



# COLORADO Procurement Guidance

*A Publication of the State Purchasing Office*

*Rev. 02/07/2014*

## SCOPE

- STATE AGENCIES and Institutions of Higher Education who have not opted out of the Procurement Code
- Referenced awards are also available for use by opted-out Institutions of Higher Education, Local Governments and Certified Non-Profits

## TOPICS

- Permissive Agreements: What do they mean to me?
- I've been contacted by a supplier that has not been awarded a State Price Agreement. What do I do?
- Can I still order from my previous supplier that no longer has a State Price Agreement?

## PREVIOUS CONCERNS

Mandatory Agreements:

- Are too restrictive
- Limit the ability for purchasing professionals to use their business discretion
- Are not realistic in some scenarios
- Included inefficient "carve-outs"

## SOLUTION

We embraced your input and published a new solicitation for General Office Supplies, Paper and Toner for Statewide Use. The resulting Price Agreements are now Permissive for Executive Branch Agencies. Ordering entities have access to aggressive pricing via competed, negotiated, best available contracts that comply with Procurement Code & Rule and have negotiated terms & conditions that are most beneficial to the State. The awards embrace local Colorado businesses and represent extremely aggressive discounts and market-basket line item pricing. Please note that while the Toner category was awarded, we eliminated "carve-outs" throughout this solicitation. You will now be able to consolidate ordering and delivery, an eco-friendly solution.

The aggressive pricing includes a 1% State administrative fee on the total of all purchases. The administrative fee is authorized by statute (CRS 24-102-202.5-2.5), and is the sole source of funding for the e-Procurement fund. The e-Procurement fund supports Procurement-related CORE functionality and resources. As such, your support and use of the awarded suppliers directly impacts resources available for procurement-related CORE functionality.

## GUIDANCE & RESPONSIBILITY

Agency purchasing directors/managers may authorize purchases outside of Permissive Price Agreements; no SPO waiver is required. Permissive Price Agreements should be used unless the awarded suppliers do not carry a needed product or suitable substitute, or cannot provide the product in time to satisfy the need. Purchasing Directors may also designate which of the awarded suppliers their agency will use.

*Executive Branch Central Approver Waivers* – Purchases under these Permissive Price Agreements still require applicable Central Approver waivers. The Toner category is solely for the purchase of toner, ink-jet cartridges and long life consumables, and does not include printer services. IDS Multi-Function customers receive all parts, services and consumables for these devices from the IDS Multi-Function printer fleet. All customers leasing devices under the WSCA



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Copier Price Agreements receive toner, parts and services as part of that agreement. Furniture purchases may require an approved waiver from Colorado Correctional Industries (CCi). Computer and technology related purchases may also require approval from OIT.

## *Office Supply Permissive Purchasing Scenarios –*

1. **Business as Usual:** Everyday Office Supply purchases should be made using one of the awarded Permissive Price Agreement suppliers.
2. **Time Critical purchases:** An employee purchased, and is in possession of, 100 file folders for a conference happening today. That employee has fallen ill and will not make it to the conference. Therefore, you need to purchase 100 replacement file folders. This would be an acceptable reason to purchase from a supplier not on the agreement.
3. **Item not available:** The item you need (or an acceptable substitute) is not available through any of the Permissive Price Agreement suppliers. This would be an acceptable reason to purchase from a supplier not on a Permissive State Price Agreement. This is likely a rare circumstance, as the awarded suppliers have comprehensive catalog content.
4. **Brand Name item not available:**  
*Acceptable:* The item you would like to purchase is a specific brand name. The Permissive Price Agreement suppliers do not have that specific brand name, and do not carry a substitute product of equal to or better than specifications. This would be an acceptable reason to purchase from a supplier not on a Permissive State Price Agreement.

*Not acceptable:* The item you would like to purchase is a specific brand name. The Permissive Price Agreement suppliers do not have that specific brand name, but carry a substitute product of equal to or better than brand name specifications.

Please defer to your entity Purchasing Director to further define how these scenarios will be applied at your entity.



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## FAQ's

1. If I have already purchased over \$10,000 of Goods from a supplier that was previously awarded a State Price Agreement, but no longer has an agreement, can I still purchase \$10,000 of Goods between 1.1.14 and 6.30.14 from them?

**Answer:** Limits on discretionary purchases are established to ensure that higher dollar-value requirements are satisfied via competitive solicitations. State Price Agreements satisfy this requirement, which is why most agencies will only allow purchasing from awarded price agreement suppliers. Please follow the guidance established for your agency by your purchasing director/manager.

2. A supplier that did not previously have a State Price Agreement has contacted me and would like me to purchase from them. I have already spent \$5,000 with them this fiscal year for Goods. Can I now spend an additional \$10,000 in Goods with them between 1.1.14 and 6.30.14?

**Answer:** Best Practice guidance from the State Purchasing Office is to use State Price Agreements unless products or substitutes are not carried or are not available in time to meet your need. Please follow specific guidance established for your agency by your purchasing director/manager.

3. What can I do if the product I want to buy is cheaper from another supplier, for instance Amazon.com?

**Answer:** While there may be exceptions, it is unlikely that Amazon or other suppliers will sell at a "quantity of one" price that is lower than the competitively-solicited pricing achieved in the Office Supplies solicitation. Please ensure that you are correctly interpreting and comparing the delivered price of an essentially identical item before making your purchase with Amazon or another supplier. As always, please follow specific guidance established for your agency by your purchasing director/manager.

4. I am getting calls, emails, and unannounced visits from suppliers who are not on State Price Agreements. What should I tell them?

**Answer:** Although the State Purchasing Office cannot restrict any supplier from reaching out to you as a potential customer, we are proactively advising suppliers of this *Colorado Procurement Guidance* for office supplies purchases. At your discretion, you may share this guidance with any supplier to ensure that all suppliers are aware of Best Practices within the office supplies category.