

Competitive Procurements

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Policy Statement

It is the policy of Columbia University to maintain a competitive sourcing environment as maximally practicable.

Reasons for the Policy

To maintain strong business practices, ensure compliance with various regulations, promote the best possible value, service and pricing in the sourcing of goods and services at the University, competitive sourcing should be used whenever possible. This policy promotes access for suppliers to competitive opportunity to provide goods and services to the University, through requiring that department obtain bids for a competitive process in most cases, and provide appropriate justification when a competitive process is not followed.

Primary Guidance to Which this Policy Responds

This policy responds to all applicable government procurement regulations as contained in the Federal Acquisition Register (FAR); Office of Management and Budget (OMB) Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations" ; as well as any additional regulations or procedural formalities required by the contracting agency.

Responsible University Office & Officer

Responsible University Office: Procurement Services – Purchasing
Responsible University Officer: Executive Director, Purchasing Operations

Who Is Governed By This Policy

This policy applies to everyone working at the University, or working on behalf of the University, who is authorized to purchase of goods and services for their department or school using government, grant or University funds.

Who Should Know This Policy

All University employees who direct make or approve procurement decisions should be familiar with the requirements within this policy.

Exclusions & Special Situations

- **Special Situation: University Wide Purchase Agreements (UwPA's)** – University Wide Purchasing Agreements are put in place following a competitive process and, therefore, their use reflects and is considered competitive sourcing.
- **Exclusion:** While competitive sourcing is always encouraged, competitive sourcing is not required when purchasing **goods and general services with a total cost less than \$2,500 and service provider (e.g. consultant) agreements with a total cost less than \$25,000**

Policy Text

Competitive Sourcing

It is the policy of Columbia University to obtain competitive proposals, bids or price quotations, as maximally practicable, on products and services used by the University.

Prior to soliciting competitive bids, the requestor should consult the [Purchasing Interactive Guide](#) to determine if the product and/or service can be provided by a UwPA supplier. The benefit of using a UwPA supplier is that Purchasing has competitively bid and negotiated an agreement on behalf of the University that provides the best overall value. In the event a UwPA has not been established by Purchasing for the particular product and/or service you are seeking to procure, a competitive bid process should be conducted for all requisitioned products and general services totaling \$2,500 or more, individually or as a system, and service provider (e.g. consultant) requisitions totaling \$25,000 or more, to determine which supplier meets your requirements and provides the best possible value.

Supplier Identification Process

The identification and selection of appropriate suppliers from which competitive bids/quotes/proposals can be obtained can be accomplished through a variety of acceptable methods. Ultimately, the goal is to enlist those suppliers that have the products, capabilities, deliverability, service levels, expertise, resources and knowledge of the University environment that will afford a successful outcome for the University stakeholder(s). The following provide various options to the supplier selection process:

- UwPA's – these suppliers have been previously vetted via Purchasing and currently accept the University's standard set of terms and conditions.
- Previously utilized University supplier(s) – there are suppliers that have been used by other schools and departments of the University and may provide the products and/or services you are seeking. Networking with the University community may provide suitable options, but might still require vetting based on the criteria outlined in either the RFQ or RFP.

- RFI/Supplier Pre-Qualification – an RFI (Request for Information) method is generally used during an RFP process (see below) to collect information about suppliers in determining a suppliers capabilities and if they are able to meet the requirements of the bid process. RFI's can request information relating to:
 - Suppliers experience
 - Recent engagements of similar nature
 - Supplier size
 - Recent clients

- Identification of Vendors by Central Purchasing – if a department is not able to identify appropriate vendors for competitive sourcing, the department can contact Central Purchasing for assistance with identifying vendors.

It is important that the supplier selection process is consistent with the University's [Conflict of Interest Policy](#), which articulates University staff responsibility in the selection and utilization of suppliers.

The Request & Selection Process

The Request for Quotation (RFQ) Process

When goods or services have standard or easily compared specifications, the competitive sourcing process best employed is a Request for Quote (RFQ) process. The RFQ process entails requesting and obtaining written quotes from potential suppliers that include a full description of the goods and/or services and any other specifications/requirements provided by the requester. This would also include the unit cost, extended cost, and other associated costs such as delivery costs. It is important to note that when requesting quotes from potential suppliers, they must be presented in writing on the company's letterhead. Verbal bids are **not** accepted under any circumstances.

Bidding Thresholds

- Goods Purchases under \$2,500 do not requires bids
- Goods Purchases over \$2,500 and up to \$10,000 requires 2 Written Bids
- Goods Purchases over \$10,000 requires 3 Written Bids
- Purchases for Service Providers under \$25,000 do not require bids
- Purchases for Service Providers \$25,000 and over require 3 written bids

Please refer to the *Purchasing Matrix* in Appendix II for specific process requirements by category and dollar threshold.

Fair and Reasonable Pricing

Through the Competitive Procurement process, supplier proposals should be reviewed to determine if the most competitive pricing has been offered. Fair and reasonable pricing is based on supply and demand, market indices and general market conditions. Therefore, departments should utilize their own knowledge of the industry, sector and its pricing, as well as all available resources, including:

- commercial prices
- previously proposed prices
- contract prices
- government pricing
- consortium pricing
- pricings found in published journals, advertisements, internet sites and auctions

All price quotations received are to be evaluated on the basis of compliance to provided specifications/requirements, other communicated factors such as quality of goods/services and customer service support, and, ultimately, cost. It is important that when comparing prices to determine fair and reasonable pricing that the evaluation of the goods and services must be evaluated using the same criteria for each bidder. Bids or price quotations that are deemed unresponsive (e.g. missing key requested information, submitted after requested deadline) may be rejected and not considered by the requester.

