

The two major components of this Procedure are capital equipment and contract year end requirements as follows:

## **CAPITAL EQUIPMENT PROCESSES**

**MAY 2009**

The procurement of [capital equipment](#) has a specific set of processes. A complete Purchase Request (PR) Submission Packet must be received by the Purchasing Department in order to begin the procurement process. The requirements follow:

### **Definition Of Capital Equipment**

Capital equipment is defined as non-expendable equipment with a system acquisition cost of \$5,000 or more and a life expectancy of at least two (2) years.

### **Preparing the Purchase Request Submission Packet**

Complete a Purchase Request, listing the items and/or systems with a recognizable description. The approval will be the person having signature authorization specifically for capital equipment in your program area. The Deliver to field refers to the building and room where the equipment will be delivered and used.

**Note:** With the amount of information required for capital equipment purchases, please do not submit other extraneous information. It does not replace required information, and it either impedes the progress of the procurement or does not help.

Information and Attachments to the Purchase Request that comprise the PR Submission Packet include:

- 1) Product literature of the equipment being requested
- 2) All quotes obtained during market research
- 3) The [Routing Slip](#) (CG4) – Property Department, Building Coordinator, and EHS as appropriate. Read the Routing Slip for additional information.
- 4) A justification listing the basic use of the equipment (not a protocol)
- 5) **Limiting Competition.** A justification if competition is to be limited or no competition is anticipated. The program area has the right to their state minimum requirements, but also has the obligation to document the pertinent details in the justification. Forms to aid in this process include the Justification for Other than Full and Open Competition ([JOFOC](#)) form, [Worksheet for Limited Competition](#) form and the [Product Comparison Worksheet](#). Obtaining the information is the primary goal – the forms are available to assist in providing the information. Therefore, utilize the form that best fits your capital equipment request. The importance of providing this information can not be underestimated. Federal government regulations mandate this documentation for other than full and open competition. Providing it with the initial PR Submission Packet provides the fastest track possible through the entire SAIC-Frederick capital equipment process.
- 6) **Competition.** To ensure proper competitive analysis, it is essential to clearly identify the specific item named by brand(s) and its salient characteristics. This information becomes the criteria against which alternate products are assessed. Details follow:

- (a) Complete common generic identification of the item required
  - (b) Applicable model, make, or catalog number for each brand name product referenced, and identifying, if applicable, the commercial catalog in which it appears
  - (c) Name of manufacturer, producer, or distributor of each brand name product referenced (address and phone number if company is not well known)
  - (d) All salient characteristics of the brand name product or products which have been determined by the requestor to be essential to meet the minimum physical and/or functional requirements. The purchase description shall state those salient characteristics that are mandatory features that proposed equal products must possess in order to be considered responsive.
- 7) List acceptable manufacturers as part of the PR submission packet.
  - 8) For trade-in of government-owned property, indicate the decal number/serial number of the equipment and list the trade-in allowance on the PR.

### **Obtaining Additional Required Signature Approvals**

Route the PR Submission Package as necessary for signatures. As stated on the Routing Sheet, the last forward is to the Purchasing Department. Two notes:

- 1) The routing approval for Finance (for SAIC-Frederick, Inc and NCI programs) must be transmitted electronically through SmartStream workflow. For those using Distributive Entry, route through Finance (workflow will also include Property). For those not using Distributive Entry, obtain any other required signature and forward to Purchasing, and the requisition will be electronically approved for Finance and Property via workflow.
- 2) If Purchasing receives less than a complete PR Submission Package for the procurement, the requisition will be canceled and the package returned to the program area. A new PR must be submitted.

### **Procurement handled by the Purchasing Department**

After administrative login and verification of completeness, the PR Submission Package is distributed to the appropriate buyer, who reviews it for complete and accurate procurement information. The first procurement action is to determine the acquisition plan, which includes procurement type determination, required additional approvals (such as FME, COA, administrative determination for trade-in of equipment, international component analysis, etc.). The next steps, simply stated, are to determine the level of competition, confirm the absence or limitation of competition for this procurement based on an analysis of the PR information and determine current availability or possibility in the marketplace. In compliance with government regulations, this concurrence must be confirmed by the buyer even if previously performed by the program area. Other criteria may apply as well, such as the potential for small business set-asides or other business class set-aside opportunities.

