

# Purchasing Checklist and Bid Summary Form

(Complete per Requirements of the Buyer Actions Matrix)

TO: Procurement Services  
FROM:  
DATE:  
SUBJECT: Business and Price Justification for Supplier Selection  
PROCUREMENT CARD Transaction Yes \_\_\_\_\_ No \_\_\_\_\_ PURCHASE ORDER NUMBER: \_\_\_\_\_

To comply with University Purchasing Policy, OMB Circular A-110 and Federal Acquisition Regulations (FAR), completion of this Purchasing Checklist/Bid Summary Form is **required for all Procurement Card transactions and purchase orders of \$5,000 or greater using University funds (\$2,500 for general items/services and \$2,000 for construction-related items using federal funds) with non-Preferred Suppliers. (Federally funded acquisitions ≥\$2,500 with non-Preferred Suppliers must be done on an Oracle PO).**

This form must be sent to Procurement Services with all supporting documentation upon completion of a PO, or with submittal of your Procurement Card verification report. Failure to do so will cause a non-compliance memo and/or violation points to be issued and all/or associated paperwork will be returned to the user for reprocessing.

**FEDERAL GOV'T. FUNDS?** Yes \_\_\_\_\_ No \_\_\_\_\_ **OTHER SPONSORED FUNDS** Yes \_\_\_\_\_ No \_\_\_\_\_

**Describe the goods and/or services being procured:** \_\_\_\_\_

**If applicable, list the three most competitive quotations/proposals solicited and received:** Circle or mark the number indicating your chosen supplier. **Provide written quotations ≥ \$10,000.**

Supplier/ Name	Items/Services Price plus lot/other charges	Shipping Cost &/ FOB Point *	Payment &/or Discount Terms *	Total Order Price
1. _____	\$ _____	\$ _____	_____	\$ _____
2. _____	\$ _____	\$ _____	_____	\$ _____
3. _____	\$ _____	\$ _____	_____	\$ _____

(\* i.e., \$350/Dest or \$350/Origin) (\* i.e., 2%10 Net30 or 10% Edu.)

**Explain criteria for supplier selection. Use the back of this form (page 2) to record price/cost analysis information or include a separate document/spreadsheet. (attach copies of quotes/proposals received, as required).**

### Supplier/Consultant Selected

Check the reason that you chose this supplier or consultant:

- \_\_\_\_\_ Supplier was the low bidder.
- \_\_\_\_\_ Supplier provided the best evaluated responsible offer (other than low bidder) – provide evaluation criteria \*
- \_\_\_\_\_ Supplier establishes or maintains an essential engineering, research, or development capability (single source) \*
- \_\_\_\_\_ An unusual and compelling urgency precludes full and open competition – provide rationale (single source). \*
- \_\_\_\_\_ Compatibility with other components of a system already in operation – identify existing items (single source). \*
- \_\_\_\_\_ Only supplier that meets pre-established performance characteristics – provide listing (single source). \*
- \_\_\_\_\_ Supplier specifically identified within award documentation – provide verification (single source). \*
- \_\_\_\_\_ Supplier/consultant is the only manufacturer/provider of this good or service (sole source). \*
- \_\_\_\_\_ Other. \*

(\* Requires explanation; attach supporting documentation): \_\_\_\_\_

**Price/Cost Analysis Based on: (Ref. Methods to Determine Price Reasonableness Document)**

- Adequate price competition
  - Catalog/Market pricing \*
  - Comparison to in-house estimate \*
  - Comparable Customer's Invoice \*
  - Award specifically identifies item/person and price (\* Provide identifying page from customer's award)
  - Comparable to Price Sold to Fed. Gov't. \*
  - Historical pricing (\* Provide previous PO#)
  - Comparison to similar items \*
  - Cost analysis \*
- (\* Requires further explanation - Summary of analysis; attach supporting documentation): \_\_\_\_\_

**Any negotiations must be documented below:**

<u>Supplier Quotation</u>	<u>Target Price</u>	<u>Negotiated Price</u>	<u>Savings (Quotation less Negotiated)</u>
\$ _____	\$ _____	\$ _____	\$ _____

Negotiation Summary: (If target not met, explain difference) \_\_\_\_\_

**≥\$700,000 – Certificate of Current Cost and Pricing required? \_\_\_ Yes \_\_\_ No;**  
**If yes, was it obtained? \_\_\_ Yes \_\_\_ No**

