

## UC Davis Bidding Guidelines for All Funding Sources

| Category                 | \$0 - \$9,999.99 *   | \$10,000 - \$49,999.00                                     | \$50,000 - \$100,000  | > \$100,000   |
|--------------------------|--|--|---|---|
| <b>Goods</b>             | <p><b>For APO and PCard engagement</b></p> <p>Purchasers responsible for determining price reasonableness</p> <p><b>For Procurement engagement</b></p> <p>Informal Quote</p> <p>Buyer verifies price if necessary</p> <p>Buyer determines price reasonableness</p> | One (1) Formal Quote required                              | Two (2) Formal Quotes required ***  | <p>RFP or Formal Bid, May Leverage GPO (if Competitively Bid) ***</p> <p>Award will be made by the following:</p> <ul style="list-style-type: none"> <li>- Lowest Cost</li> <li>- Cost per Quality Point</li> <li>- Best Value</li> </ul> |
| <b>Services</b>          |  | If department does not provide quote, buyer will obtain ** | RFP Recommended, may be appropriate depending on complexity and opportunity |   |
| <b>Capital Equipment</b> |  | May leverage GPO   | If department does not provide quotes, buyer will obtain **                 |   |
| <b>Consultants</b>       |  | Buyer determines price reasonableness                      | Buyer determines price reasonableness                                       |   |
|                          |  | 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 SSJ.

**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 stationary. 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>              | 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, NASPO 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>                        | A buyer is able to demonstrate that other transactions occurring in the past (within a 12 month period) exist that shows that historical prices for similar acquisitions have yielded no material change in cost.<br><br>Note: The definition of "material" for this technique is deemed greater than a 15% increased difference between current and historical pricing. |