The buyer then initiates the proper steps to begin the procurement process, which can include some or all of the following:

1. Obtaining vendor data for proper processing (for federal vendor status, contract department and invoicing info, etc.)
2. Obtain current quotes, solicit verbal bids
3. Prepare solicitation (SCO), fax to vendor(s)
4. Post on bid boards and/or FedBizOpps, FDBDO.
5. Prepare Bid Sheets to analyze responsiveness to statement of work, pricing and other stated criteria, etc.
6. Negotiate terms and conditions, pricing, availability, etc.
7. Ensure price reasonableness, either by competition or price analysis
8. Discuss with Program Area for clarification or to review written memo for an alternate bid
9. Ensure completion of other criteria, such as subcontracting plan information, certificate of insurance, green product, etc.
10. Prepare award document (SCO or purchase order), complete procurement checklists
11. Place order with vendor and send information as necessary to Finance, Property, etc.

### **CONTRACT YEAR END REQUIREMENTS**

Proper acquisition planning, cash flow management and sound businesses practices ensure fiscal responsibility. It is therefore essential to establish complete and distinct year end requirements, timeframes and processes.

**DEADLINE DATE FOR COMPLETE PR SUBMISSION** – under normal, routine year end cycles, the deadline date for receipt of complete requisitions in Purchasing is COB the third Monday of July. A normal, routine year is any contract year end that is not the last year of the prime contract; other possibilities could present themselves but would be unique and special communications from NCI that would be communicated to the Facility by the OTS Contracts and Acquisition Directorate.

All PR packages will be handled in the order they are received and assigned to a buyer within two days of receipt once it has been determined that all necessary approvals and documentation is included in the package in accordance with this policy. All incomplete capital equipment packets will be returned to the requestor listed on the PR with a [Return of Capital Equipment Purchase Request Form](#) listing the missing information or approvals.

The PR shall be considered “received” by Purchasing once all applicable signatures and documentation are provided as evidenced by a date stamp by the Purchasing Manager. All PR packages for bona fide requirements submitted after the deadline date (termed “late”) will be verified, entered into SmartStream, and held for processing after procurements for the current contract year have been awarded. Due to the volume of year-end capital equipment submissions, it is very likely that these late purchase requests will not be released for processing until after the

end of the current contract year, but the funding year is committed with the PR entry into SmartStream.

Late PR submissions due to emergency delivery requirements that are prior to the end of the contract year must state these specific requirements on the PR to justify the emergency requirement.

To recap, late capital equipment purchase request packages will be:

1. checked for completeness
2. entered into SmartStream to commit the funds using the center number listed on the PR
3. held and placed in the Purchasing queue
4. reviewed for bona fide emergency requirements, and processed accordingly
5. processed in the order entered as soon as those received prior to posted deadline date have been processed

NOTE: The actual procurement of equipment will be delayed since these PRs would be received after the stated deadline. Furthermore, the award would be made after the beginning of the subsequent contract year, thus only delaying the purchase.

Communications for late PRs will be handled the same as those received all through the year (see [Capital Equipment Communication Chain](#) in this Guide).

The goal of the Purchasing Department is to issue Purchase Orders or Commercial Contracts by the end of the contract year for all complete capital equipment PR packages received prior to the deadline date as well as approved late emergency capital equipment submissions.

### Purchase Requests for Standardized NCI-Frederick Equipment Categories

To expedite equipment procurements for categories commonly used by the Facility, requirement type contracts have been established for multiple manufacturers. Checklists are established as forms in the Customer Guide (and Forms section of the NCI-Frederick website) listing the models and costs. Attach the form to the Purchase Request and competition requirements will have been met. NOTE: Models other than those listed on the form will require a justification explaining the specific requirements that are not met by the contracts.

Examples of equipment categories for which requirement type contract will be established are: biological safety cabinets, autoclaves, centrifuges, freezers, caging, and microscopes.

Funding – the funding year is established by the purchase request entry into SmartStream.

### Budget Terminology

1. Purchase Request entered into SmartStream (our current MIS) - funds are committed to contract year and center number
2. Purchase Order process entered into SmartStream - funds are encumbered when order is placed in MIS
3. Invoice process - funds are expensed when invoice paid.

**A Complete PR packet** consists of:

1. PR with all requestor fields completed
2. All additional approvals, either by routing slip or SmartStream workflow
3. Basic justification of use
4. Justification to limit competition for requisitions exceeding \$3K
5. Justification of urgency including required date, especially if needed prior to beginning of following contract year
6. If part of renovation or construction project, list work order number and current completion date and/or need for coordination between renovation project and delivery of equipment
7. For lengthy renovation or construction completion, include potential for storage plan by program area or list coordination of delivery established by the contract or purchase order.
8. Salient characteristics to establish required parameters for bidding
9. Product literature
10. All budgetary quotes obtained during market research
11. Justification for Standard Equipment if requesting a manufacturer/model other than those on the Customer Guide Form

NOTE: Purchase request packets received incomplete will be canceled in SmartStream and returned to the requestor listed on the PR. An e-mail notification will be sent to the requestor and approver indicating the cancellation of the PR packet.

