

## UC Davis Bidding Guidelines for Federal Funding Sources

Category	\$0 - \$9,999.99 *	\$10,000 - \$49,999.99	\$50,000 - \$100,000	> \$100,000
<b>Goods</b>	<p><b>For AggieBuy, KFS Automatic Purchase Order (APO), and Procurement Card engagement</b></p> <p>Purchasers responsible for determining price reasonableness</p> <hr/> <p><b>For Procurement engagement</b></p> <hr/> <p>Informal Quote</p> <p>Buyer verifies price if necessary</p> <p>Buyer determines price reasonableness</p>	<p>One (1) Formal Quote required</p> <p>If department does not provide quote, buyer will obtain **</p> <p>May leverage approved Group Purchasing Organization (GPO) or sourcing agreement</p> <p>Buyer determines price reasonableness</p>	<p>Two (2) Formal Quotes required ***</p> <p>Request For Proposal (RFP) Recommended, may be appropriate depending on complexity and opportunity</p> <p>If department does not provide quotes, buyer will obtain **</p> <p>May leverage approved Group Purchasing Organization (GPO) or sourcing agreement</p> <p>Buyer determines price reasonableness</p>	<p>Request for Proposal (RFP) or Formal Bid, May leverage approved Group Purchasing Organization (GPO) or sourcing agreement (if Competitively Bid) ***</p> <p>Award will be made by the following:</p> <ul style="list-style-type: none"> <li>- Lowest Cost</li> <li>- Best Value</li> </ul>
<b>Services</b>				
<b>Capital Equipment</b>				
<b>Consultants</b>		3 or more Formal Quotes required		

\* Note: Per [OMB clarification M-18-18 \(Micro-purchase limit \\$10,000\)](#)

\*\* Note: To expedite, department should provide quote(s). Increased processing time is required if buyer obtains quote(s).

\*\*\* Note: In lieu of competition, the department may submit a Sole Source Justification.

The Source Selection & Price Reasonableness Justification Form is found at <https://supplychain.ucdavis.edu/forms/pcs>

Sole Source Requests in excess of \$500K must have the Department Dean's or Vice Chancellor's signature approval on the SSJR.

**All KFS procurement documents (PO / PA) must include supporting documentation to demonstrate policy compliance (Quotations, RFP attachments, GPO attachments, etc.) in the electronic file at the time of issue.**

### Definitions:

<b>Formal Quote</b>	A proposal with price/delivery/terms provided on company letterhead or company stationery. Typically, formal quotes will include a quote number, payment terms, delivery terms, expiration date of quote, terms and conditions, etc.
<b>Informal Quote</b>	A proposal with pricing/terms provided verbally (e.g. phone) or in writing (including email).
<b>GPO / Purchasing Cooperative</b>	Group Purchasing Organization: An entity that is created to leverage the purchasing power of a group of businesses to obtain discounts from vendors (usually competed) based on the collective buying power of the GPO members, i.e., E&I, US Communities, OMNIA, and others.
<b>Factors Determining Price Reasonableness:</b>	
<b>Price comparison</b>	A buyer has obtained and documented quotes or offers within the last 12 month period from other responsible suppliers, which provides evidence that a price obtained is deemed fair and reasonable.
<b>Catalog or Market Pricing</b>	The price offered is supported by an established and verifiable catalog or market pricing media issued by a responsible supplier and/or through an established reputable forum. In addition, the pricing structure provided is one that a prudent buyer would accept as a reasonable representation of existing market value.
<b>Controlled Pricing</b>	The price offered is set by law or regulation; competitively bid master, statewide contracts and Purchasing Cooperatives etc.

<b>Historical Pricing</b>	<p>A buyer is able to demonstrate that other transactions occurring in the past (within a 12 month period) exist that show that historical prices for similar acquisitions have yielded no material change in cost.</p> <p>Note: The definition of "material" for this technique is deemed greater than a 15% increased difference between current and historical pricing.</p>
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Revision 7.1

Effective Date: November 22, 2021