provided or sold.

Commodities Description: Detailed descriptions of the items to be purchased. These should include information necessary to obtain the desired quality, type, color, size, shape or special characteristic necessary to perform the work intended or produce the desired results.

Competition: The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery and/or service.

Confidential Information: Unless otherwise defined below, "Confidential Information" shall also mean proprietary trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Nebraska Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would provide.

Contract for Goods: An agreement between two or more persons to provide an item of supply, goods, equipment, or material.

Contract Management: Includes reviewing and approving of changes, executing renewals, handling disciplinary actions, adding additional users, and any other form of action that could change the contract.

Contractor: Any person or entity that supplies commodities/goods and/or services.

Cooperative Purchasing: The combining of requirements of two or more political entities to obtain advantages of volume purchases, reduction in administrative expenses or other public benefits.

Copyright: A grant to a writer/artist that recognizes sole authorship/creation of a work and protects the creator's interest(s) therein.

Default: The omission or failure to perform a contractual duty.

Direct Market Purchase Authority: Authorization which allows a State agency, board or commission to purchase directly from a vendor or supplier without processing through the AS Materiel Division, State Purchasing Bureau.

Emergency: Situations which endanger lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase or rental of equipment, supplies and materials.

Evaluation of Bid: The process of examining a bid after opening to determine the bidder's responsibility and responsiveness to requirements and to ascertain other characteristics of the bid that relate to determination of the successful bidder.

Extension: Continuance of a contract for purposes different from those for renewal.

F.O.B. Destination: Free on Board. The delivery charges have been included in the quoted price and prepaid by the vendor. Vendor is responsible for all claims associated with damages during delivery of product.

F.O.B. Point of Origin: The delivery charges are not included in the quoted price and are the responsibility of the agency. Agency is responsible for all claims associated with damages during delivery of product.

Invitation to Bid (ITB): The written solicitation document used by the State Purchasing Bureau for seeking competition and obtaining bid responses.

Late Bid: A bid received at the place specified in the solicitation after the opening date and time designated for all bids to be received. Late bids will not be accepted and will be returned to the bidder unopened.

Mandatory: Required, compulsory or obligatory.

Must: Denotes the imperative, required, compulsory or obligatory.

NIGP: National Institute of Governmental Purchasing.

NIS: Nebraska Information System.

Opening Date: Specified date and time for the public opening of received, labeled and sealed formal proposals. Not to be confused with "Release Date".

Open Market Purchase: Authorization may be given to an agency to purchase items above direct purchase authority due to the unique nature, price, quantity, location of the using agency or time limitations by the AS Materiel Division, State Purchasing Bureau.

Performance Bond: A bond given by a surety on behalf of the contractor to ensure the timely and proper (in sole estimation of the State) performance of a contract.

Pre-Bid Conference: A meeting scheduled for the purpose of providing clarification regarding an Invitation to Bid and related expectations.

Proprietary Information: Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive.

Protest: A complaint about a governmental action or decision related to a Request for Proposal or resultant contract, brought by a prospective bidder, a bidder, a contractor, or other interested party to AS Materiel Division or another designated agency with the intention of achieving a remedial result.

Public Bid Opening: The process of opening bids, conducted at the date, time and place specified in the Invitation to Bid, and in the presence of anyone who wishes to attend.

Release Date: Date of release of the Request for Proposal to the public for submission of proposal responses. Not to be confused with "Opening Date".

Renewal: Continuance of a contract for an additional term after a formal signing by the parties.

Responsible Bidder: A bidder who has the capability in all respects to perform fully all requirements with integrity and reliability to assure good faith performance.

Responsive Bidder: A bidder who has submitted a bid which conforms in all respects to the solicitation document.

Restrictive: A specification or purchase description that limits competition.

Shall: Denotes the imperative, required, compulsory or obligatory.

Sole Source – Commodity: When an item is available from only one source due to the unique nature of the requirement, its supplier, or market conditions.

Solicitation: The process of notifying prospective bidders or offerors that the State of Nebraska wishes to receive bids for commodities/goods. The process may consist of public advertising, posting notices, or mailing Invitations to Bid and/or Invitation to Bid announcement letters to prospective bidders, or all of these.

Solicitation Document: An Invitation to Bid.

Term Contract: A contract intended to cover requirements for a commodity for a specified period of time based on estimated quantities.

Termination: Occurs when either party pursuant to a power created by agreement or law puts an end to the contract. All obligations which are still executory on both sides are discharged, but any right based on prior breach or performance survives.

Trademark: A distinguishing sign, symbol, mark, word or arrangement of words in the form of a label or other indication, that is adopted and used by a manufacturer or distributor to designate its particular commodities/goods and which no other person has the legal right to use.

Vendor: An actual or potential contractor; a contractor.

Work Day: Monday through Friday excluding weekends and State/Federal holidays.

I. INTRODUCTION

The guidelines included within this manual provide basic information to assist agencies with the procurement of commodities/goods. This manual is not to be considered all-inclusive. If there are specific questions regarding the procurement of commodities/goods or this manual please contact Administrative Services (AS) Materiel Division, State Purchasing Bureau hereinafter known as the State Purchasing Bureau (402-471-2401). Additional information is also available on the State Purchasing Bureau website, <http://www.das.state.ne.us/materiel/purchasing/>.

The State Purchasing Bureau reserves the right to make modifications to this manual by publication of a revised edition without prior notice. Such modifications will become effective on the date of issuance. In the event of a conflict between this manual and procurement documents issued to agencies, the provisions of the procurement documents govern.

A. What is the purpose of the State Purchasing Bureau?

The purposes of the State Purchasing Bureau created by Neb. Rev. Stat. §81-1118.06 are:

1. to increase public confidence in the procedures followed in public procurement;
2. to insure the fair and equitable treatment of all persons who deal with the procurement system of this state;
3. to provide increased economy in state procurement activities and maximize to the fullest extent practicable the purchasing value of the public funds of the state;
4. to foster effective broad-based competition within the free enterprise system; and
5. to provide safeguards for the maintenance of a procurement system of quality and integrity.

B. How are agency requests assigned to State Purchasing Bureau buyers?

State Purchasing Bureau buyers are assigned specific commodities/goods, generally grouped by similarities. Agencies enter purchase requisitions into NIS and the requisitions are assigned to the appropriate buyer(s) upon receipt by the State Purchasing Bureau. A list of current buyers and their areas of responsibility may be found on the State Purchasing Bureau website at <http://www.das.state.ne.us/materiel/purchasing/buyers.htm>.

C. What moral principles guide the government procurement process?

1. Ethics and ethical practices are a major concern in the realm of public purchasing today. While laws and rules mesh to provide a mechanism for public purchasing, only people can make it work. In purchasing, as in all fields, there are values of pride and worth, there are standards and ideals, and there are specifics of conduct and performances. Impediments to the process must be detected early and safeguards provided at all levels. This applies both to purchasing personnel and the vendor community.

It becomes imperative, therefore, that all public purchasing personnel be entirely cognizant of the necessity for ethical behavior. It takes only the slightest hint of impropriety to cast doubt on behavior. Sometimes, it may be even more of a perception than an actual event.

A state agency may not accept a bid or award a contract to a vendor who may or may not have received compensation from the agency to participate in the

preparation of the specifications or Invitation to Bid on which the bid or contract is based.

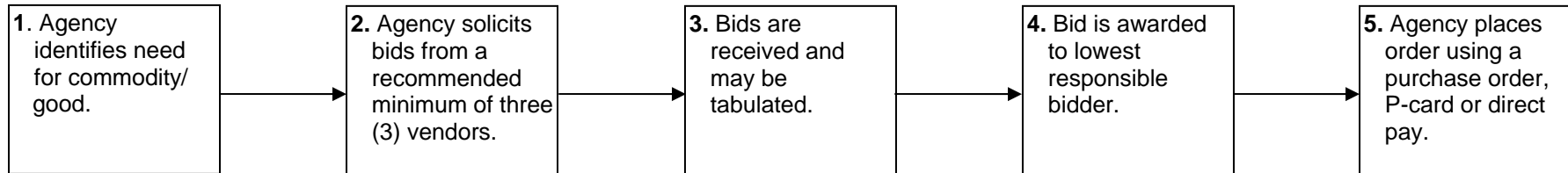
2. Fairness and impartiality in all phases of the process is an essential factor in public purchasing. Dealings with vendors and peers must be open, honest, and objective. The process cannot be both effective and self-serving; the two are incompatible. In the case of public purchasing, utmost fairness is required in expending public funds. The result of favoritism extended to either a user or seller is the same. The practice is not permissible. No matter how strongly a user may prefer a particular vendor over others, all vendors must be given every reasonable consideration. The State must commit and adhere to fair and open competition.

Integrity is manifested by fairness, openness, and impartiality and can be tarnished by even the slightest appearance of impropriety.

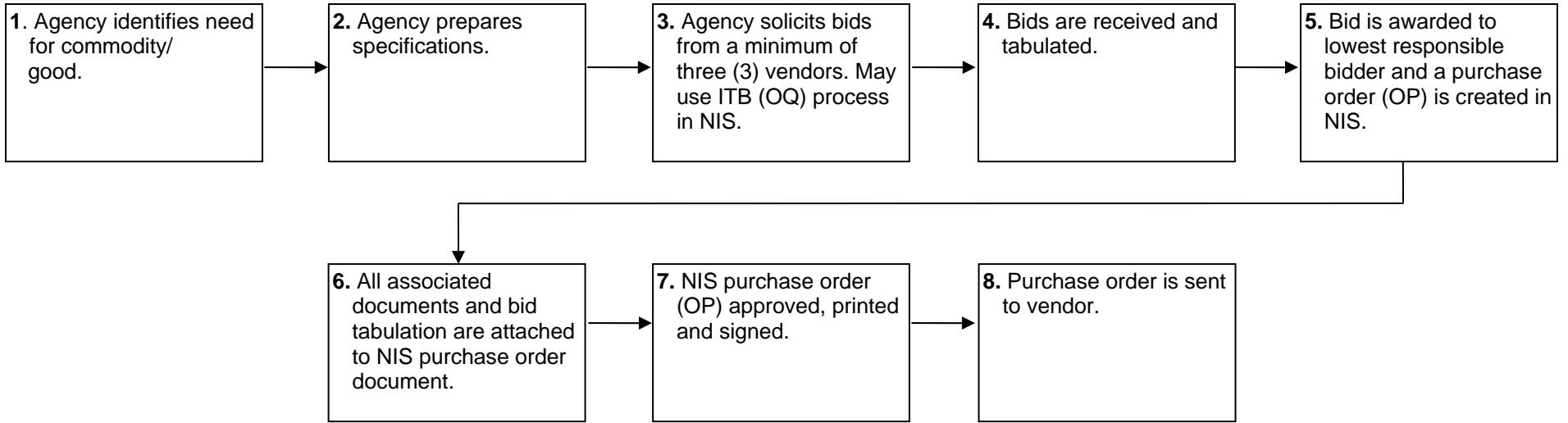
D. Are there flowcharts to reference for understanding the procurement of commodities/goods processes?