**Capital Equipment Communication Chain**

Event	Acquisition Action	Program Area Action
PR Received Incomplete in Purchasing	<a href="#"><u>Cancel PR, return packet with cover memo to requestor listed on PR with copy to approver listing missing information</u></a>	Assemble a complete package, forward through all required additional signatures to Purchasing
PR Received Complete and in queue (if needed) for processing	<a href="#"><u>An e-mail will be sent to the PR requestor indicating PR is in line for processing.</u></a>	N/A
Complete PR package assigned to Buyer for processing	<a href="#"><u>An e-mail will be sent to the PR requestor indicating PR is ready for procurement process.</u></a>	N/A
Received alternate low bid proposal	<a href="#"><u>An e-mail will be sent to requestor for acceptance or justification</u></a>	Reply to e-mail
Award made to vendor	<a href="#"><u>An e-mail will be sent to the requestor indicating the order has been placed or the contract has been awarded.</u></a>	N/A

## **Distribution of Capital Equipment Year End Information**

### Annually In May Timeframe

1. Notification at OTS meeting
2. Notification at AO Session – Regular Quarterly Meeting
3. Put on CAD (ALS) Website
4. Monthly Major Domo
5. Notification to Administrative Directors and Administrative Officers

## **STANDARDS**

1. Purchasing's goal is to issue Purchase Orders for all PR packets submitted by the deadline date before year end that include all required approvals and documentation as noted above
2. Purchasing will send status update when PR package given to Buyer
3. Purchasing will send status update when PO is placed
4. Purchasing will return incomplete packages to requestor
5. Purchasing will only commence procurements for complete PR submittals
6. All purchase requests issued utilizing late money will be entered into SmartStream which commits the funds to the current fiscal year
7. Purchasing will work with the Building Coordinator and the Program Areas to award and have delivery coordinated to the maximum extent
8. Purchasing will not obtain required signatures or required documentation for requestor

## **Responsibilities**

### Scientific Program Area Responsibilities:

1. Ensure there is adequate space for the equipment either in the laboratory at the time or placed in the very near future
2. Provide all information concerning equipment and delivery requirements to administrative area and ultimately Purchasing to facilitate a streamlined procurement process
3. Submit all initial quotes obtained as part of market research
4. Submit the completed Checklist form for standardized equipment such as Biological Safety Cabinets (BSCs)
5. Justify and submit any request for limiting competition with the initial PR information
6. Provide justification for any expedited and/or emergency delivery requirements with the initial information
7. Notify the administrative program area staff of any change in delivery requirements

### Administrative Program Area Responsibilities:

1. Obtains all required information for a complete purchase requisition packet submission and approval signatures
2. Ensure all additional approvals are obtained
3. List the correct funding year according to the above funding criteria
4. Notify the Purchasing Department in writing of any change in delivery requirements

### Purchasing Responsibilities:

1. Verify all required signatures prior to commencing the procurement
2. Return requisition packets to requestor that do not contain all required information and approvals
3. Conducts procurements in accordance with all federal requirements, terms and conditions of the prime contract utilizing best business practices and the highest ethics standard
4. Process procurements in order of receipt of complete package, taking into consideration the bona fide delivery requirement time or any adjusted time requirement
5. Route request for additional funds through Finance for approval if needed
6. Processes all necessary documents for items to be returned to vendors for credit and/or replacement (includes Administrative Determination Letter for trade-in of equipment prior to award)

## **ROUTING APPROVALS**

### Building Coordinator

1. Ensure proper facilities for equipment in designated location of equipment
2. Consult with EHS, FME, and/or Space Coordinator to ensure adequacy of space and safety of item prior to approving requisition for capital equipment
3. Notify the Purchasing Department of any change in renovation or construction schedule that appreciatively alters the delivery status of the equipment

### Property Department

1. Ensures property accountability of capital equipment items
2. Determines if items are available from excess property

### EHS

1. Ensure adequacy of space and safety of item
2. Works with Program Area and Facility Manager to determine appropriate equipment
3. Maintains a list of approved models for certain equipment categories, such as biological safety cabinets. If using a pre-approved model and specifications and submitting the Standard specification form, no additional approval required per procurement.

## Finance

1. Ensures sufficient funding for the procurement
2. Ensures existing center number for capital equipment for program area
3. Provides budgetary guidance to program areas including appropriate fiscal year allocation.

**Note:** Some equipment procurements require a review by FME to determine fitness for use in the destination area. Examples of fitness are: weight-bearing load, water usage, electrical requirements, new startups that may affect the HVAC system, etc. This review is conducted between FME and the Acquisition Department during the procurement process.