

# Small Purchases

SC Code Section 11-35-1550



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## Code & Regulations

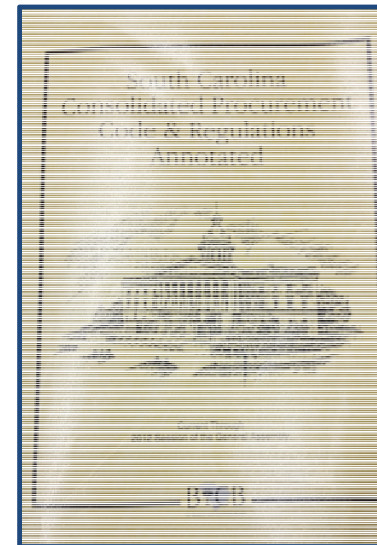
### REFERENCES

#### Code

- 11-35-510
- 11-35-1550
- 11-35-3230

#### Regulations

- 19-445-2100



What is a small purchase & who has authority to make small them?

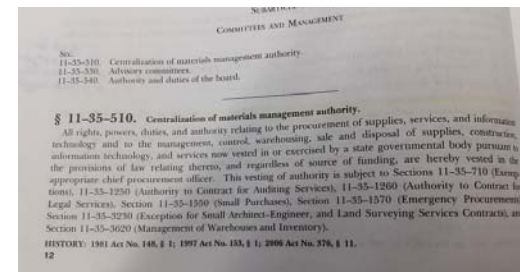


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## Definition & Authority

**What is a small purchase & who has authority to make them?**

*A governmental body may conduct its own procurement up to fifty thousand dollars in actual or potential value...*



**11-35-1550 (1) Small Purchase Procedures**



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## Competition Thresholds

### 11-35-1550 (2) Competition Thresholds

- a) **Purchases**  $\leq$  \$2500.00
- b) \$2500.00 < **Purchases**  $\leq$  10,000.00
- c) \$10,000.00 < **Purchases**  $\leq$  50,000.00

Are there any exceptions to the above?



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## Competition Thresholds

### 11-35-1550 (2) Competition Thresholds

- d. For public institutions of higher learning in this State excluding technical colleges, small purchase amounts to which the provisions of item
  - (a) apply are those purchases not exceeding ten thousand dollars, and for these purchases item
  - (b) does not apply.

How do we handle purchases \$2500 or less?



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## Competition Thresholds

### Purchases ≤ \$2500.00

- Do not require competition
- Standard
- Distributed equitably among qualified suppliers

(a) Purchases not in excess of two thousand five hundred dollars. Except as provided in item (d), small purchases not exceeding two thousand five hundred dollars may be accomplished without securing competitive quotations if the prices are considered reasonable. The purchasing office must annotate the purchase requisition: "Price is fair and reasonable" and sign. The purchases must be distributed equitably among qualified suppliers. When practical, a quotation must be solicited from other than the previous supplier before placing a repeat order. The administrative cost of verifying the reasonableness of the price of purchase "not in excess of" may more than offset potential savings in detecting instances of overpricing. Action to verify the reasonableness of the price need be taken only when the procurement officer of the governmental body suspects that the price may not be reasonable, comparison to previous price paid, or personal knowledge of the item involved.



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## Competition Thresholds

### **\$2500.00 < Purchases ≤ 10,000.00**

- Written quotes
- Documentation
- Award lowest

(b) Purchases over two thousand five hundred dollars to ten thousand dollars. Except as provided in item (d), solicitation of written quotes from a minimum of three qualified sources of supply must be made and documentation of the quotes attached to the purchase requisition for a small purchase over two thousand five hundred dollars but not in excess of ten thousand dollars. The award must be made to the lowest responsive and responsible sources.



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## Competition Thresholds

### **\$10,000.00 < Purchases ≤ 50,000.00**

- Written Solicitation
- Written Responses Documented
- Advertised in SCBO
- Lowest Response

(c) Purchases over ten thousand dollars up to fifty thousand dollars. Written solicitation of written quotes, bids, or proposals must be made for a small purchase over ten thousand dollars but not in excess of fifty thousand dollars. The procurement must be advertised at least once in the South Carolina Business Opportunities publication or through a means of central electronic advertising as approved by the designated board office. A copy of the written solicitation and written quotes must be attached to the purchase requisition. The award must be made to the lowest responsive and responsible source or, when a request for proposal process is used, the highest ranking offeror.