Following are flowcharts for the procurement of commodities/goods processes.

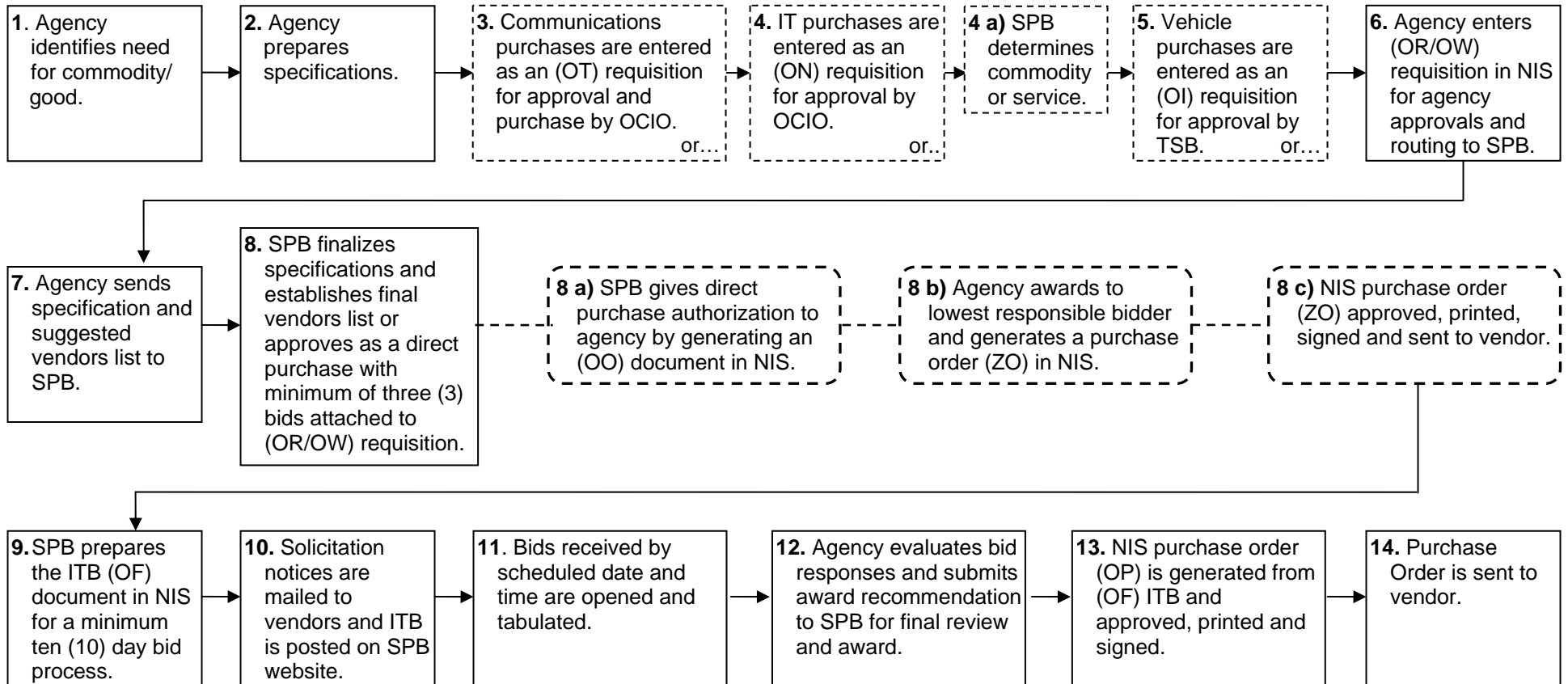
AS Materiel Division
State Purchasing Bureau (SPB) Less Than \$2,000.00 Non Contract Purchases
Direct Market Purchase Authority Process



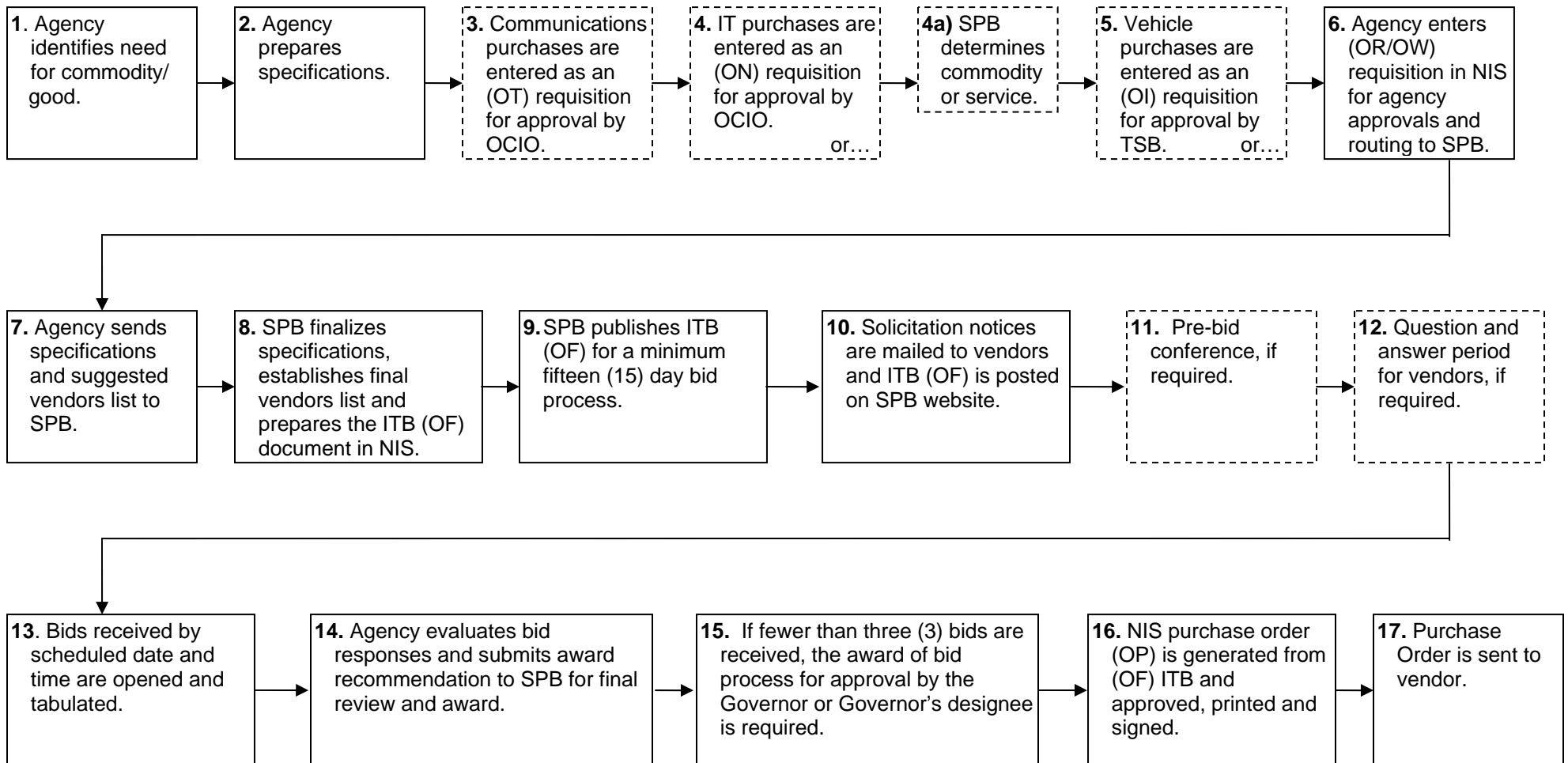
AS Materiel Division
State Purchasing Bureau (SPB) \$2,000.00 - \$9,999.99 Non Contract Purchases
Direct Market Purchase Authority Process



