## **Purchasing**

Any purchase must abide by State Procurement Practices and by guidelines established by the SLD. All contracts listed on the State Contracts List meet both criteria. If you choose to seek bids for any e-rate eligible service, including the services already covered under ITS master contracts, then you must post your own 470 and you must follow the Purchasing guidelines that are detailed below. If you are unsure about any of your procurement plans or practices please contact Lee Bray at MDE.

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## A. Services not covered under ITS master contracts:

- 1. Any service provided by a local, private telephone company.
- 2. Any service provided by a local ISP
- 3. ESSX service.
- 4. PBX system.
- 5. Interlata Long Distance (Crosses Lata or State Lines)
- 6. Outside plant fiber installation. (Connecting multiple buildings located on a single campus).
- 7. Any Internal Connection Service or Product that is not covered by the LAN Server EPL.

## **B. Purchasing Guidelines for Products:**

1. Applicant must file a Form 470. (Remember: you must wait 28 days after the posting of the 470 before the contract can be signed.)

Non-State Contract Purchases are as follows:

\$0 to \$5,000 - Purchase from any vendor

\$5,001 to \$75,000 - Obtain two (2) or more written quotes.

\$75,001 and above - Advertise, issue written specifications and received sealed bids or proposals.

- a. Invitation for bids sent to potential bidders.
- b. Public Notice advertise once per week for two consecutive weeks in newspaper.
- c. Bid Opening opened publicly at designated location on the eighth (8th) working day after last notice of advertisement.
- d. Award after evaluation, award is made by written notice.
- 2. The dollar amounts relate to the total committed costs of the procurement, not only of the upfront costs. For example, the acquisition of equipment at a purchase cost of \$100,000 with monthly maintenance of \$250 and related annual software fees of \$10,000 has a life cycle cost (using five years as the life cycle if a specific life cycle is not known) of  $$165,000 ($100,000 + $250 \times 60 \text{ months} + $10,000 \times 5 \text{ years})$ . This can be found on page 5.2 of the "*ITS Procurement Handbook, effective May* 22, 2000."