Competitive Bid Requirements and Sole Source Purchases

Policy Statement
The Brown University policy on competitive bids provides guidance to ensure that all procurement activity meets applicable regulatory requirements and that the University maintains a competitive sourcing environment. Competitive procurement requirements are dependent on the size of the purchase, as well as the source of funds used to make the purchase. The appropriate requirements must be adhered to in all instances.

When it is not possible to obtain competitive bids, a sole source justification that meets the acceptable criteria is required. For sponsored projects, the acceptable justifications are limited to those permitted by the Uniform Guidance Procurement Standards.

Effective July 1, 2018:
The OMB (Office of Management and Budget) Uniform Guidance Procurement Standards go into effect for Brown on July 1, 2018 and will apply to awards or funding increments issued on or after that date. Purchases funded by federal grant funds must adhere to regulations found in Uniform Guidance as a condition of receiving funds and to meet annual audit compliance.

In order to keep policies for managing sponsored projects consistent, Brown University will implement the Uniform Guidance Procurement Standards for all sponsored projects as of July 1, 2018.

Bids and quotes submitted to the University must be held in strictest confidence and under no circumstances should suppliers be given information about bids or quotes or pricing obtained from competing sources.

Bid Requirements for Goods and Services
(University Funding)

Purchases from Preferred Contract Suppliers do not require competitive bidding. Indicate on the sole source form that a Purchasing Services Preferred Supplier was used. (This justification does not apply to sponsored project spending of $150,001 or more - federal funding requires a public bid process at this level of spending)

<table>
<thead>
<tr>
<th>Bid Threshold</th>
<th>Documentation Requirements</th>
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<tbody>
<tr>
<td>Up to $25,000</td>
<td>One written quote</td>
</tr>
<tr>
<td>$25,001 and above</td>
<td>Three quotes are required or, when it is not possible to obtain competitive pricing, one quote with the completed sole source justification form that conforms to the acceptable reasons for a non-competitive purchase.</td>
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</tbody>
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Quotes can be obtained from suppliers or from public websites and included as backup documentation for the
purchasing Services is available to assist with RFP’s and competitive bidding at any dollar level

If there is a possibility that an expense will eventually be transferred to a Sponsored Project, the more stringent competitive bid process for goods and services purchased with sponsored funding needs to be followed.

Exceptions to the requirement for a competitive bid that do not meet the criteria of a sole source justification, may be approved, under limited circumstances, by the Director - Insurance & Purchasing Services or the Associate Director of Strategic Sourcing who will consult with a senior officer.

$150,001 and above
For Construction/Renovation work: three formal, sealed bids that are signed and dated and submitted to Facilities Management for evaluation and tracking the receipt of the bids.

*All work related to construction and renovation must be coordinated through Facilities Management. If purchases in this category involve sponsored funding, the more stringent rules for competitive bidding using sponsored funding will apply.

**Bid Requirements for Goods and Services**
**(Sponsored Funding)**

<table>
<thead>
<tr>
<th>Bid Threshold</th>
<th>Documentation Requirement</th>
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<tbody>
<tr>
<td>Up to $10,000</td>
<td>One written quote</td>
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<tr>
<td>(Micro-purchase)</td>
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<tr>
<td>$10,001 to $150,000</td>
<td>Three quotes are required or, when it is not possible to obtain competitive pricing, one quote with the completed sole source justification form that conforms to the acceptable reasons for a non-competitive purchase.</td>
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<tr>
<td>(Small Purchase)</td>
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Quotes can be obtained from suppliers or from public websites and must be included as backup documentation for
Purchasing Services is available to assist with RFP’s and competitive bidding at any dollar level.

When using sponsored projects funding for purchases, a competitive supplier selection process must be used, unless the transaction qualifies as a “sole source” transaction as defined by the Uniform Guidance requirements listed in the definitions section below.

In addition, every sole source also requires a price/cost justification. Examples of methods of providing this documentation are included on the Sole Source Justification form and must be included with the requisition.

$150,001 and above

**Sealed bids: More than $150,000**

- Preferred method for procuring construction

- Two or more qualified bidders

- Bids are publicly solicited from an “adequate” number of known suppliers

- Lowest responsive and responsible bidder for the fixed price contract should be awarded the contract

**Competitive proposals: More than $150,000**

- Used for either a fixed price or cost reimbursement contract when sealed bids are not appropriate

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance

- Proposals must be solicited from an adequate number of qualified sources

- Written policy for conducting technical evaluations of
reviewing proposals and selecting the recipient

- Most advantageous bid wins, price and other factors considered

Purchasing Services must be involved in the bidding process (or validate the department’s sole source justification) for all sponsored project purchases greater than $150,000 in order to facilitate compliance with the public bidding requirement.

This policy responds to all applicable government procurement regulations as contained in the Federal Acquisition Register (FAR); Office of Management and Budget’s uniform administrative requirements as codified under the Code of Federal Regulations (C.F.R.) at 2 C.F.R. Part 200 (Uniform Guidance), as well as any additional regulations or procedural formalities required by the contracting agency, as specified in the Notice of Award.

For additional information, please refer to Uniform Guidance 200.320 Methods of procurement to be followed.

Definitions

Sole source: A “sole source” procurement can be defined as any contract entered into without a competitive process, based on a justification that only one known source exists or that only one single supplier can fulfill the requirements.

To be considered a sole source, one of the conditions specified on the Sole Source Form must be met. For Sponsored Projects’ spending, the acceptable criteria for a sole source justification are set by the Uniform Guidance rules listed below.

Uniform Guidance acceptable sole source justifications (applicable to sponsored project funded purchases):

Sole source: Procurement by non-competitive proposals - must meet one of the following four requirements:

- The item is available only from a single source;

- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity(OSP/BMRA should route such a request to the federal agency and will manage as an Agency “prior approval” request); or
After solicitation of a number of sources, competition is determined inadequate.

For University funded purchases, two additional criteria will also be accepted (these do not apply for Sponsored Projects):

- Continuity of existing research/work
- Critically important features (briefly explain the features and your research of comparable items)
- Repairs, replacement parts, or technical service available only from manufacturer or authorized distributor
- Compatibility with existing equipment

If there is a possibility that an expense will eventually be transferred to a Sponsored Project, the more stringent competitive bid process for goods and services purchased with sponsored funding needs to be followed.

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.

Purchasing Services is available to assist in identifying suppliers to use in the competitive bid process at any spending level and to assist with bid processes.

Procedures
All bids and or quotes received must be attached to the purchase requisition as an essential part of the purchasing transaction record. Documentation should also include price/cost analysis and acceptable sole source justification documentation. For Preferred Suppliers, this documentation is maintained by Purchasing Services.

Forms/Instructions Sole Source Form

Policy Owner Approved by Director, Insurance & Purchasing Services
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