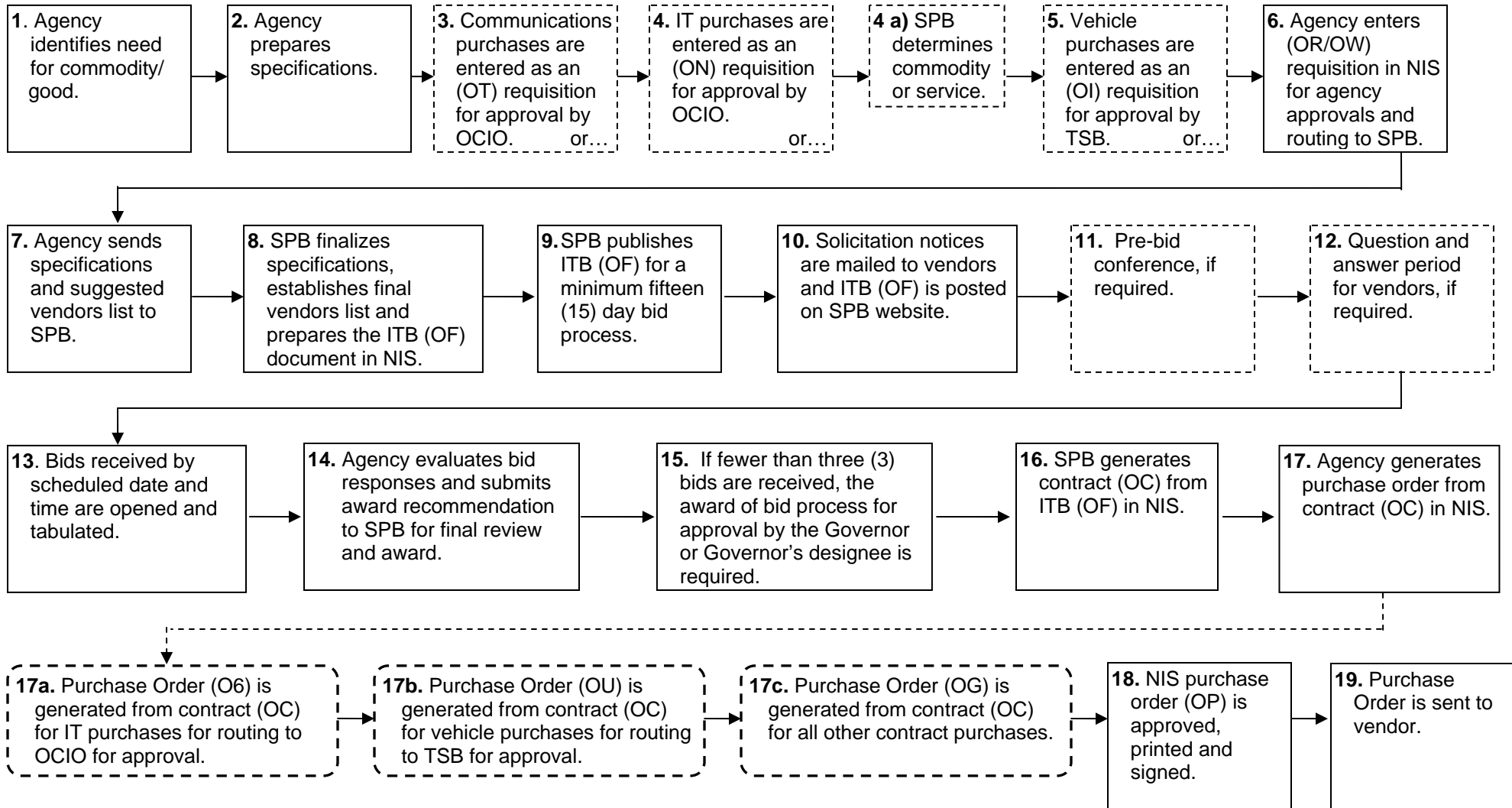
**AS Materiel Division
State Purchasing Bureau (SPB) \$10,000.00 - \$24,999.99 Non Contract Purchases
Informal Purchase Process**



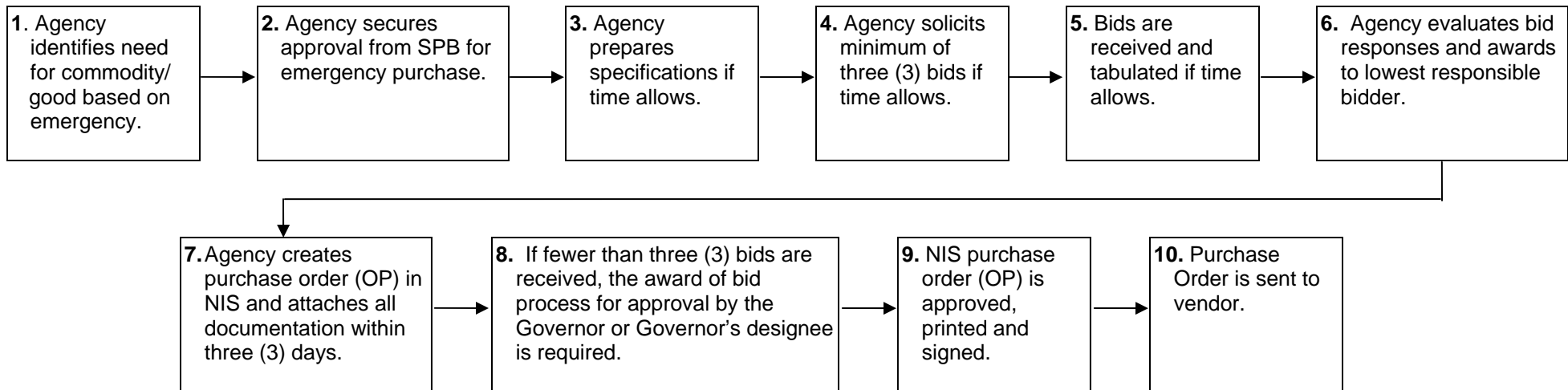
**AS Materiel Division
State Purchasing Bureau (SPB) In Excess of \$24,999.99 Non Contract Purchases
Formal Purchase Process**



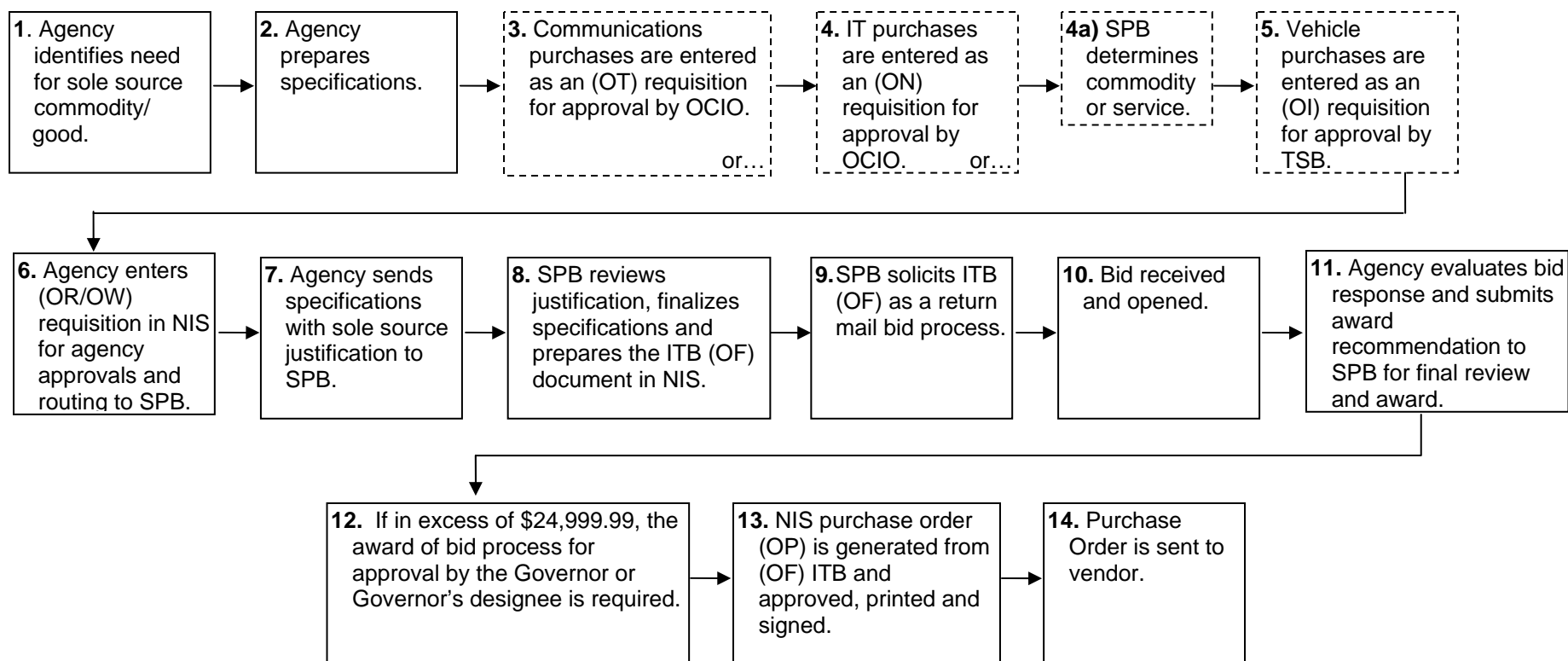
AS Materiel Division State Purchasing Bureau (SPB) Contract Purchases Formal Purchase Process and Issuance of Purchase Order from Existing Contract



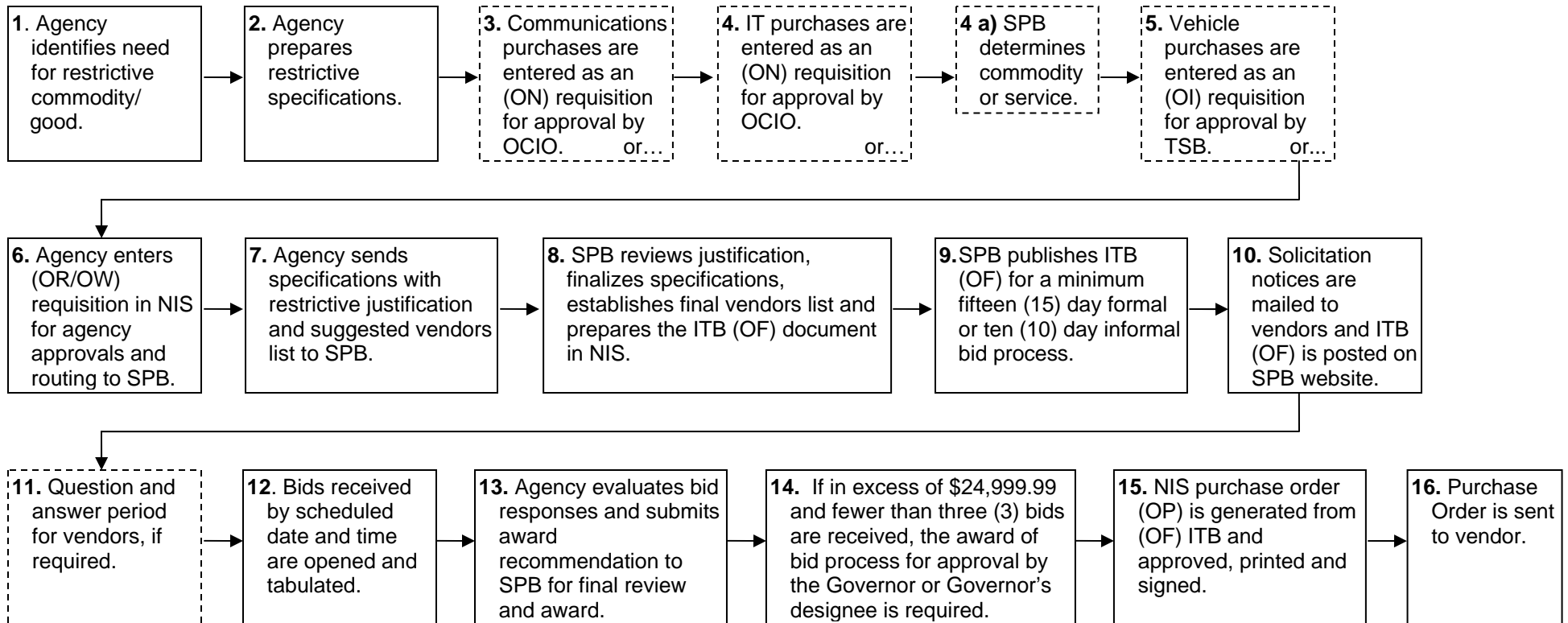
AS Materiel Division State Purchasing Bureau (SPB) Emergency Purchase Process