**Note: If federal government funds are being used and the order is over \$100,000, FAR Part 19.702 requires that certain types of small businesses (i.e., disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUBZone) shall have the maximum practicable opportunity to participate in contract performance consistent with its efficient performance. Were any of the following groups solicited?**

- YES \_\_\_ NO \_\_\_ :  Small  Disadvantaged  HUBZone  Women-owned  
 Veteran-owned  Service Disabled Veteran-owned

**If not solicited, explain why not:** \_\_\_\_\_

**If solicited and not chosen, explain why not:** \_\_\_\_\_

**≥\$650,000 – Small Business Accounting Plan required? \_\_\_ Yes \_\_\_ No; If yes, was it obtained, approved and incorporated into the PO? \_\_\_ Yes \_\_\_ No**

Print name of person submitting this document \_\_\_\_\_

Department Name \_\_\_\_\_ Phone Number : \_\_\_\_\_

## Instructions for Completing the Purchasing Checklist and Bid Summary Form

1. Must be completed a) for all non-federally funded purchase orders or Procurement Card transactions that equal or exceed \$5,000 and that are committed to a non-Preferred Supplier; b) for all federally funded purchase orders or Procurement Card transactions that equal or exceed \$2,500 and that are committed with a non-Preferred Supplier; or, c) for all purchase orders or Procurement Card transactions that equal or exceed \$2,000 for federally funded construction or construction-related acquisitions and that are committed to a non-Preferred Supplier.
2. The completed form must be sent to Procurement Services upon completion of the purchase order, or when the Procurement Card verification report is submitted.

3. Sectional Instructions:

- a. **Describe the goods and/or services being procured:** Describe the product or service in enough detail so that an auditor, who may know nothing about what you're procuring, can have an idea of what is being acquired (product name, model number, accessories, etc.; service type and enough specifics to define the Statement of Work). References to attachments are acceptable, but attach copies of any documents referenced.

- b. **List the three most competitive quotations/proposals solicited and received:** When initially planning an acquisition, multiple suppliers are generally considered. They may not be disqualified until some time during an investigative phase to identify whether there are multiple acceptable sources. Even when suppliers are eliminated because of capabilities, it should be documented that they were contacted and considered. If the total price has been discounted, show the discount terms so that the original or list price can be determined.

- c. **Supplier/Consultant Selected:** The rationale for selecting a particular source most often has to be explained. The checklist has several acceptable reasons for choosing a source.

Low Bidder - If a competition was established, and at least two comparable and acceptable bids were received (provide documented verbal quotations if  $\geq$  \$5,000 for non-federally funded transactions or  $\geq$  \$2,500 for federally funded transactions, but less than \$10,000; written quotations or proposals if  $\geq$  \$10,000), and the low bidder was selected.

Best Evaluated Responsible Offer – Multiple suppliers provided bids/offers, but one was evaluated to be better than the rest, and it was not the low bidder. Evaluation criteria are generally established prior to putting the requirement out to bid. Provide copies of quotations along with a copy of the evaluation criteria.

Establish or Maintain a Capability – a single source among several was chosen due to its specialized capabilities related to research, engineering or development that the university wishes to support. A statement must be made as to acceptable reason(s) the source was chosen.

Urgency – the urgency must be unusual and compelling, such as a government Priority Rating or an immediate contractual obligation. It is **not** an alternative to poor planning. An explanation must be provided.

Compatibility – replacement or additional components of an existing system, or additional systems matching existing systems. A statement must be made as to the identification of the existing system(s) and its location(s).

Pre-established Performance Characteristics – Competitive suppliers are competing based upon documented specifications or Statements of Work and the supplier was chosen, not based on price, but on

best compliance with the performance characteristics. Documentation supporting the choice must be provided.

Award Identification – Supplier/Provider or Product was specifically identified and budgeted for within the customer award. Provide a copy of the award page identifying the Supplier/Provider or Product, and a page showing the customer’s accepted budget for the same.

Sole Source - means that the supplier or provider is the only source that can provide that product of service. A statement must be made as to why the supplier/provider is the only source that can deliver (unique product/service, supplier holds unlicensed patent, etc.), and what efforts were made to seek out other sources (identify what other companies were contacted).

d. **Price/Cost Analysis Based On:** Every transaction using this form must have a price reasonableness determination performed and documented.

