

# University of Rochester Competitive Bid Policy

## 1. POLICY STATEMENT

It is University of Rochester (University) practice to obtain competitive quotes/proposals on current transactions or projected spend whenever a current contract is not on file (or is due to expire in the near future) in Corporate Purchasing. A competitive bid process will be conducted in a fair and unbiased manner to ensure the lowest total cost is attained. Bids will be awarded to the responsible Supplier who offers the University the best overall value, as described in Section 3(G) below. Bid information will be kept confidential and not revealed to competitors or to the public. Informational quotations provided directly to departments are not acceptable as formal quotations and are subject to re-bid by Corporate Purchasing. Informational quotes should be copied to the appropriate Category Manager at the same time they are submitted to Corporate Purchasing.

## 2. RESPONSIBILITY

- A. This policy responds to all applicable government procurement regulations as contained in the Federal Acquisition Regulation (FAR); Office of Management and Budget's uniform administrative requirements as codified under the Code of Federal Regulations (CFR) at 2 CFR 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. The University's goal is to take affirmative action steps to give interested and qualified minority, women, veteran and small business concerns the maximum practicable opportunity to participate under UR purchase orders and subcontracts for materials, supplies and services consistent with Federal government requirements and effective, economic purchasing practices.
- B. Adhering to this policy is the responsibility of all departments. If a department is not clear on how to proceed, they should contact Corporate Purchasing before taking any action.
- C. Corporate Purchasing is responsible for managing and monitoring this policy.
- D. Acquisition of goods and/or services from a Supplier in which a Trustee, officer or key employee has or may have a potential conflict of interest must be approved in accordance with the Board of Trustees Conflicts of Interest Policy. In addition, acquisition of goods and/or services from a Supplier in which a University of Rochester employee, or that of its Affiliates, participates in the acquisition decision are prohibited if the employee, or a close relative or a member of his or her household:
  - (1) Owns 5% (or more) stock or other interest in Supplier;
  - (2) Serves as an officer, director, employee, proprietor, partner, trustee, or consultant of Supplier;
  - (3) Stands to profit financially or personally in any way from the acquisition by the University of goods and/or services from Supplier; or

(4) Receives compensation in any form or in any amount from Supplier unless full disclosure of the background facts is made in writing by the Supplier, as provided for in the University of Rochester's Part 1, General Terms and Conditions, and prior to award, written justification for the acquisition is given to Corporate Purchasing who will seek approval from the respective Department's senior leadership and by the University's Senior Vice President for Administration and Finance and Chief Financial Officer, or his or her designee.

- E. Corporate Purchasing must approve and provide documentation (a purchase order for equipment demonstrations) for any samples or trial equipment prior to delivery to any area of the University. Samples and trial equipment intended for delivery to the University of Rochester Medical Center-Strong Memorial Hospital must also have the approval of the Supply Chain Management department as well as Corporate Purchasing. The University of Rochester cannot accept any responsibility for equipment or supplies left without prior approval and proper documentation. Such merchandise may be considered a donation and no further obligation for it will be assumed by the University.
- F. Information about competitive quotations can be obtained from the University of Rochester Registered Suppliers Website. Suppliers who have not registered should be directed to <https://www.urmc.rochester.edu/purchasing/supplier/> to complete the Supplier Qualification process.

### 3. PROCEDURE

- A. The bid process is designed to allow open competition to the maximum extent possible while attempting to ensure rapid processing of purchase requisitions without interruption to departmental operations. Competition for all purchases, regardless of amount, should be obtained unless noted in this policy.
- B. If a proposal relates to an award of less than \$25,000, proposals may be solicited verbally. Proposals relating to awards of \$25,000 or more must be solicited in writing. Care must be taken in verbal bids to ensure all parties receive the same information. When requests for proposals (RFP) are required under this policy (see page 4), Corporate Purchasing is responsible for coordinating all bidding activities for the acquisition of goods and services from qualified suppliers.
- C. The competitive bid process is not required when a competitive bid and negotiated agreement on behalf of the University has been put in place that provides the best overall value for commonly used suppliers. The requestor should consult the contracts in place on the Corporate Purchasing website prior to soliciting competitive bids.
- D. Potential bidders will be identified based on who the University believes will deliver the best overall value. Factors that may be considered include
  - Cost
  - Corporate Purchasing's recommendations

- Stakeholder's suggestions
- The University's previous experience with the supplier
- Those that have requested to be included in the procurement process
- Minority and women owned businesses
- Other criteria that will be established in advance of the proposal.