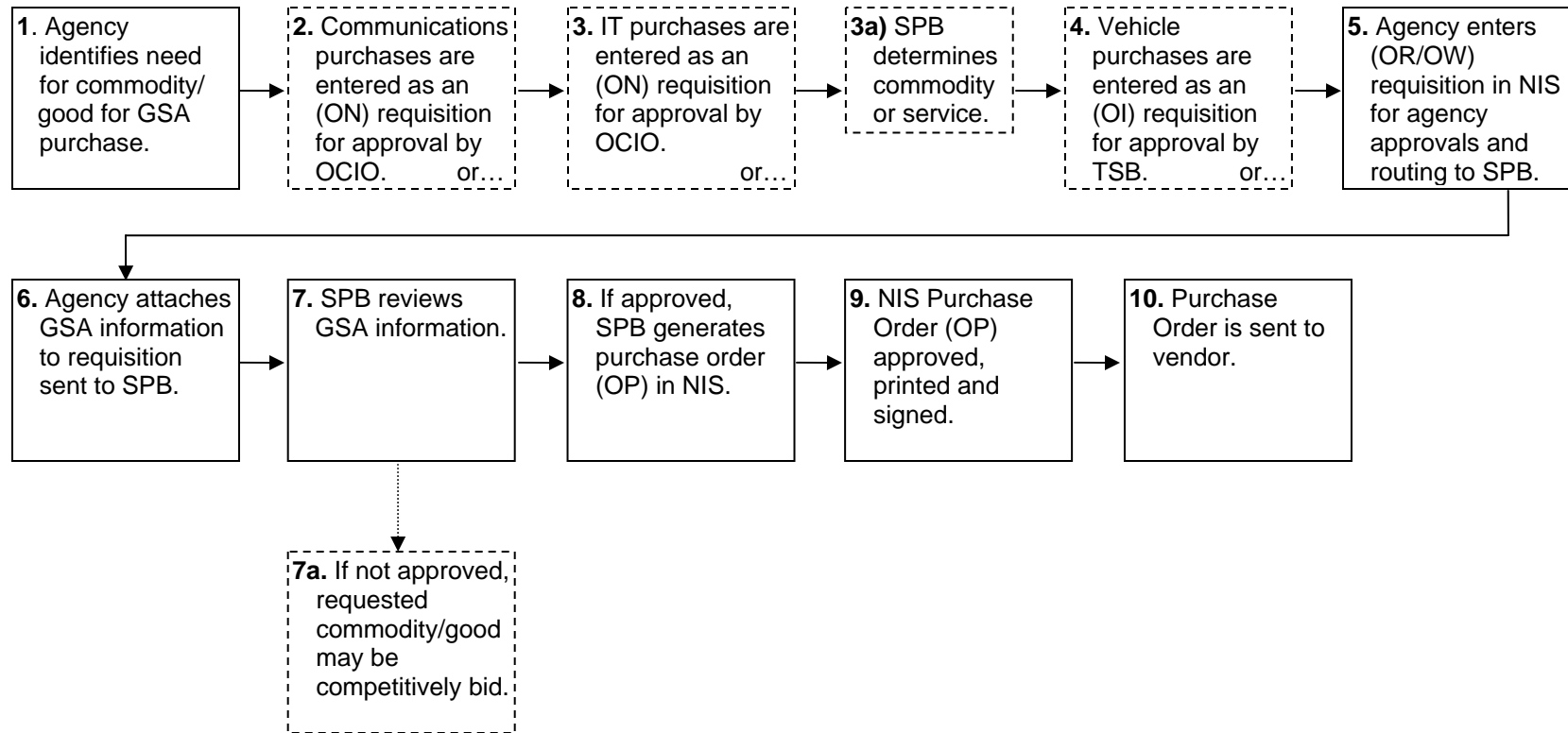
AS Materiel Division State Purchasing Bureau (SPB) Sole Source Purchase Process



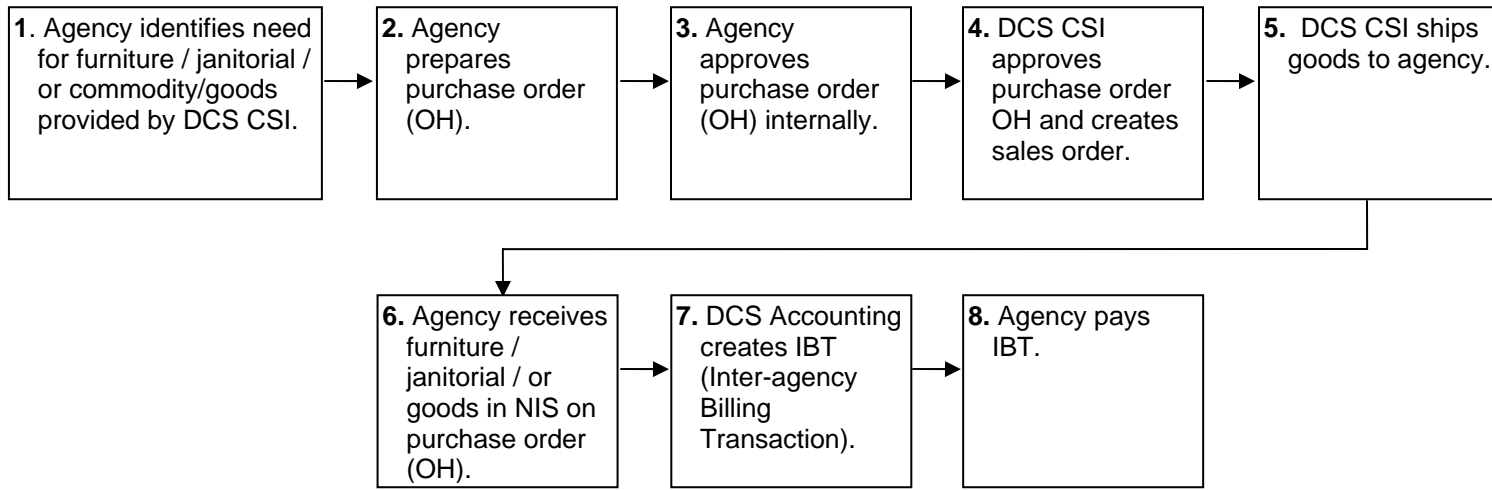
AS Materiel Division State Purchasing Bureau (SPB) Restrictive Purchase Process



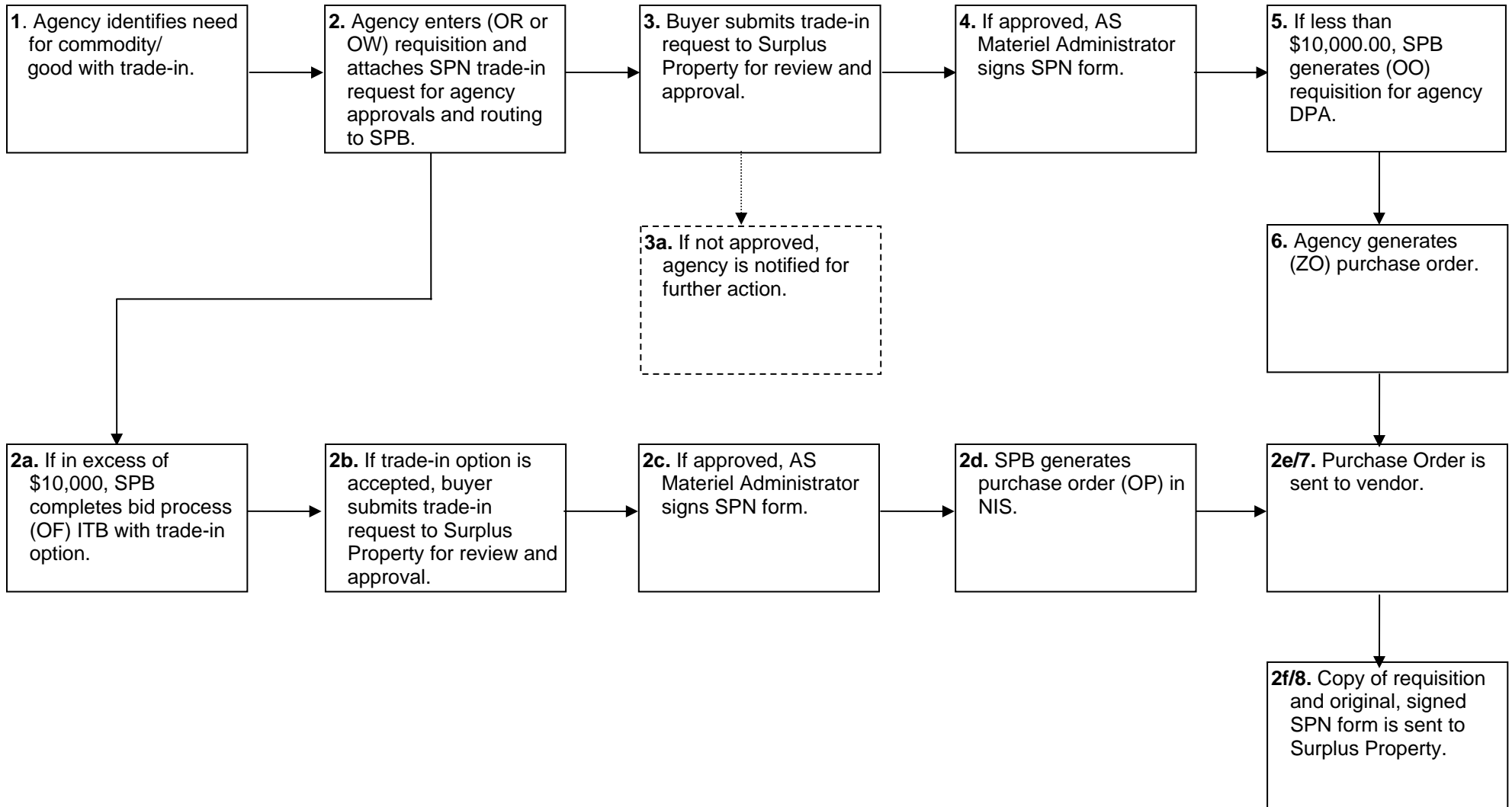
AS Materiel Division State Purchasing Bureau (SPB) GSA Contract Purchase Process



**AS Materiel Division
State Agencies CSI Direct Purchase Process
Department of Correctional Services (DCS) Cornhusker State Industries (CSI)**



AS Materiel Division State Purchasing Bureau (SPB) Surplus Property Trade-In Process



II. PROCUREMENT OF COMMODITIES/GOODS PROCESS

The overall purpose of this section is to give an overview of the Procurement of Commodities/Goods Process from beginning to end.

