

## **Part II Chapter 14 Procurement of Used Equipment**

- A. Requirements.** This procedure shall be used by Commonwealth Agencies when purchasing used equipment on a sole source basis. This procedure shall not apply to:
1. The acquisition of state and federal surplus property.
  2. The purchase of used equipment with a total cost below the small no-bid thresholds as outlined in [Part I Chapter 07, Thresholds and Delegations](#). Use the small no-bid procurement method of award as outlined in [Part II Chapter 01](#).

If similar, used equipment is available from multiple sources, Commonwealth Agencies should follow the procedures in [Part II Chapter 03, Delegated Formal Competitive Sealed Bidding](#), and [Part II Chapter 04, Competitive Sealed Bidding \(Exceeding Delegated Thresholds\)](#) depending upon the estimated total cost.

- B. General.** Agencies are required to prepare a shopping cart and complete the [On-line Source Justification Form, BOP-001](#).

**C. Procedures.**

1. **Agency.**
  - a. Secures any preliminary approvals required by:
    - (1) Instructions issued through the Directives Management System, if applicable.
    - (2) Agency purchasing policy and procedures.
  - b. Conducts UCC-1 search of the Pennsylvania Department of State database to ensure that a clear title for the equipment being purchased is available from the seller.
  - c. Creates a shopping cart in SRM includes the following information and places it on hold.
    - (1) Condition of used equipment.
    - (2) Supplier of the used equipment.
    - (3) Cost of the used equipment when new and the amount saved by purchasing the used equipment.
    - (4) An appraisal of the used equipment by a disinterested expert to determine its value. If the amount of the order is \$20,000.00 or less, one appraisal by a disinterested expert is required. If the amount of the order exceeds \$20,000.00, appraisals by two disinterested experts are required.

**\*Note:** If the agency is able to obtain an estimate of value from DGS or another Commonwealth Agency familiar with the type of equipment being purchased, no appraisal is required.

- d. Completes the on-line Source Justification Form by entering all appropriate data and attaching required documentation.
- e. Secures required internal approvals on the on-line source justification form.
- f. Completes the SRM shopping cart and obtains internal approvals via SRM workflow.
- g. Fully approved SRM shopping cart is forwarded, via SRM workflow, to DGS, Bureau of Procurement.

## 2. DGS, Bureau of Procurement.

- a. Accepted Sole Source Requests: BOP accepts the on-line Source Justification Form BOP-001 and, unless waived in writing by BOP, posts the proposed sole source to the DGS website for 10 days for public inspection and comment.
  - (1) Email notification is automatically sent to the requesting agency when the source justification form has been accepted.
  - (2) **NOTE: ACCEPTANCE OF THE SOURCE JUSTIFICATION FORM DOES NOT MEAN THAT THE PROCUREMENT HAS BEEN APPROVED AS A SOLE SOURCE.**
- b. The sole source is assigned to a Commodity Specialist for review.
- c. Reviews comments received by the public, if any, in response to the posted [BOP-001, Source Justification Form](#).
- d. Contacts the Agency if more information is required.
- e. If approved by the Commodity Specialist and supervisor, the Commodity Specialist prepares a written Determination Summary explaining the basis for the approval of the sole source and attaches it to the [BOP-001, Source Justification Form](#).
  - (1) At any step in the review process a sole source request can be disapproved. The disapproving party will provide an explanation for the disapproval which will be included in the email notification which is automatically sent to the requesting agency when the Source Justification Form has been disapproved. If the Commodity Specialist disapproves, all details will be available in the Determination Summary.

- f.** The on-line source justification form with Determination Summary is forwarded to the DGS Chief Procurement Officer for approval.
- g.** If the sole source is approved by the DGS Chief Procurement Officer after the ten day public posting period has expired, the Commodity Specialist creates in the SRM System an SPR. Attached to the SPR shall be the specifications for the materials, the terms and conditions created using SRM's Document Builder, the Cost or Pricing Data Certification (if the price is expected to exceed \$100,000), and any other required documents such as the Reciprocal Limitations Act Requirements.
- h.** Using the SPR document type, the Commodity Specialist obtains a price quote from the supplier through the SRM Supplier Portal. If the supplier does not have access to the SRM Supplier Portal, the Commodity Specialist shall print the SPR document and all attachments and send in hard copy to the supplier. The supplier shall then submit to DGS BOP the signed SPR with its price quote and any other required documents.
- i.** Conducts negotiations as appropriate.
- j.** Creates a Purchase Order or Contract as a follow on document to the SPR. If the SPR documents were signed and returned to DGS BOP in hard copy, the documents shall be attached electronically to the Purchase Order or Contract.
- k.** Prepares Form GSPUR-17, Board Letter, indicating the reason for the sole source purchase and forwards completed file for internal review and approval by the following:

  - (1)** Secretary of General Services (or designee);
  - (2)** Comptroller (if the purchase order exceeds \$10,000)
  - (3)** DGS Legal Counsel;
  - (4)** Board of Commissioners of Public Grounds and Buildings;
- l.** Submits the SPR and proposed contract or purchase order to the Board of Commissioners of Public Grounds and Buildings at least ten (10) days prior to the next scheduled board meeting.

  - (1)** A formal agenda is prepared for each Board meeting and the reason, from the Form GSPUR-17, Board Letter, for each sole source procurement is included on the agenda. A copy of Form GSPUR-17, Board Letter, will accompany the Board's agenda when transmitted to the Office of the Budget prior to the Board's meeting.
- m.** If approved by the Board, DGS issues the purchase order or contract to the supplier.

- n. Sends the [Political Contributions letter](#) to the supplier reminding the supplier of its responsibility to file a report of political contributions.

**3. DGS, Bureau of Procurement.**

- a. The shopping cart is assigned to a Commodity Specialist for review.
- b. If approved, the Commodity Specialist creates a Supplier Pricing Request. Obtains a quote from the supplier along with [Cost or Pricing Data Certification](#) (if the price exceeds \$100,000). Conducts negotiations as appropriate.
- c. Creates a Purchase Order or Contract and prepares Board Letter and forwards completed file for internal review and approval by the following:
  - (1) Deputy Secretary for Procurement;
  - (2) Comptroller;
  - (3) General Services' Legal Counsel;
  - (4) Board of Commissioners of Public Grounds and Buildings;
- d. Submits the Supplier Pricing Request and proposed contract or purchase order to the Board of Commissioners of Public Grounds and Buildings at least ten (10) days prior to the next scheduled board meeting.
  - (1) A reason from the Board Letter will be noted on the Board's agenda for each sole source procurement.
  - (2) A copy of the Board Letter will accompany the Board's agenda when transmitted to the Office of the Budget prior to the Board's meeting.
- e. If approved by the Board DGS issues the purchase order to the supplier. Sends the [Political Contributions letter](#) to the supplier reminding the supplier of its responsibility to file a report of political contributions.

**References:**

- 1. [Part I Chapter 07, Thresholds and Delegations](#)
- 2. [Part II Chapter 01, Small No-Bid Procurements](#)
- 3. [Part II Chapter 03, Delegated Formal Competitive Sealed Bidding](#)

4. [Part II Chapter 04, Competitive Sealed Bidding \(Exceeding Delegated Thresholds\)](#)
5. [BOP-001, Source Justification Form](#)
6. [Cost or Pricing Data Certification](#)
7. [Political Contributions letter](#)