When required by law, Corporate Purchasing will post bids publically.

Corporate Purchasing may elect to exclude suppliers from the bid based on past experience including but not limited to the following: products that were not of sufficient quality, poor delivery experience, or poor customer service. Complete specifications will be included in the bid document. All specifications and documentation shared with potential bidding suppliers must be labeled clearly as "University of Rochester Confidential". These will outline the technical, functional, and physical characteristics of the product, equipment, or service that is desired. Specifications will also include the University's requirements, as FOB, delivery schedules, payment terms, warranty, etc.

- E. All bids received will be treated as confidential unless disclosure is required by the Federal Acquisition Regulation\_(FAR); Office of Management and Budget's uniform administrative requirements as codified under the Code of Federal Regulations (CFR) at 2CFR 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.
- F. If multiple line items are included on a single bid, it may be desirable to split the award between one or more suppliers. This fact should be noted in the bid specifications. Care must be taken to balance the cost advantages of a single source with the added assurance of continuity of supply and expenses inherent with the use of multiple sources.
- G. Awards to successful bidder will be based on several factors including, but not limited to cost of the goods and/or services, quality, technical capability, availability, services, freight, rebates, price protection, supplier's dependability to meet University requirements, etc. Awards do not have to be solely be awarded based on lowest price.
- H. After proposals are received and assessed in accordance with 3G, Corporate Purchasing may proceed in one of the following ways.
  - a. Award to the most successful bidder
  - b. Continue negotiations with all bidders
  - c. Continue negotiations with only those bidders that are more likely to be successful, based on their original proposals.
  - d. The University is under no obligation to accept any bid
- I. Once the bid has been awarded, all unsuccessful bidders will be informed.
- J. All bid documentation, including the invitation to bid, the list of suppliers sent the bid, all bids received, and any analytical documentation, must be kept for six (6) years or for the term of the subsequent contract, whichever is longer.

#### 4. COMPETITIVE BIDDING GUIDELINES

Competitive bids will be secured in accordance with the following guidelines:

##### **Small Dollar Purchase (Micro-Purchase Threshold):**

\$0 – 24,999 Purchase of goods and/or services whose aggregate value threshold does not exceed \$24,999 requires one quote/proposal. While no competitive bidding is required, Corporate Purchasing, and those departments who may solicit a proposal will be required to take the steps necessary to ensure that the prices are reasonable and competitive with the market.

##### **Request for Quotation (RFQ) Simplified Acquisition Threshold:**

\$25,000 - \$249,999 Purchase of goods and/or services whose aggregate value threshold is greater than \$24,999 and no more than \$249,999 and has standard specifications; the competitive sourcing process employed must be Request for Quotations (RFQ). The RFQ process entails soliciting multiple (2) written quotes from qualified suppliers that include a full description of the goods and/or services and any other specifications required by the requester. Proposals must be submitted on the supplier's letterhead. Verbal bids are not accepted under any circumstances.

##### **Requests for Proposal (RFP) Threshold:**

\$250,000 or Greater Purchase of goods and/or services whose aggregate value threshold is \$250,000 or greater are required to employ a formalized request for proposal (RFP) process. The specific requirements are dependent on the type of goods and/or services being sourced. All RFPs require a total cost and pricing analysis be performed in conjunction with the bid review process. The department business owner must consult with Corporate Purchasing once the Scope of Work or a requirements document has been drafted. Corporate Purchasing will work with the departmental business owner to ensure the process is completed in accordance with applicable University and Federal regulations.