A. What statutes govern the procurement of commodities/goods by the State?

Authority is granted to the State of Nebraska, AS Materiel Division, State Purchasing Bureau through Neb. Rev. Stat. §81-145 to 81-163.01, 81-1118 to 81-1118.06, and 81-1183 thru 81-1189.

B. How do agencies know which process will be used for the procurement of commodities/goods?

1. The following are various methods of the procurement of commodities/goods:
 - a. Direct market purchase authority process for non contract purchases less than \$2,000.00. [See Flowchart for Direct Market Purchase Authority Process Less Than \\$2,000.00 \(Exhibit 1\)](#)
 - b. Direct market purchase authority process for non contract purchases of \$2,000.00 to \$9,999.99. [See Flowchart for Direct Market Purchase Authority Process \\$2,000.00 - \\$9,999.99 \(Exhibit 2\)](#)
 - c. Informal purchase process for non contract purchases of \$10,000.00 to \$24,999.99. [See Flowchart for Informal Purchase Process \\$10,000.00 - \\$24,999.99 \(Exhibit 3\)](#)
 - d. Formal purchase process for non contract purchases in excess of \$24,999.99. [See Flowchart for Formal Purchase Process in Excess of \\$24,999.99 \(Exhibit 4\)](#)
 - e. Formal purchase process for contract purchases. [See Flowchart for Formal Purchase Process Contract Purchases \(Exhibit 5\)](#)
 - f. Emergency purchase process. Process used for situations which endanger lives, property or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchases or rental of equipment, supplies, or materials. [See Flowchart for Emergency Purchase Process \(Exhibit 6\)](#)
 - g. Sole source purchase process. A sole source commodity/good available from only one source due to the unique nature of the requirement, its supplier, or market conditions. [See Flowchart for Sole Source Purchase Process \(Exhibit 7\)](#)
 - h. Restrictive purchase process. A restrictive commodity/good with a specification or purchase description that limits competition. [See Flowchart for Restrictive Purchase Process \(Exhibit 8\)](#)
 - i. GSA contract purchase process. Purchase of commodity/good without competitive bidding when the price has been established by the federal General Services Administration. [See Flowchart for GSA Contract Purchase Process \(Exhibit 9\)](#)

- j. CSI direct purchase process. Purchase of commodity/good direct from CSI (Cornhusker State Industries, Department of Correctional Services). [See Flowchart for CSI Direct Purchase Process \(Exhibit 10\)](#)
- k. Surplus property trade-in process. Procedure for trade-ins, the sale of surplus commodities/goods or disposal of equipment. [See Flowchart for Surplus Property Trade-In Process \(Exhibit 11\)](#)

C. When must agency personnel be trained and certified?

A state agency's purchase authority on file with the State Purchasing Bureau must identify by job title who is to be trained, certified and to what level based on agency purchasing authority. Agency personnel with a NIS security profile of PT30 or above must be trained and certified.

Definition of state agency personnel: For purposes of the State Purchasing Bureau's procurement training and certification program "agency personnel" is defined as all persons who perform any of the following duties for the agency:

1. An employee who performs any of the following procurement functions as part of their job:
 - a. Approves documents in NIS, i.e. requisitions, contracts and purchase orders.
 - b. Develops specifications for required commodity/good.
 - c. Decides the appropriate procurement process for direct purchases.
 - d. Identifies and/or selects potential vendors.
 - e. Solicits bids from vendors for commodities/goods less than \$10,000.00.
 - f. Evaluates bids.
 - g. Administers purchase orders from award to completion.
2. An employee who is responsible for the purchasing function of the agency.
3. An employee who is empowered to approve or sign purchase orders as covered by this manual.

D. How do agency personnel become certified?

The following will be the basis for certifying agency personnel:

1. Any employee within an agency authorized in NIS to enter purchase requisitions, generate purchase orders, generate contracts or to create/revise approval routes, will be required to attend procurement certification training class conducted by the State Purchasing Bureau.
2. State Purchasing Bureau offers classes on an "as needed" basis in order for employee to become certified.
3. The class conducted by State Purchasing Bureau will include instruction on statute requirements, policies and procedures for the procurement of commodities/goods and services, specification writing instruction, and a written examination to determine if employee understands the statutes, policies and procedures.

4. Employee must receive a passing grade of 70% or above to become certified.
5. Failure to pass the examination will require employee to attend an additional certification training class or receive one-on-one training as determined by the State Purchasing Bureau. The test will be re-administered and the employee must receive a passing grade of 70% or above to become certified.
6. Failure to receive a passing grade of 70% or above may result in the employee losing their procurement security access in NIS. A notification will be sent to agency authorized agent with justification for such action.
7. New hires or employees whose duties have been changed to include procurement will be required to attend the first available certification training class offered by State Purchasing Bureau to become certified.

Agencies must re-certify their employees as determined by the State Purchasing Bureau.

E. What are the steps in the procurement of commodities/goods process?

1. Agency identifies commodity/good needed
2. Agency procurement method selected
 - a. Direct market purchase authority for less than \$10,000.00 non contract
 - b. Approval/Review process in NIS
 - c. Agency solicits commodity/good needed
 - d. Agency evaluation and award
 - e. Agency inspection and acceptance of commodity/good
 - f. Agency payment

OR

1. Agency identifies commodity/good needed
2. SPB determines procurement method
 - a. Purchase authority in excess of \$10,000.00 non contract
 - b. Approval/Review process in NIS
 - c. SPB solicits for commodity/good needed
 - d. Agency evaluation and award recommendation
 - e. SPB evaluation and award
 - f. Agency inspection and acceptance of commodity/good
 - g. Agency payment

OR

1. Agency identifies commodity/good needed
2. SPB determines procurement method
 - a. Purchase authority for contract purchases
 - b. Approval/Review process in NIS
 - c. SPB solicits for commodity/good needed
 - d. Agency evaluation and award recommendation
 - e. SPB evaluation and award
 - f. SPB contract administration

- g. Agency purchase from contract
- h. Agency inspection and acceptance of commodity/good
- i. Agency payment

F. How are some exception purchases processed?

- 1. Cornhusker State Industries (CSI) Catalog - If a CSI commodity meets the specification and other requirements as found in Neb. Rev. Stat. §83-145, the commodity/good must be purchased from CSI.
- 2. Computer hardware and software purchases unless exempt based on the Nebraska Information Technology Commission (NITC) policies, must be approved by the Office of the Chief Information Officer (OCIO).

G. How does the agency document the need for commodities/goods in NIS?

The end user will communicate to the State Purchasing Bureau, the commodity/good needed for purchase in excess of \$9,999.99. The requisition document types used to identify the need for commodities/goods are OW/OI/ON/OT/OO/OR. The purchase order document types used to procure commodities/goods are OP/OG/OH/O6/OU/ZO.

1. Requisitions

- a. The OW requisition is used for exception orders that must route to the State Purchasing Bureau e.g. copiers, firearms, outside printing services and non CSI furniture.
- b. The OI requisition is used for vehicle requests, not on contract, that must route to TSB.
- c. The ON requisition is used for IT purchases, not on contract, that must route to the OCIO.
- d. The OT requisition is used for communications equipment requests that must route to the OCIO.
- e. The OO requisition is used for direct purchase authority granted by SPB through the annual direct purchase authorization letter or for individual requests.
- f. The OR requisition is used for all other requests.

2. Purchase Orders

- a. The OP purchase order is used for non contract one time purchases.
- b. The OG purchase order is used for contract purchases.
- c. The OH purchase order is used for CSI purchases.
- d. The O6 purchase order is used for IT contract purchases.
- e. The OU purchase order is used for vehicle contract purchases.
- f. The ZO purchase order is used for non contract direct purchase authorization. (Agency has authority to process internally based on annual direct purchase authorization letter or DPA.)

H. What information should be included with the NIS requisition?

The requisition entered in NIS must include a detailed description of the requested commodity/good. Specifications are the primary means of communication between the State and a vendor and should be prepared in the standard format (Yes, No, Other) as shown in [\(Exhibit 15\)](#).