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## P-Cards

### Concerns:

- Fair & Reasonable
- Repeat Purchases
- Split Purchases



## Collaborative Work

### Hypotheticals:

For the sake of these exercises. Please pretend that you are a member of the MMO team. Being the professional that you are, you always attempt to be as patient, understanding, and helpful as possible to other professionals who work in state agencies.

**This is our time to have participative discussion!**

Please decide and answer what you would advise the caller in the following hypotheticals. Be sure to be able to say “why” your answer is the way it is.



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## Hypothetical 1

A procurement officer issues a solicitation with an anticipated total potential value of \$25,000.00. On the morning of the submittal deadline, a vendor walks in with his offer and announces he will be staying to witness the “opening”.

The procurement officers calls you because he had not planned for this and he doesn’t know how to respond to the vendor.

**What do you advise?**



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## Hypothetical 2

You receive a call from a Manager at SCDOT (Headquarters). It seems a procurement professional in one of the regional office is preparing to place an order with Lorick Office for a small amount of office supplies. There may be about 10 items on the list and the final total is \$199.48.

The Manager has an e-mail from the requester who is adamant that the order should not be placed with Lorick. In fact, to prove her point, the requester solicited quotes from Staples (\$190.32) and FSI (\$195.25). The procurement professional insists that it is perfectly acceptable to place the order with Lorick, especially since they are a Certified business through the office of SMBCC.

- **How should the manager respond to the concern?**
- **What factors or variables support your advice?**
- **What factors or variables would make a difference in your decision?**



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## Hypothetical 3

A procurement professional issued a formal solicitation for a printing job with an estimated budget of \$7500.00. The solicitation closed on April 1 with no responses received. A few days later, Pine Printing Press sends a response to the quote for \$6,700.00

- Should the procurement professional accept the quote and issue a purchase order?
- What factors or variables support your advice?
- Are there any other concerns?



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## Hypothetical 4

A procurement specialist calls with a question. It seems her Director issued a solicitation for equipment service and maintenance. Prior to the solicitation's deadline, the Director is admitted to the hospital for emergency surgery; and as a result, will be out for at least 6 weeks. With two days left before the solicitation's deadline, the procurement specialists receives a note from the end-user indicating that he has received a question regarding the solicitation, which he believes should be answered because it may influence the price.

Also, the end user points out that the pricing schedule may be misleading because they only ask the vendor to provide for 12 months (one year), when their intention is to have 4 additional one-year renewal periods. The difference could increase the contract's total potential value from the \$12,000.00 annual cost to \$60,000.00. There is a very small office with minimum certification, so the Specialist is not quite sure what to do with this information.

**What concerns you most in this scenario?**

**How do you advise the specialist in this matter?**



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## Hypothetical 5

A procurement professional is purchasing transcription services for his entity's Board meetings. Under the terms of the contract, they will record the meetings and send them to the contractor to be typed. They anticipate that this agreement will cost the entity about \$500.00 with a total potential value of \$30,000.00. As the Board is preparing the scope of work, the Chairperson sends an e-mail requesting to see the standard terms and conditions that will be needed to create an adequate contract.

- **BASED ON THE AMOUNT OF THE SOLICITATION:**
- **Which compendium clauses do you use without modification?**
- **Which compendium clauses do you modify to make more appropriate?**
- **Which compendium clauses do you believe will not apply?**



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## Hypothetical 5

A Procurement Professional at the SC School for the Deaf & Blind has a “Rush” request for football uniforms, pads, and other accessories. According to the Athletic Director, the uniforms are needed for the first game in 4 weeks; and therefore, the purchase order must be issued quickly in order to meet the deadline. The maximum budget for this expenditure is \$25, 000.00. The AD is disappointed that you must get quotes and is demanding to know how quickly the procurement may be completed.

➤ **What should the Procurement Professional tell him?**



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## Hypothetical 6

A procurement professional is purchasing transcription services for his entity's Board meetings. Under the terms of the contract, they will record the meetings and send them to the contractor to be typed. They anticipate that this agreement will cost the entity about \$500.00 with a total potential value of \$30,000.00. As the Board is preparing the scope of work, the Chairperson sends an e-mail requesting to see the standard terms and conditions that will be needed to create an adequate contract.

- **BASED ON THE AMOUNT OF THE SOLICITATION:**
- **Which compendium clauses do you use without modification?**
- **Which compendium clauses do you modify to make more appropriate?**
- **Which compendium clauses do you believe will not apply?**



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# Questions



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