Instructions for Completing the Purchasing Checklist and Bid Summary Form

1. Must be completed for all purchase orders or Purchasing Card and Purchase Order transactions between $3,001 and $149,999.99 USD with a non-preferred supplier. Additionally, all purchases $150,000 USD and above regardless of the source of funds or type of supplier utilized, require completion of this form.

2. This form must be submitted along with all supporting documentation via the document attachment functionality in Oracle, upon completion of a PO or scanned and attached to the Purchasing Card verification report (PRC). POs or PRCs without a completed required Purchasing Checklist and Bid Summary Form attached may be rejected during the PO approval process and sent back for reprocessing. POs without a completed Purchasing Checklist and Bid Summary Form attached may be rejected during the PO approval process.

3. Sectional Instructions:

a. **Description of Goods and Services**: Describe the goods 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. **Competitive Quotations/Proposals**: List a minimum of two competitive quotations/proposals solicited and received, including the awarded supplier/consultant. When initially planning an acquisition, multiple suppliers are generally considered. They may not be disqualified until the end of 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. Attach copies of quotes/proposals received to the Purchasing Checklist and Bid Summary Form.

c. **Selection Criteria**: 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 (rate quotations must be obtained if greater than the micro-purchase threshold), 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.
- 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 Criteria:** 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 checklistpackage.

- 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.

- 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.

- Comparable Customer’s Invoice – 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.

- Comparable to 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).

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

- 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.

- 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.

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.

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. **Budget Information**: The documentation of approved budget information is required for orders $1 Million or greater. This information adds additional support to aide in the executive review of purchase orders of this dollar threshold.

f. **Additional Threshold Requirements**: For purchases $150,000 and above there are additional requirements for Contract Cost and Price Analysis, as well as Small Business/Diversity Considerations. Purchase $650,000 or greater using federal funds may require a Small Business Subcontracting Plan. Purchases $700,000 or greater using federal funds may require a Certificate of Current Cost or Pricing.