For the RFQ process a contract award must be based on the provision by the suppliers of the specified products or services. There should not be any variability in the product or service offering from suppliers in an RFQ. If all factors are equal (i.e. delivery schedule, freight costs, return policies, warranty's, etc.) then the lowest priced supplier must be awarded the contract. If a supplier other than the lowest price is selected, a justification is required to indicate the specific rationale.

Once a proposal has been selected, it is mandatory to complete a Bid Summary Sheet to attach to the requisition as supporting documentation. This form provides a record of the selection process. A copy of the Bid Summary Sheet is in the Appendix.

The Request for Proposal (RFP) Process

When goods, and particularly services, do not have standardized specifications or complex requirements the competitive sourcing process best employed is the Request for Proposal (RFP) process and the following conditions apply:

- multiple solutions are available that will fit the need
- multiple suppliers can provide the same solution
- there is a requirement to determine the “best value” of the suppliers available solutions
- products/services for the project cannot be clearly specified
- different skills, expertise and technical capabilities are required from the suppliers
- lowest price is not the determining criterion for awarding the contract

- final pricing is negotiated with the supplier
- The RFP process brings structure to the procurement decision, with the establishment of a document outlining requirements, articulation of evaluation criteria, and often formal communication activities such as a bidder's conference.

After proposals are received, evaluated and negotiated the contract(s) can be awarded to the supplier(s) presenting the best combination of price, delivery, compliance to specifications, capacity to perform, and quality of service. For an RFP process a proposal evaluation matrix that assigns weighted values for each criteria identified for a particular RFP should be used in the selection process.

An RFP should include both standard University requirements and requirements specific to the product/service being sought. Please reference Appendix I, Request for Proposal Guidelines for template examples and process guidance.

Confidentiality of Bids/Quotations/Proposals

All information supplied by vendors in their bid, quotation or proposal must be held in strict confidence by the Columbia employee evaluating, approving or discussing the bid, quotation or proposal and may not be revealed to any other vendor 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 vendor is given an unfair advantage in submitting bids; and no vendor is negatively impacted by disclosure of information.

While engaged in the bidding process at Columbia University, 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.

Single & Sole Source Justification

As part of the requirement for maintaining a maximally practicable competitive sourcing requirement, departments must provide ample justification whenever they seek an exemption from the competitive sourcing process where that process is normally required. Requests for exemptions should occur in select circumstances, such as:

- Products or services that can be obtained from only one person for firm
- Competition is precluded because of the existence of patents, copyrights, confidential processes, proprietary information or other such condition
- When competitive bids are solicited and no responsive bid is received
- Continuation of work within the same fiscal year and bidding or placing work with another vendor would disrupt business
- Need for specially designed replacement parts or specialized technology
- Compatibility with existing equipment

In these circumstances, the school or department seeking to purchase the goods or services must provide justification for the Sole or Single Source procurement decision. The supporting document for these purchases is completed during the Purchase Requisition process in ARC. Upon indicating that the purchase is not competitive, the requester will be prompted to complete a web-based form. The completed and signed form must be submitted to Purchasing in addition to any other required documents. Without the completion of the Sole/Single Source Justification, the Purchasing Department will not be able to process the request. The University has approved a limited set of criteria for sole/single source procurement, and the justification must meet at least one of those criteria.

As competitive sourcing provides a basis for determining price reasonableness, when competitive sourcing does not occur, it is necessary for a sole/single source process to also include documentation for price reasonableness. Acceptable forms of documentation include:

- Comparison of previously proposed/purchased prices for the same or similar items. (include previous Purchase Order number used)
- Comparison with competitive published price lists, market prices of commodities, similar indexes, and discount or rebate arrangement.

- Comparison of proposed prices with independent market research or independent Government cost estimates. (i.e. GSA, NYS Contracts, etc.)
- Completed through an accepted cooperative agreement. (i.e. E&I, VHA Novation, etc.)
- Analysis of pricing information provided by the vendor.

When the value of the goods or services being purchased is over \$25,000, the Sole/Single Source Justification Form must also be signed by a Dean, Vice President, or their Senior Administrative Officer. This senior officer is acknowledging their support of the exception request and through their signature is attesting that the request is appropriate and complies with the policy.

A person requesting single/sole source procurement is also required to be in compliance with the University's Conflict of Interest policy and any obligations set forth in that policy. The Sole/Single Source Justification must include:

- Valid identification of an acceptable criterion
- Documentation of price reasonableness
- Supporting documentation
- Signature approval by the appropriate senior officer (Supplemental Approver) for Single/Sole Source purchases over \$25,000

Cross References to Related Policies

[Conflicts of Interest](#)

[Change Order](#)

[Procurement Mechanism Policy](#)

Additional Resources

Appendix I - Request for Proposal Guidelines

Appendix II – Purchasing Matrix

[RFP Template](#)

[Single/Sole Source Form](#)