

**681—8.1(262) Procurement policy.**

**8.1(1)** The best interests of the state of Iowa and of the regent institutions are served through implementation of a full and free competitive purchasing system fostered by the use of open specifications, competitive bids or quotations, and awards to the lowest responsible bidder. To further a competitive and economical system, the following operating rules are hereby adopted.

*a.* Preference shall be given to Iowa products and suppliers. This preference shall exist when Iowa products can be obtained at equal or less cost and are of equal quality to those products obtainable from out-of-state suppliers. The purchasing officials use their professional judgment in making such determinations.

*b.* Each purchasing officer at each institution maintains a master list of prospective suppliers for each established category and utilizes this list to request, when practical and feasible, three or more quotations or bids for each item to be purchased.

*c.* Any person, agency, or firm wishing to supply materials in a category may request, in writing, that their name be added to the master list. The name is added to the list if in the professional judgment of the purchasing officer the addition would aid in fostering a competitive situation. The purchasing officer may require the requesting party to furnish information relative to qualification to supply the items indicated and relative to financial responsibility.

*d.* Once a supplier is accepted on the master list, the name is not removed from the list except upon the supplier's request, or for good and sufficient reasons, including, but not limited to, the following which may be construed as evidence the supplier is not a responsible bidder:

- (1) Delivery of commodities that do not comply with specifications.
- (2) Failure to deliver within the specified time.
- (3) Refusal to deliver after making a quotation and after receiving an order.
- (4) Repeated withdrawal of quotations prior to the placing of an order.
- (5) Failure to have qualified service available in the area to set up, check out, instruct personnel in use or parts to service equipment, if a part of the agreement or warranty, written or implied.
- (6) Bankruptcy or other evidence of insolvency, or any other fact which might cause substantial doubt about the supplier's ability to continue as a responsible source and to fulfill obligations.
- (7) Failure to comply with the regents' equal employment opportunity policy. Removal shall be on recommendation of the regents' compliance officer.
- (8) Repeated failure to respond to requests for prices.
- (9) No longer in business.

*e.* Whenever possible and practical, specifications drawn by regent institutions are written in general terms so as to foster competition between bidders. If brand names are used to indicate quality desired, the specifications shall contain an "or equal" or "or acceptable alternate" clause. Approval of the "or equal" or "or acceptable alternate" status shall be left to the judgment of the purchasing officials.

*f.* In some instances scientific, mechanical and technical equipment or supplies may be required which are obtainable from a single source only, and further, that in some emergency situations the taking of competitive bids or quotations is not feasible or possible and in such situations, the requirements to do so may be waived. Recognition is also given to standardization and compatibility requirements which should be maintained for purposes of economies in replacement and maintenance.

*g.* The purchasing officers may establish a procedure, based on economy-of-scale, to handle local small orders. The procedure used as to dollar amount allowable, firms to be utilized, and definition of local area is determined by the purchasing officer at each institution.

*h.* The name of the successful bidder and all other bidders and the amounts bid shall be supplied to any person upon oral or written request.

*i.* Nothing contained in these rules shall be construed to mean that the lowest priced goods or inferior or substandard goods must be purchased. The regents institutions purchase the best quality consistent with economy and when possible test and evaluate all supplies, materials, and equipment purchased.

**8.1(2)** Targeted small business—purchasing. All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply to targeted small businesses.

This rule is intended to implement Iowa Code sections 73.15 to 73.21.