I. What additional information may be relevant to SPB and agency processed procurement of commodity/good?

1. **Bids Secured by Agencies** – Submission of bids secured by requisitioning agencies does not relieve the State Purchasing Bureau from the responsibility of bidding the requirement again if deemed in the best interest of the State. Whenever the agency secures bids from vendors directly, the agency must inform the vendor that such bids are being secured for budgetary purposes if in excess of \$10,000.00 when the final purchase will be made by the State Purchasing Bureau. Bids received by agencies must be attached to the requisition submitted in NIS to the State Purchasing Bureau.
2. **In-State Preferences** - A resident bidder shall be allowed a preference against a non-resident from a state which gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the non-resident bidders. Where the lowest responsible bid from a resident bidder is equal in all respects to one from a non-resident bidder from a state which has no preference law, the resident bidder shall be awarded the contract. (Neb. Rev. Stat. §73-101.01) ([Exhibit 26](#))
3. **Freedom of Information** - All persons interested in the examination of public records, as defined in Neb. Rev. Stat. §84-712.01, are authorized to examine or request copies of records during normal business hours. Charges may apply to requestor depending on the amount of information requested. Trade secrets and other proprietary or commercial information, which if released would give advantage to business competitors, may be withheld as described in Neb. Rev. Stat. §84-712.05.
4. **Protest/Grievance Procedure** ([Exhibit 25](#)) - Vendors are to file written grievances/protests within ten (10) calendar days of the contract or purchase order award. The grievance must indicate reasons for filing a protest. Agencies are responsible for responding to all protest and grievance procedures on purchases solicited by their own agency.
5. **Vendor Performance Report** ([Exhibit 24](#)) - Where products delivered fail to meet the terms of the purchase order, contract, and/or specifications, the discrepancy shall be reported on a Vendor Performance Report to the State Purchasing Bureau for resolution. The State Purchasing Bureau will coordinate a satisfactory resolution to the complaint and notify the ordering/receiving agency. The vendor performance report will become a part of the permanent record for that vendor.
6. **Used Equipment** - If the acquisition of used equipment, materials or supplies is in the public interest, competitive procedures shall be followed wherever feasible.
7. **Surplus Property/Trade-In** - When equipment to be purchased will replace an existing piece of equipment, i.e. computer, photocopier, vehicle, etc., a Surplus Property Notification Form/NIS Fixed Asset ([Exhibit 22](#) and [23](#)) must be submitted with the requisition.

8. **Rentals/Leases** - All proposed rentals or lease of equipment by State agencies, in excess of \$9,999.99, must be authorized by the State Purchasing Bureau. A purchase requisition should be created in NIS for routing to the State Purchasing Bureau specifying the equipment desired, justification for the equipment, anticipated costs and such other factors considered relevant to the equipment acquisition. (Neb. Rev. Stat. §81-161.03, 81-1118.03)

9. **Buy Recycled** - Preference will be given to items which are manufactured or produced from recycled material or which can be readily reused or recycled after their normal use as per Neb. Rev. Stat. §81-15,159(2). Such preference shall not be in effect when it would result in the purchase of products, materials, or supplies which are of inadequate quality or substantially higher cost.

III. How are the different processes for procurement of commodities/goods performed?

The following processes may be used for the procurement of commodities/goods:

A. What is Direct Market Purchase Authority?

Neb. Rev. Stat. §81-161.03 allows the agencies to use Direct Purchase Authority for commodities/goods up to and including \$9,999.99. Direct Purchase Authority is defined as authorization which enables a State Agency, Board or Commission to purchase directly from a vendor or supplier as opposed to processing through the State Purchasing Bureau. It is required that State agency personnel be certified by the State Purchasing Bureau to receive Direct Purchase Authority. The Direct Market Purchase Authority letter ([Exhibit 12](#)) is issued at the beginning of each fiscal year by the AS Materiel Administrator. There are other purchasing restrictions pertaining to certain commodities/goods that will be indicated in the letter of authority.

The State Purchasing Bureau may generate a Direct Purchase Report through NIS ([Exhibit 27](#)) for periodic review of direct purchase requests. Agencies are encouraged to secure a minimum of three (3) bids on orders in excess of \$2,000.00, with the lowest responsible bidder that meets specifications receiving the award.

B. What is the process for purchases less than \$10,000.00?

State Agencies, Boards or Commissions are authorized to purchase directly from a vendor or supplier without processing through the State Purchasing Bureau for commodities/goods less than \$10,000.00 ([Exhibit 1](#) and [2](#)). Agencies are encouraged to secure a minimum of three (3) bids on purchases in excess of \$2,000.00.

C. What is the process for direct purchases?

On occasion, an agency may be authorized by the State Purchasing Bureau to purchase commodities/goods \$10,000.00 - \$24,999.99. Agencies are encouraged to secure a minimum of three (3) bids. Such authorization may be granted because of the unique nature of the commodity/good requested, the price involved, the quantity desired, the location of the using agency, or time limitations which may exist. The requisition entered in NIS by the agency and routed to the State Purchasing Bureau will be generated into a requisition (OO) document indicating a direct purchase (DPA) in the Dev Request field.

D. What is the process for informal purchases from \$10,000.00 - \$24,999.99?

Neb. Rev. Stat. §81-1118(5)(b) requires purchases \$10,000.00 - \$24,999.99 and not on contract to be solicited through the State Purchasing Bureau. An informal process is used on procurement of commodities/goods or materials valued at \$10,000.00 to \$24,999.99 ([Exhibit 3](#)). All informal purchases are processed through the State Purchasing Bureau. Direct purchase may be given for agency processing. If a direct purchase is granted, the requisition entered in NIS by the agency and routed to the State Purchasing Bureau will be generated into a requisition (OO) document indicating a direct purchase (DPA) in the Dev Request field. Whenever possible a minimum of three (3) competitive bids should be solicited, received and documented with the lowest responsible bidder meeting specifications receiving the award (Neb. Rev. Stat. §81-161). Informal bids may be secured by mail, fax, e-mail or phone.

Submission of bids secured by requesting agencies does not relieve the State Purchasing Bureau from the responsibility of bidding the requirement if deemed in the best interest of the State. Bids received by agencies must be attached to the requisition entered in NIS for routing to the State Purchasing Bureau.

E. What is the process for Formal Purchases in excess of \$24,999.99 and term contracts?

A formal process is used for procurement of commodities/goods and materials in excess of \$24,999.99 (Neb. Rev. Stat. §81-161.01) ([Exhibit 4](#) and [5](#)). All formal purchases and term contracts are processed through the State Purchasing Bureau. A competitive sealed bid process is used to provide the vendors an opportunity to bid. Formal bids are advertised for a minimum of fifteen (15) days. Formal bids are placed on the State Purchasing Bureau webpage for ease of access to potential bidders.

All bids received are kept secure and unopened until the scheduled bid opening date and time, at which time the bids are opened publicly. The Invitation to Bid (ITB) is awarded to the lowest responsible bidder meeting the requirements of the bid (Neb. Rev. Stat. §81-161).

F. What is the process for Emergency Purchases?

Agencies may make purchases of commodities in cases of emergency with prior approval of the State Purchasing Bureau ([Exhibit 6](#)). Emergencies are defined as situations which endanger lives, property or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase or rental of equipment, supplies, and materials. Effort should be made to secure three (3) bids, if possible. A list of vendors contacted, bid pricing and justification of the emergency purchase should be attached to the requisition in NIS. The requisition should reference who was contacted for approval and should be submitted within ten (10) days after the emergency purchase.

If in excess of \$10,000.00, prior verbal approval shall be secured from the State Purchasing Bureau. Subsequently, an explanation of the emergency must be reported in writing as an attachment, to a NIS purchase requisition routed to the State Purchasing Bureau. The requisition (OR) will be reviewed and State Purchasing will complete the purchase order in NIS after all required approvals have been secured as well as indicate emergency (EMR) in the Dev Request field.

G. What is the process for a Sole Source Purchase?

The agency enters a requisition for sole-source purchase along with documentation, as an attachment to the order header, in NIS, with the justification for the sole source purchase ([Exhibit 7](#)). Justification is to be provided by agency personnel with product knowledge and expertise. Sole Source is defined as “an item available from only one source due to the unique nature of the requirement, its supplier, or market conditions.” The AS Materiel Division, State Purchasing Bureau, is responsible and will determine if the sole source purchase is appropriate based on Neb. Rev. Stat. §81-154. The State Purchasing Bureau will then indicate sole source (SOL) in the Dev Request field.

Specific steps in the sole source process are:

1. The agency enters a requisition in NIS requiring a sole-source purchase along with an attached justification from agency personnel.

2. The State Purchasing Bureau buyer receives the requisition and checks for the sole source justification. If the justification is not attached a phone call is made to the agency or the requisition is rejected in NIS.
3. The buyer reviews the justification with the State Purchasing Bureau Procurement Manager to determine if a sole source purchase is appropriate.
4. The buyer contacts the manufacturer to verify the commodity/good is a sole source to be quoted directly by the manufacturer.
5. The buyer sends an Invitation to Bid form to the vendor for completion when the estimated value is in excess of \$24,999.99 as a Formal Bid return mail for sole source. When less than \$25,000.00, the Invitation to Bid may be mailed, faxed or e-mailed by the vendor.
6. Upon receipt of the bid, an Award of Bid form is completed for signature by the buyer, Procurement Manager, AS Materiel Administrator and AS Director as the Governor's designee.
7. Upon receipt of the signed Award of Bid from the AS Director's office, the buyer proceeds with the award process.

H. What is the process for Restrictive Purchases?

The agency enters a purchase requisition for a restrictive purchase along with documentation, as an attachment to the order header, in NIS, with the justification for the restrictive purchase ([Exhibit 8](#)). Justification is to be provided by agency personnel with product knowledge and expertise. Restrictive is defined as "a specification or purchase description that limits competition." The State Purchasing Bureau, is responsible and will determine if the restrictive purchase is appropriate based on Neb. Rev. Stat. §81-154. The State Purchasing Bureau will then indicate restrictive (RES) in the Dev Request field.

Specific steps in the restrictive process are:

1. The agency enters a requisition in NIS for a restrictive purchase along with an attached justification from agency personnel.
2. The State Purchasing Bureau buyer receives the requisition and checks for the restrictive justification. If the justification is not attached a phone call is made to the agency or the requisition is rejected in NIS.
3. The buyer reviews the justification with the State Purchasing Bureau Procurement Manager to determine if a restrictive purchase is appropriate.
4. The buyer contacts the manufacturer to verify the commodity/good is a restrictive purchase.
5. The buyer sends a formal Invitation to Bid form to vendors for completion, when the estimated value is in excess of \$24,999.99. When less than \$25,000.00, the Invitation to Bid may be mailed, faxed or e-mailed.

6. Upon receipt of the bid, an Award of Bid form is completed for signature by the buyer, Procurement Manager, AS Materiel Administrator and AS Director as the Governor's designee.
7. Upon receipt of the signed Award of Bid from the AS Director's office, the buyer proceeds with the award process.

