Bid Requirements and Sole Source Purchases

Policy Statement
The University requires that bids be solicited from at least three suppliers for all purchases of $25,001 or more (please note that while bids are required for purchases of $25,001 or more, for purchases of $5,000 or more at least one written quote is required and it is recommended that bids be solicited). This policy applies to purchases for goods as well as for services.

While competitive bidding is always encouraged, individual purchases from Preferred Contract Suppliers do not require competitive bidding. Simply indicate on the sole source form that a Purchasing Services Preferred Supplier was used.

When bids are not obtained, a sole source justification is required.

Bid Requirements for Goods and Services

<table>
<thead>
<tr>
<th>Bid Threshold</th>
<th>Purchasing Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $5000</td>
<td>Bids/quotes recommended, but not required</td>
</tr>
<tr>
<td>$5001-$25,000</td>
<td>One written quote</td>
</tr>
<tr>
<td>$25,001 and above</td>
<td>Three signed and dated written bids or one quote with a sole source memo</td>
</tr>
</tbody>
</table>

Bid Requirements for Construction/Renovation/Architects/Engineers*

<table>
<thead>
<tr>
<th>Bid Threshold</th>
<th>Purchasing Requirement**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $25,000</td>
<td>One written quote</td>
</tr>
<tr>
<td>$25,001-$100,000</td>
<td>Three signed and dated written bids or one quote with a sole source memo</td>
</tr>
<tr>
<td>$100,000 and above</td>
<td>Three formal, sealed bids that are signed and dated and submitted to Facilities Management for evaluation and tracking the receipt of the bids</td>
</tr>
</tbody>
</table>

*All work related to construction and renovation must be coordinated through Facilities Management

**In addition to the general bid requirements, contracting for these types of services also requires AIA bid documents.

Definitions
Sole source means that a single supplier is uniquely qualified to meet the department/school's procurement objective. To be considered a sole source and therefore exempt from the bid process, one of the following conditions must be met:

- The actual product or service needed is the only one that will meet the department/school's need/requirement and it can only be purchased from one source (manufacturer or distributor).
The product or service must match or be compatible with current equipment or services.
The product needed is specifically required for use in conjunction with a grant or contract.
The service needed is controlled/mandated by the local utility or government.
Professional or artistic services.
An unusual or compelling urgency exists.

Responsibilities
Individuals involved in purchasing goods or services on behalf of the University are responsible for following the procedures for obtaining bids/quotes or providing the appropriate sole source justification.

Departments/schools must consider annual or total multi-year spend for products or services needed on a regular or repetitive basis to determine whether a bid needs to be performed. It is not determined by the average monthly spend for a particular product or service (i.e. just because the monthly spend on a particular item may be less than $25,000 does not exempt the department/school from having to solicit bids. In addition, departments/schools should generally plan to have established contracts re-bid at least every three to five years. Some contracts can be longer, primarily those that require a significant on campus investment by the supplier.

Procedures
The best way to determine which supplier a particular department/school should do business with is to make that decision based on a competitive solicitation among potential suppliers. It is a good business practice to make award decisions based on a best value evaluation. To do this, the department/school should consider a variety of factors in addition to price, such as delivery capabilities, quality, past performance, training, reporting capabilities, compliance with specifications/requirements, financial stability, etc. The award should be made to the responsive and responsible bidder that offers the best combination of all of these factors.

Departments/schools are strongly encouraged to include Purchasing Services in the procurement process for significant purchases or when a strategic relationship needs to be established with a supplier for a particular product or service.

Forms/Instructions
- Sole Source Memo
- Invitation to Bid for Equipment Purchases
- Invitation to Bid for Purchased Services
- Invitation to Bid for the Purchase of Supplies

Policy Owner Approved by Associate Director, Insurance & Purchasing Services

Contact(s)
Raymond Stewart
Associate Director, Insurance & Purchasing Services
Raymond_Stewart@brown.edu
401-863-2206

Revision Date: Tue, 2017-03-21 11:42

Source URL (retrieved on 2018-Mar 17):
https://www.brown.edu/about/administration/policies/node/258