I. General Provisions and Scope

The following procedures govern all purchasing and procurement activities conducted by OCHE and shall be performed in accordance in the Montana Procurement Act, Title 18, chapter 4, MCA, Title 2, chapter 5, ARM, and OCHE Policy 504 “Procurement and Purchasing.” Neither this policy nor OCHE Policy 504 apply to personnel contracts.

II. Purchasing Procedures

A. Controlled Items and Services

Requests to purchase a controlled item or service must include your direct supervisor’s approval for the purchase, clearly note the business purpose associated for the requested purchase and clear designation of what org to be charged. Purchases should not be made until preapproval is provided and funding approval has been documented and provided. Approval must be documented and submitted as supporting documentation with the procard log, travel reimbursement, or invoice. Examples of controlled items or services may include office supplies, janitorial, and paper.

B. Non-Controlled Items or Services

Purchases of “non-controlled” items or contracted services must be made as follows:

1. Small Purchases – Purchases of $5,000 or less

As provided in OCHE Policy 504, purchases with a “total contract value” of $5,000 or less may be completed without a competitive process; however, purchases up to $1,000 must be preapproved in writing by the employee’s supervisor and include a complete description of the business purpose and need for the purchase. Purchases between $1,001 and $5,000 must be preapproved in writing by the employee’s direct supervisor, and include a complete description of the business purpose for the purchase, obtain verification of funds from appropriate budget officer, and the deputy commissioner for the department requesting the purchase approval.

2. Limited Solicitations – Purchases of $5,000 – $25,000 (services) and up to $50,000 (supplies).

For a limited solicitation, at least three (3) written or oral quotations must be obtained, if available, and may be obtained electronically via email or other means. The following steps must be taken:

1. An approved purchase requisition, completed with all required signatures.
2. Obtain a minimum of three price quotations, complete the limited solicitation form, and attached any supporting documentation.
3. If a sole source, completed and approved sole source justification form.
4. Completed Purchase Order or Contracted Services Agreement, which will be issued by Chief Procurement Officer to complete the purchase.

3. Formal Bids – Purchases over $25,000 (services) or $50,000 (supplies)

For purchases of services over $25,000, or supplies over $50,000 a signed Purchase Requisition that describes the items that are being requested and the total contract amount, and contact information...
for any suggested vendors.

5. Chief Procurement Officer will work with unit/program to issue either an invitation for bids (IFB) or request for proposals (RFP) process to purchase services the a total contract value between $25,000.01 and $500,000 and supplies with a total contract value between $50,000.01 and $500,000. Chief Procurement Officer shall forward any purchase with a total contract value over $500,000 to the State Procurement Bureau for processing or seek one-time delegation increase approval.

C. IT Purchases
All IT-related purchases, including software, must be pre-approved by the OCHE Office IT / Web Manager. This applies to any dollar amount.

D. Sole Source Procurements
Prior to initiating a sole source procurement, a Sole Source Justification form must be completed and signed by the appropriate OCHE program director and submitted to the OCHE Sole Source Committee for preapproval, along with a signed purchase requisition and written price quotation from the sole source vendor. The OCHE Sole Source Committee shall review sole source requests over $25,000 and determine whether the sole source method is permissible. The OCHE Sole Source Committee includes the Chief Procurement Officer, the Director of Operations and Administration, and legal counsel.

E. Exigency Purchases
An exigency purchase is intended for emergency situations only. Contact the Chief Procurement Officer for more information.

III. Workers’ Compensation
Workers’ compensation insurance or proof of an independent contractor exemption is required for contracted services. Contact OCHE Legal for additional information.

IV. Contract Routing and Execution
The following parties shall route and sign contracts in the following order.

A. For contracts greater than $25,000 (following formal procurement process):
   • Contractor
   • Program Manager/Director
   • Chief Procurement Officer
   • Legal
   • Supervising Deputy Commissioner for Department
   • Commissioner of Higher Education or Designee

B. For contracts $25,000 or less:
   • Contractor
   • Program Manager/Director
   • Chief Procurement Officer
   • Legal
   • Supervising Deputy Commissioner for Department
V. Contract Retention and Filing

A. The Accounting Manager and/or Budget Analyst must be provided an executed copy of the contract. The program should also maintain a copy of the executed contract for its files.

B. For all contracts over $25,000, all required procurement documents: Requisition, SSJ, IFB, RFP, vendor responses, contract or PO will be filed with the Chief Procurement Officer.

VI. Contract Compliance

The program is responsible for assuring that each contract party adheres to all provisions of the contract and that contract expenditures are not exceeded. Furthermore, the program must assure that contract amendments are instituted when necessary.

OCHE Operations and Administration staff will be responsible for monitoring the expenditures related to the contract to assure that they are appropriately classified, that accruals are made when necessary, and that budget authority is not exceeded.

VII. Contract Amendments and Renewals

Each contract amendment and renewal will follow the complete process described above.

VIII. Delegation of Authority

The commissioner of higher education shall sign all contracts, except as such authority has been delegated through verbal or written delegation or by practice.

IX. Resources

- Procurement Forms
- State SPB
- eMacs
- OCHE Procurement Training