

Act 557 - Frequently Asked Questions

Question 1. What is a Technical Service?

Answer 1. A service that is specialized or technical in nature and cannot be performed by UA Staff/Faculty.

Question 2. What is a General Service?

Answer 2. A service that is conventional in nature and not specialized or professional, technical, a commodity or exempt from procurement law.

Question 3. Will copiers leased from PMC have to be submitted for review and approval?

Answer 3. No, leased equipment such as copiers are exempt from Act 557.

Question 4. Will paper ordered from the state contract qualify for review?

Answer 4. Commodity purchases will not have to be reviewed prior to purchase. However, it is potentially reportable as Act 557 contact spend.

Question 5. What about purchases using federally funded grant cost centers?

Answer 5. Transactions that are 100% federally funded are exempt from Act 557.

Question 6. Will departments considered "self funded" or an "auxillary" have to follow the Act 557 approval and reporting process?

Answer 6. Departments considered revenue generating, "self funded" or an "auxillary" are exempt from the Act 557.

Question 7. Will internal requisitions to UA departments be exempt from Act 557? Example FAMA

Answer 7. Internal Requisitions or Blankets are exempt from Act 557. Those transactions are considered intragovernmental; between UA departments.

Question 8. Will a transaction be entered before or after submission for Act 557 submission to Little Rock?

Answer 8. The transaction must be entered before Act 557 review and approval or we would not be aware of it.

UPS transactions, for example: bid requests (BR). BR transactions will be entered prior to the bidding process.

If the awarded vendor's proposal exceeds \$100,000, the transaction will be held in Procurement while submitted for Act 557 review and approval.

A comment stating the transaction has been sent for Act 557 review and approval should be added to the requisition.

Razorbuy transactions that qualify for Act 557 review and approval will be held in Procurement while submitted for Act 557 review and approval.

A comment stating the transaction has been sent for Act 557 review and approval should be added to the requisition.

Question 9. If a department is having software developed or designed - would it be exempt from Act 557 review and approval?

Answer 9. Customization or integration services, as part of the initial software purchase, require the transaction to be sent for Act 557 review and approval.

Question 10. What if only a percentage of a transaction is for service?

Answer 10. If any portion of a transaction is for service, it could potentially require submission for Act 557 review and approval.

Question 11. What if the funding for the transaction is from an 0392 cost center? Will it be exempt?

Answer 11. Yes. 0392 cost center funds are not state funds and do not required submission for Act 557 review and approval.

Question 12. Are student fees considered state or public funds? Example: 0202

Answer 12. No. 0202 funds are exempt from Act 557.

Question 13. Are travel expenses such as charter, buses and other travel expenses exempt from Act 557?

Answer 13. Yes.

Question 14. Would Act 557 apply to Moving expenses?

Answer 14. Rarely will a moving expense meet the \$100,000 threshold. However, it is potentially reportable as Act 557 contract spend. Discuss with your procurement coordinator if the threshold is met.

Question 15. Are purchases from State Contracts and Cooperative /Consortium contracts exempt from Act 557?

Answer 15. No, service contracts over \$100,000 will require submission for Act 557 review and approval and will be reportable over \$25,000.

Question 16. Is a Warranty considered a service?

Answer 16. No. A warranty is not a service and is exempt from Act 557.

Question 17. Are Legal Services considered a service? Example: Trademark, Licensing, Patents

Answer 17. No. Legal services are considered Professional Services and must be submitted as Professional Contract Services. However, services for trademarks, licensing, and patents are exempt from Act 557.

Question 18. Will departments fill out a VPR (Vendor Performance Reporting) for every transaction over \$25,000?

Answer 18. No, VPR's are only required for those transactions that qualify as a technical or general service.

Question 19. Who will receive the list of PO's that qualify for VPR reporting?

Answer 19. Departmental Contacts

Question 20. Will a transaction that has a percentage of state funding and the remaining portion federal funding be exempt?

Answer 20 No. If a transaction has any state funding, regardless of the percent, it must be submitted as required by Act 557.

Question 21. Once approved if I have a transaction that was on a 0392 cost center, can I change it to a state funded cost center?

Answer 21. No.

Question 22. Will the vendor receive the VPR?

Answer 22. No. However, it is available under the Freedom of Information Act (FOIA).

Question 23. Will equipment maintenance agreements require submission for Act 557 review and approval and/or will they have to fill out the VPR?

Answer 23 No, these types of agreements are considered exempt from Act 557.

Question 24. What if my department has an ongoing research contract with a vendor?

Answer 24. If the contract qualifies as a Technical and/or General Service over \$100,000, it must be submitted for Act 557 review and approval.

Question 25. When will I fill out the Vendor Performance Report (VPR)?

Answer 25. The department will be notified if a transaction requires a VPR.

Question 26. Where can I find a list of exempt services?

Answer 26. <http://procurement.uark.edu/>

It will show the list of exempt services according to 19-11-203.

These services are exempt from Act 557.

Question 27. I am just buying software... will that require submission per Act 557?

Answer 27. Purchase of Software is typically exempt from Act 557 requirements.

However, the initial purchase may require submission for Act 557 review and approval. If you have questions, contact your Procurement Coordinator.

Question 28. How will I know if a transaction must be submitted for Act 557 review and approval?

Answer 28. A comment will be made within the transaction that the transaction qualified for Act 557 review and approval.

Question 29. Who do I contact if I have questions about a bid or contract?

Answer 29. Contact your departmental Procurement Coordinator. Please email them and provide the scope of work and budget.

Question 30. What is the current turnaround time for Act 557 submission for review, approval and return to UA Procurement?

Answer 30. Turn around time is approximately 30-60 days.

Question 31. Can I process several transactions at one time to the same vendor to avoid submission for Act 557 review and approval?

Answer 31. Absolutely not. This practice is considered splitting orders and is against the law.