I. What is the process for General Services Administration (GSA) purchases?

As per Neb. Rev. Stat. §81-153(7) the AS Materiel Division shall have the power and duty to allow the purchase of items without competitive bidding when the price has been established by the Federal General Services Administration or to allow the purchase of items by participation in a contract competitively bid by another state or group of states. ([Exhibit 9](#))

For purchases where prices have been adapted from GSA contracts the prices must be identical to those on the GSA schedule. GSA Schedule 70 Multiple Award Schedule contracts all allow for quantity discounts, along with additional price reductions based on the size and scope of the project.

All purchases in excess of \$10,000.00 using GSA "like pricing" must be processed through the State Purchasing Bureau. The State Purchasing Bureau will then indicate in the NIS Dev Request field, GSA.

J. What is the process for CSI purchases?

All State Agencies, Boards and Commissions have authority to purchase directly from Department of Correctional Services, Cornhusker State Industries (CSI) ([Exhibit 10](#)). Any commodity/good available from CSI but not purchased from CSI, must be processed through the AS Materiel Division, State Purchasing Bureau. The CSI catalog is available on line at: <http://www.corrections.state.ne.us/csi/catalog/default.asp>

K. What other items should be considered in the procurement process for commodities/goods?

1. Requisition – The document entered in NIS identifying the need for a commodity/good.
2. Specification - Prepare the detailed specification for the required commodity/good to allow for competition.
3. Approval - Enter the requisition in NIS, attach specifications, and recommended vendors list to route through the approval levels accordingly. See approval route worksheet at <http://www.das.state.ne.us/materiel/purchasing/approvalroutes.doc>.
4. Invitation to Bid (ITB) ([Exhibit 14](#)) - The Invitation to Bid document generated in NIS is used to describe the commodities/goods to be procured along with any instructions to the bidders. This document must be completed, signed and returned to the procuring agency. If the estimated value is in excess of \$9,999.99, the ITB may be posted to the State Purchasing Bureau website.

- a. Samples - When samples are necessary, in response to a solicitation document, the agency will be responsible for the testing of samples and making an award recommendation with appropriate documentation. If testing performed by an independent test lab is required, costs associated with testing may be recovered from the vendor as per Neb. Rev. Stat. §81-156. When requested, samples shall be furnished at the bidder's expense prior to the opening of the bid, unless otherwise specified. Each sample must be labeled clearly and identify the bidders name, the Invitation to Bid number and the item number. Samples submitted must be representative of the items or equipment which would be delivered if awarded the bid. The State of Nebraska reserves the right to request samples even though this may not have been set forth in the Invitation to Bid. Samples not destroyed in testing will be returned at the bidder's expense, if requested, or will be donated to a public institution.
5. Bidder List – A list of potential bidders that is based on agency recommendation and/or a list generated in NIS using the NIGP codes to determine a specific list of bidders for a required commodity/good. The State Purchasing Bureau may randomly select potential bidders to receive bid solicitation letters.
6. Solicitation ([Exhibit 13](#)) – A letter that is used to solicit a bid for the required commodity/good from each vendor identified on the bid list. This letter provides the commodity/good to be procured, opening date and instruction to view/print the ITB documents from the website. (Neb. Rev. Stat. §81-161.01).
7. Receipt of Sealed Bids - Upon receipt of bids by State Purchasing, the sealed bids will be date and time-stamped and kept in a secure place until time of bid opening. Formal competitive bids must remain sealed until the bid opening. The bid envelope should show the solicitation number, opening date and bidder's name. The State Purchasing Bureau will not provide any materials to package vendor bid responses.

If an improperly marked bid is inadvertently opened prior to the bid opening date and time, the bid may be resealed, marked "opened in error" on the outside of the envelope, signed or initialed and will retain its status as a sealed bid.
8. Withdrawing Bids - A bidder may withdraw their bid in person or in writing by submitting a written request to the procuring agency at any time prior to the award. The withdrawal letter will become part of the procurement file.
9. Modifying Bids - A bidder may modify their bid in person or in writing by submitting a written request to the procuring agency at any time prior to the bid opening date and time. The modification request will become part of the procurement file.
10. Bid Opening - The date, time and physical location of the public bid opening shall be stated clearly on the ITB. Bid opening dates may be changed and rescheduled notifying bidders in advance of the new opening date. If a bid opening is canceled, all bids received prior to the bid opening may be returned to the bidders.

Information read at the bid opening may include the ITB number, bidder's name, bid price and any other pertinent information to the bid. Any person in attendance may view the documents upon opening. The procurement staff will not discuss whether a product or model meets bid specifications at the bid opening. Bidders will be advised to submit any concerns in writing to the appropriate buyer. Once bids are opened, they will become the property of the State and will not be returned.

11. Bid Tabulation – The detail of all bids received on a given ITB and posted to the State Purchasing Bureau website. Upon completion of award, rejection or cancellation of a bid, the website is updated. The following should be included on the bid tabulation log:
 - a. Solicitation number
 - b. Requesting Agency
 - c. Bid Opening Date & time
 - d. State Purchasing Bureau Buyer Name
 - e. Commodity/Item
 - f. Bidder name
 - g. Make, model or other pertinent information to the bid
 - h. Price
 - i. Delivery Terms/Payment Terms
 - j. Reasons for Invalid bids
 - k. Lowest responsible bidder identification upon award
12. Late Bids – All bids will be officially time and date stamped upon receipt by the State Purchasing Bureau. Bids received after the time of the bid opening will be considered late and returned to the bidder unopened. The State Purchasing Bureau is not responsible for late bid responses, modifications, or withdrawals due to mail service inadequacies, traffic or other similar reasons.
13. Bid Review – Bids are reviewed for compliance by the SPB and valid bids are sent to the agency for review and recommendation. Once the agency review is complete, the bid responses must be returned to the State Purchasing Bureau along with a recommendation for award. If the State Purchasing Bureau does not agree with the recommendation, the agency is contacted for further review and discussion.

When a bid response appears to contain an obvious error or an error is suspected, the circumstances may be investigated, considered and acted upon. Any action taken shall not prejudice the rights of the public or other vendors. Where bid responses are submitted substantially in accordance with the procurement document, but are not entirely clear, clarification may be sought provided that no change is permitted in the bid price. The State Purchasing Bureau is the sole and final authority on purchases and leases for commodities/goods.

- a. Unsigned Bids – A bid without a signature will be disqualified and not considered valid. Any unsigned bid will be annotated at the bottom of the tabulation sheet under Invalid Bids as "UNSIGNED" and attached to the file. Unsigned bids will not be returned to the bidder.
 - b. Rejection of Bids - Any or all bids may be rejected by the State Purchasing Bureau. The State Purchasing Bureau may reject the bid of any bidder who has failed to perform a previous bid or purchase order with appropriate documentation on file. In any case where competitive bids are required and all bids are rejected, and the proposed purchase is not abandoned, new bids may be solicited. (Neb. Rev. Stat. §81-161.02) As per Neb. Rev. Stat. §81-161.02 any or all bids may be rejected by the AS Materiel Division. Bids which contain any alteration or erasure may be rejected unless such erasure or alteration is initialed. Bids shall be rejected only for good and sufficient cause, but not limited to:
 - i. deficient specifications;
 - ii. abandonment of the project or requirement;
 - iii. insufficient funds;
 - iv. unsatisfactory competition;
 - v. non-responsive bid/bids submitted in pencil;
 - vi. failure to provide security when required;
 - vii. bids arriving after the published opening date and time; or
 - viii. best interest of the State of Nebraska.
14. Award of Bid ([Exhibit 21](#)) - If fewer than three bids are received, the State Purchasing Bureau must seek written approval from the Governor or Governor's designee required by Neb. Rev. Stat. §81-154. The Award of Bid form is completed for signature by the buyer, Procurement Manager, AS Materiel Administrator and AS Director as the Governor's designee when:
- a. a requisition submitted with a sole-source/restrictive/emergency letter from the agency, is in excess of \$24,999.99, and fewer than three bids are received; or
 - b. a formal bid (in excess of \$24,999.99) is solicited and fewer than three bids are received.
15. Bid Award– Once an award decision is made, a purchase order or contract award is issued. The State reserves the right to purchase item-by-item, by groups or as a total when the State may benefit by so doing. The purchase order or contract award is prepared, signed and distributed to appropriate vendor and agency. State Purchasing will be responsible for attaching the agency award recommendation to the document in NIS.
- a. Purchase Order – A document issued for the purchase of a commodity/good.

- i. Change Orders - A change order is issued by the State Purchasing Bureau to correct errors, to add or delete quantities of goods, or to make other adjustments to the original purchase order. A change order may also be used to cancel a purchase order. The State of Nebraska will not be held responsible for a vendor who deviates from the requirements of the purchase order before receipt of a change order.
 - b. Term Contract – A contract intended to cover all normal requirements for a commodity/good for a specified period of time based on estimated quantities only.
 - i. Contracts may be viewed on the State Purchasing Bureau website and accessed in NIS for generating purchase orders.
 - ii. Commodities/goods for which contracts have been established by the State Purchasing Bureau may not be purchased from other sources unless specifically authorized in writing by the State Purchasing Bureau prior to making the purchase. Generating a purchase order from the contract in the NIS system is required on all contract purchases for commodities/goods. The purchase order should be completed at the time of request to document what is required and track the vendor’s performance.
 - iii. Some statewide contracts may use an on-line ordering process, therefore purchase orders are not generated from the contract in NIS.
 - iv. Amendments – An amendment is any change to a term contract to correct errors, to add or delete quantities of goods, or makes other adjustments and is issued by the State Purchasing Bureau.
- 16. Post Award - For purchases and contracts processed by the State Purchasing Bureau, the following may apply:
 - a. Any pertinent information concerning vendor performance after the award shall be put in writing to the State Purchasing Bureau. All correspondence shall be copied to all parties (agency, State Purchasing Bureau, vendor) for placement in the file. [\(Exhibit 24 Vendor Performance Report\)](#)
 - b. Any proposed changes to or interpretations of requirements must receive prior written approval from the State Purchasing Bureau.
 - c. The State Purchasing Bureau has primary responsibility in the management of contracts.
 - d. When a contract or purchase order provides for liquidated damages, performance bond, or other late completion penalties, final authority to impose or waive such penalties is the responsibility of the AS Materiel

Administrator and/or Procurement Manager. When penalties appear to be indicated, properly documented recommendations shall be prepared by the agency and presented to the State Purchasing Bureau.