Adequate Price Competition – At least two of three or more bids are adequate and acceptable, and the pricing is within a competitive range (2% to 10% depending upon the commodity or service). This can be used to determine price reasonableness for low bid and best evaluated responsible offer source selections. Copies of the supplier’s written quotes or proposals are required whenever the order is  $\geq$  \$10,000. Up to \$10,000, oral quotes or proposals may be accepted, but must be documented in notes or memos (contact name, phone number, and details of the quote or proposal) and provided with the checklist package.

Price Sold to Federal Government – If it can be documented that the supplier has recently sold the same or substantially similar items/services to the government for the same or nearly the same price. Documentation can be a copy of an invoice or a purchase order or a copy of contractor Internet price list page (example, contractor’s Government or GSA price list).

Catalog/Market Pricing – must be a current catalog or website accessible by the general public. Documentation should consist of a copy of the catalog or website page that contains the product and price, and a copy of the front page of the catalog or web site identifying the supplier.

Historical Pricing – can be used if purchase was made within the last twelve months, and the previous buy is referenced by PO# or Procurement Card transaction date. However, the previous buy must have had an adequate and acceptable “determination of price reasonableness” analysis performed.

Comparison to In-house Estimate – If an in-house expert (engineer, researcher, developer, etc.) has created a breakdown of estimated cost prior to the issuance of a request for pricing, it can be used to compare the proposed supplier price for reasonableness, as long as any major differences can be explained.

Comparison to Similar Items – Similar items or services can be compared to the requirement in order to determine price reasonableness. Item differences must be recorded to explain pricing variances.

Comparable Customer’s Invoice (educational institution) – If the supplier/provider is willing to provide a recent invoice for the same or similar items/services sold to another educational or research institution, it can be used to make a comparison.

Cost Analysis – a cost analysis breaks down the elements that make up a price. Those elements can be direct costs (direct labor, subcontracts, materials, facilities capital, cost of money, etc.), indirect costs (indirect labor rates, overhead pools, general & administrative costs, etc.), profit, etc.

Identification in a Customer’s Award – Under federally funded grant or cooperative agreement awards, if the award references a proposal that a) specifically identified the manufacturer, model and the price (only if

a supplier quotation accompanied the proposal), or b) identified a specific person with an hourly rate for fixed price for that person, then the contracting officer has accepted that price as being deemed reasonable by the proposer and nothing else needs be done as long as the final price does not exceed the budgeted line item.

If, however, the award is a federally funded contract or purchase order, then the proposer must formally provide rationale with the proposal (using one of the above methodologies in a) through i)) to determine price reasonableness at the time of the proposal before this method of price reasonableness is acceptable. Under FAR regulations (ref: FAR Part 15.404-3 Subcontracting Pricing Considerations), it is the responsibility of the proposer to determine price reasonableness, either at the time of proposal or at the time an acquisition is made. It is not the responsibility of the contracting officer.

Documentation (copy of the award pages related to the acquisition and any supporting documents, i.e., copies of quotations, in-house estimates, other customer invoices, GSA pricing, etc.) supporting either of the above situations must be provided to Procurement Services.

e. **Negotiations:** The documentation of negotiations is not mandatory, but recommended when using federal funds. Auditors often look for and favor packages where the university has made an additional effort to negotiate better deals in the name of the government.

f. **Certificate of Current Cost and Pricing:** If federal government funds are being used and the order is equal to or exceeds \$700,000, cost and pricing data should be obtained in accordance with FAR Part 15.403, as applicable.

g. **Small Business Utilization:** When using federal funds  $\geq$  \$100,000 under contracts, Public Law requires that certain types of small businesses must be used to the maximum practicable extent (be afforded the maximum practicable opportunity to participate). If none of these types of businesses are solicited, it must be explained why not. If solicited and not chosen, it must be explained why not. For all other procurements, use of small businesses is strongly encouraged by Carnegie Mellon, as well as by federal, state, and local agencies and other institutional and private providers of funds.

h. **Small Business Accounting Plan:** If federal government funds are being used and the order is equal to or exceeds \$650,000, and the award is to other than a small business, a Small Business Plan must be acquired in accordance with FAR 52-219-9.