

To Purchase or Not to Purchase

Introduction

Welcome Screen

Welcome to “To Purchase or Not to Purchase.”

In this module, we will practice making purchasing decisions using the requirements that guide use of WAP funds. If you would like information on how to navigate this course, select the Navigation Tutorial button. Or, select the next arrow to continue.

Navigation

To get started, make sure your audio is turned on. This learning experience is primarily audio-driven. To move backward and forward in the module, select the next and back arrows. Want to see something again? Select the refresh button. Need to pause the module? Select the play/pause button. You can also navigate to a different section in this course by selecting the menu tab at the top of the screen. So, let's get started. Select the next arrow to continue.

Course Objectives

By the end of this course, you should be able to:

1. Describe the goals of the procurement process.
2. Make compliant purchasing decisions.
3. And, determine appropriate procurement methods.

The Foundation of Procurement

Meet Nicole and Owen

Nicole and Owen work in one of our offices.

Nicole manages procurement and is contemplating how to make a decision about purchasing new equipment for the program.

Owen, a quality control inspector (QCI), recently let her know that the team needs new infrared cameras to keep up with the increased workload that is expected to start in the spring.

- The goal of procurement is to get the best possible products and services at the best possible price to maximize their value.
 - The procurement process must be open, competitive and fair. DOE procurement rules are in 2 CFR sections 200 and 910.
 - Each Grantee has its own procurement requirements that align with Grantee and federal requirements.
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Nicole's Decision

Procurement Steps

Nicole was about to make the purchase with the agency credit card, when Tasha, the Fiscal Manager, explained that there are certain steps that are required in order to make the purchase. There are twelve activities common to all large purchases. We will cover the first three in this training.

1. The first step is to determine what you will be purchasing. It is important to plan all purchasing and secure the appropriate approval to initiate the procurement process.
2. Next, you'll establish the timeframe for the purchase. Establishing the time frame is also part of the planning process. One of the goals of procurement is to get the product or services at the time that they are needed.
3. After that, you'll identify the lead individual who will handle the purchase. There may be multiple individuals or potential suppliers involved in large purchases. Assign one person to manage these contacts to ensure that each step of the procurement is completed smoothly and in compliance with all requirements.

Here is the Twelve Step Procurement Process checklist, take a moment to review.

What Do You Think? - Creating a Team

Nicole consults the manual for more detailed information about procurement.

Select the section that will be most helpful to her.

Procurement Process

The Purchasing Policies and Procedures section has the information that Nicole will need to follow a consistent procurement process. Use the Next Step button to review the steps that she'll follow when making a decision to purchase.

Determine What to Purchase

From these Policies and Procedures, Nicole sees that she first needs to determine what to purchase and their specifications and estimated cost.

She asks Owen, the QCI, what he needs, and he gives her the specifications of the cameras and says that he needs three of them.

Select Owen's tablet to see the specifications for the cameras.

Decide Who Needs to Authorize

Next, Nicole will determine who needs to authorize the purchase.

Look at the Policies and Procedures for her agency to help her with the next step in accordance with her agency's specific policy.

Establish a Time Frame

Now Nicole needs to establish the time frame for the purchase.

After discussing with Owen, she learns that he needs the cameras by March 15, so staff can familiarize themselves with the new cameras before an influx of work later in the spring.

Select a Lead Individual

Finally, it is time to identify the lead individual at the agency that will handle the purchase and keep all the other people involved informed and organized.

In this case, it will be Nicole.

Determining Appropriate Procurement Methods

Compliant Procurement Methods

Nicole has worked with the QCI to confirm the quantity of cameras - three - and their specifications.

Based on the specifications, she does some research and finds the closest match online.

The total cost, including applicable taxes and shipping for the three cameras, is \$2,997, which category of procurement methods does this purchase fall under?

Procurement Thresholds

Nicole has determined that her purchase falls under the \$3000 limit, and therefore, formal documentation of vendor selection is not required.

But she wonders what would happen if she needed four cameras, putting the price above \$3,000?

Procurement Bear Claw

Where do the different purchasing thresholds come from?

Agency policies align with policies of the Grantee and federal government, but often agency purchasing thresholds are lower, like we saw in the example with Nicole.

The bear claw refers to the five federally-recognized procurement methods. Select each circle to learn more about each procurement method and the button to see the full text of the regulation.

Obtain Final Approval

Nicole looks at least two other vendors that provide the cameras that meet the same specifications to determine that they've found the best price.

Obtain Final Approval

Finally, Nicole takes the pricing and information from all three vendors to Tasha, the fiscal manager, for authorization to purchase.

Conclusion

Course Conclusion

Nicole has successfully navigated the procurement process. Before we wrap up, let's review a few of our key takeaways.

- 1) The goal of procurement is to get the best possible goods or services at the best possible price
- 2) The method of procurement will vary based on the final cost and whether factors other than cost will be evaluated
- 3) Make compliant purchasing decisions by following agency procurement policies and procedures

Congratulations

Nicely done!

You have successfully completed this module. We hope that you have a greater understanding of the processes we follow when procuring materials for our work. Now that you have completed this module, you may also benefit from other modules we have about developing scoring criteria for evaluating proposals, selecting a subcontractor, and developing contracts.

When you're ready, you may close your browser window to exit this course.