17. Cancellation - A purchase order or contract may be cancelled by the State Purchasing Bureau. Payment will be made for commodities/goods shipped prior to receipt of the termination notice, unless otherwise specified in the notice.
18. Deliveries - All deliveries shall be made to the point or points specified in the original solicitation.
 - a. **F.O.B. Destination** - the delivery charges have been included in the quoted price and prepaid by the vendor.
 - b. **F.O.B. Point of Origin** - the delivery charges are not included in the quoted price and are the responsibility of the agency.
 - c. **Inside Delivery** - if the vendor is required to deliver beyond the dock, additional inside delivery charges may be incurred.
19. Acceptance of Commodities/Goods - It is the responsibility of the agency to inspect all materials, supplies, and equipment to determine if the vendor has delivered items in accordance with the terms of the purchase order and/or contract, and specifications.

Commodities/goods that fail to meet specifications, conform to the vendor sample, or are not in satisfactory condition when received, shall be subject to rejection.

- L. What are the requirements for disposal of items no longer needed or usable?**
Contact the State Surplus Property Manager for details and procedures for trade-ins, the sale of surplus items, or disposal of equipment ([Exhibit 11](#)).

1. Direct Purchase Procedure

- a. An (SPN) Surplus Property Notification/NIS Fixed Asset form must be submitted with the requisition.
- b. The buyer reviews the trade-in information on the requisition.
- c. The buyer submits trade-in information to Surplus Property for approval. Approval of the SPN form must be attached to the requisition for the AS-Materiel Administrator's signature.
- d. If direct purchase authority is appropriate, the buyer will generate a requisition (OO) document in NIS indicating a direct purchase (DPA) in the Dev Request field and attach a copy of the signed SPN form.
- e. A copy of the requisition and **ORIGINAL** SPN form is sent to Surplus Property.

- f. A copy of the SPN form and requisition is kept on file in the State Purchasing Bureau and a copy returned to the agency.

2. Bid Procedure

- a. The Invitation to Bid form narrative is written to include trade-in information. (Trade-in is shown as an option.)
- b. Prior to award, the buyer submits the trade-in information to the Surplus Property Manager for review and approval.
- c. If approved by the Surplus Property Manager, the buyer submits the requisition, bidder's response and the SPN form for the AS Materiel Administrator's approval.
- d. At the time of award, a purchase order is generated indicating the trade-in.
- e. A copy of the requisition and **ORIGINAL** SPN form is sent to Surplus Property.
- f. A copy of the SPN form and requisition is kept on file in the State Purchasing Bureau and a copy returned to the agency.

M. Forms used with the purchase processes described above.

Click in the grey area to enter information.

1. [Solicitation Announcement Letter \(Exhibit 13\)](#) - Letter to prospective vendors to announce the release of an ITB rather than photocopying and mailing entire ITB to prospective vendors.
2. [Invitation to Bid \(ITB\) \(Exhibit 14\)](#) – Solicitation document to be completed by bidders for one time purchases or contracts.
3. [Standard Specification \(Exhibit 15\)](#) – Detailed description of the commodity/good in a Yes/No/Other format.
4. [Pre-Bid Attendance Sheet \(Exhibit 16\)](#) - An attendance sheet must be completed for a pre-bid conference.
5. [Pre-Bid Conference Questions \(Exhibit 17\)](#) – A form distributed to all vendors attending the pre-bid conference for submission of additional written questions.
6. [Addendum – Questions and Answers \(Exhibit 18\)](#) - An addendum format for posting responses to written questions submitted by vendors.
7. [Addendum – Amendment to ITB \(Exhibit 19\)](#) - An addendum format for posting ITB revisions.
8. [Bid Rejection Letter \(Exhibit 20\)](#) - The announcement posted to notify respondents the State is rejecting all bids.

9. [Award of Bid \(Exhibit 21\)](#) – Document required when fewer than three (3) bids are received for purchases in excess of \$24,999.99.
10. Surplus Property Notification/NIS Fixed Asset Form (Exhibit [22](#) and [23](#)) – NIS document completed for commodity/good being surplus or traded in.
11. [Vendor Performance Report \(Exhibit 24\)](#) – A form required for reporting satisfactory or unsatisfactory vendor performance.
12. [Protest/Grievance Procedure \(Exhibit 25\)](#) – The process provided in response to a request to submit a protest.

IV. SPECIFICATIONS

The State Purchasing Bureau is charged by law with establishing and maintaining standards of products and equipment. Policies have been developed to accomplish this and insure equity to using agencies and optimum value to the taxpayers. (Neb. Rev. Stat. §81-154).

A. What is the purpose of creating specifications?

The primary purpose of a purchase specification is to provide a basis for securing a product that will satisfy a particular need at an economical cost. Specifications should be written to invite maximum competition. Specifications should not be unduly restrictive. Specifications should be written to encourage, not discourage, competition, consistent with seeking overall economy for the purpose intended.

Detailed descriptions for commodities/goods requested will expedite the purchasing process. Agencies should plan their requirements to allow the State Purchasing Bureau a minimum of thirty (30) days (depending on the complexity of the specifications, etc.) to review specifications, to secure bids and make an award.

B. What types of specifications are used in the procurement of commodities/goods?

Agencies should use one of the following specifications to describe needed commodities/goods ([See specification example, Exhibit 28](#)):

1. **Brand Name Specification** – A specification that cites the brand name, model number, or some other designation that identifies a specific product to be offered exclusive of others.
2. **Acceptable Brand List – Brand Name-or-Equivalent** – A specification that cites brand names, model numbers, or other identification as representing quality and performance called for, and inviting bids on comparable items or products of any manufacturer.
3. **Design Specification** – A type or manner of writing a purchase description characterized by detail as to how the product is to be manufactured or work is to be performed; generic specification. Appropriate for unique product or custom work.
4. **Performance Specification** – A specification describing the performance characteristics sought in a product or service: a purchase description accenting performance over design.

C. What are the characteristics of an effective specification?

1. **Simple:** Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy the need.
2. **Clear:** Use standard terminology, correct spelling and appropriate sentence structure.
3. **Accurate:** Use units of measure compatible with industry standards. All quantities and packing requirements should be clearly identified.
4. **Competitive:** Identify a minimum of three brands, makes, or models (whenever possible) that will satisfy the need. Avoid unnecessary "extras" that could reduce or eliminate competition and increase costs.
5. **Flexible:** Specifications should be generic enough to allow for minimums, maximums or approximations to encourage competition when possible.

V. Frequently asked questions that could pertain to both State Purchase Bureau and Agency processed request for commodities:

A. What documents and other information does the SPB need to start the purchase process?

1. Most current Word document with specifications in Yes/No/Other format;
2. Requisition (OW/OI/ON/OT/OO/OR) entered in NIS;
3. Agency contact name, address, phone number and email address; and
4. Recommended vendors list.

B. Who should work with documents in the NIS system (e.g. contract addendums/amendments, quantities and/or dollar amount changes, adding and/or deleting lines, etc.)?

If commodity/good purchase order or contract is issued by SPB, any and all changes must be completed by SPB. If a purchase less than \$10,000.00 is processed at the agency level, the agency may complete all changes to documents in NIS.

C. How should a request for commodities/goods that includes hardware/software be processed?

A request for commodities/goods including hardware/software must be routed in NIS using the (ON) document type, to the OCIO for review and approval before the procurement process can be completed.

D. May an agency specify an in-state vendor?

The general rule is that the agency may not specify an in-state vendor, as geographic location does not in and of itself constitute an essential specification of the service to be provided. There is one narrow exception provided by statute which allows for the imposition of such a restriction when the bidder's state has adopted a corresponding restriction.

E. When should a performance bond be required in a request for commodities/goods?

The general rule is that a performance bond will be required as determined by the risk potential of the commodity/good.

F. What should agency personnel do when a vendor contacts them directly?

Refer the vendor to the State Purchasing Bureau if the request is being processed by the State Purchasing Bureau.

G. What should agency personnel do when a vendor requests public information?

Refer to §84-712.01 and 84-712.05 for responding to public information requests.

H. What should agency personnel do when a vendor has a complaint?

Recommend that the concerns be submitted in writing for response by the State and/or direct vendor to the "Protest/Grievance Procedure".

VI. EXHIBITS

This section may be used as a tool for referencing and utilizing Exhibits referenced throughout this manual.

A. What do the exhibits look like that are referenced in the manual?

1. [Less Than \\$2,000.00 Non Contract Purchases Direct Market Purchase Authority Process Flowchart](#)
2. [\\$2,000.00 - \\$9,999.99 Non Contract Purchases Direct Market Purchase Authority Process Flowchart](#)
3. [\\$10,000.00 - \\$24,999.99 Non Contract Purchases Informal Purchase Process Flowchart](#)
4. [In Excess of \\$24,999.99 Non Contract Purchases Formal Purchase Process Flowchart](#)
5. [Contract Purchases Formal Purchase Process Flowchart](#)
6. [Emergency Purchase Process Flowchart](#)
7. [Sole Source Purchase Process Flowchart](#)
8. [Restrictive Purchase Process Flowchart](#)
9. [GSA Contract Purchase Process Flowchart](#)
10. [CSI Direct Purchase Process Flowchart](#)
11. [Surplus Property Process Flowchart](#)
12. [Direct Market Purchase Authority Letter](#)
13. [Solicitation Announcement Letter](#)
14. [Invitation to Bid \(ITB\)](#)
15. [Standard Specification](#)
16. [Pre-Bid Attendance Sheet](#)
17. [Pre-Bid Conference Questions](#)
18. [Addendum – Questions and Answers](#)
19. [Addendum – Amendment to ITB](#)
20. [Bid Rejection Letter](#)
21. [Award of Bid](#)
22. [Surplus Property Notification/NIS Fixed Asset Form Inventory](#)
23. [Surplus Property Notification/NIS Fixed Asset Form Non-Inventory](#)
24. [Vendor Performance Report](#)
25. [Protest/Grievance Procedure](#)
26. [Preference Policies](#)
27. [NIS Direct Purchase Report](#)
28. [Sample Specification](#)