Corporate Purchasing will work with the employee or departmental business owner responsible for the bid to formulate the methods to evaluate the bid prior to soliciting them. The bids will be evaluated based on the following bid evaluation criteria:

Measurement Criteria	Weighted Value
Price	
Quality	
Technical Capability	

Availability	
Service	
<b>Total</b>	

The bid process is not required when Corporate Purchasing has conducted a competitive bid and negotiated agreements on behalf of the University. The use of these contracts satisfies the University and Federal competitive bid requirements for all thresholds. If a supplier other than the lowest price is selected, a justification is required to indicate the specific rationale by completing the Supplier Price Justification Conflict Information Form.

**Supplier Price Justification Conflict Information Form (SPJCI):**

It is mandatory to complete and attach the SPJCI form to the purchase requisition once the bid has been awarded to a supplier.

**Sole Source & Emergency Orders:**

There are times when competitive bidding may not be feasible due to the sole source nature good or service or the urgency with which those goods or services must be obtained. In the event that either one of these situations occurs, the requisitioning department must supply a University of Rochester “Supplier Price Justification and Conflict Information Form” (SPJCI) justifying the nature of the request. Corporate Purchasing will work in conjunction with the requisitioning department (referred to earlier as the departmental business owner) to acquire the goods/services at a reasonable price and within the time period specified on the purchase requisition.

**Sole Source** orders would be necessary because of the need for compatibility with existing equipment or procedures and the items can only be obtained by one supplier or the item(s) are proprietary.

**Emergency Orders** are when conditions must be corrected without delay, or else death, injury, inability to carry on the department mission, or serious property damage would result. Emergencies generally involve an accident or unforeseen occurrence requiring immediate action; it is unanticipated or fortuitous, is a sudden or unexpected occasion for action and involves a pressing necessity. Emergency orders will be processed by Corporate Purchasing within two to four hours from the time Corporate Purchasing receives the purchase requisition.

**5. CONFIDENTIALITY**

All information supplied by suppliers in their bid, quotation or proposal must be held in strict confidence by the University of Rochester employee evaluating, approving or discussing the bid, quotation or proposal and may not be revealed to any other supplier or persons that are directly or indirectly involved in the bid. This policy ensures that confidential information is safeguarded and prevents any potential conflict. In addition, upholding confidentiality of bids/quotations/proposals ensures that no supplier is given an unfair advantage in submitting bids; and no supplier is negatively impacted by disclosure of information.

While engaged in the bidding process at University of Rochester, it is imperative that all information given to those bidding, as well as the information received from those bidders is safeguarded so that it remains confidential. Safeguarding information includes that confidentiality is upheld during conversations between peers, colleagues, consultants, temporary associates and general conversations both in and out of the workplace.

Documents transmitted electronically through email, texts, fax and conventional mail including USPS or overnight mail services must be secured at the workplace so that information is not involuntarily or haphazardly obtained. Bid documents, proposals and all subsequent correspondence must be properly filed, maintained and secured so that is not inadvertently revealed. Diligence in retrieving files from fax and copier machines is optimum to maintain confidentiality and to limit access to that information.

Information relating to the project being bid and without limitation, includes technical, financial, operational, legal, commercial, proprietary and any and all other information or data disclosed to or by the bidder in the bidding documents and must not be disclosed and must be kept confidential. Also, confidentiality must be upheld regarding price, products, delivery and contractual terms and conditions.

Additionally, all analysis, compilations, studies and other documents prepared by the bidder or its officers, employees, agents or advisers which are submitted by the bidder, must also be kept confidential.

### **Attachments**

Supplier Price Justification Conflict Information Form

### **Definitions**

**Request for Quotation (RFQ)** - a standard business process whose purpose is to invite suppliers into a bidding process to bid on specific products or services.

**Request for Proposal (RFP)** - is a document that solicits proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable asset, to potential suppliers to submit business proposals. It is submitted early in the procurement cycle, either at the preliminary study, or procurement stage.

**Proposal** - is a written offer from a seller to a prospective buyer

**Supplier Price Justification Conflict Information Form (SPJCI)** – The Supplier Price Justification Conflict Information Form provides documentation for selection of the supplier for a transaction including documentation of competitive bidding, justification for not selecting the low bid, justification for cost reasonableness, disclosure of conflict of interests and documentation and support for inclusion of small, women-owned and minority suppliers.