

Roger Williams University Competitive Bidding Policy

Purchasing Department, July 2019

I. Policy Statement

The Purchasing Department staff, as agents of the University, are responsible for the procurement of materials, equipment, and services across the University. The procurement process involves researching and negotiating with vendors to acquire appropriate goods and services at the best competitive pricing, while considering quality, suitability, and service. Good business practice and the responsibility for the expenditure of University funds require the University follow a policy for obtaining competitive bids/quotations.

The RWU policy on competitive bids provides guidance to ensure that the University maintains a competitive sourcing environment. This policy calls for obtaining the competitive bids based on prices and other pertinent factors related to the specific purchase. Competitive procurement requirements are dependent on the dollar value and nature of the purchase. The policy explains the three threshold levels that have been established to promote competitive bidding, increase efficiency, and standardize the procurement process. It is expected that the lowest bidder be selected, provided that they meet the defined requirements. In the event the low bid is not selected, justification for the decision must be documented.

There are circumstances where it is not possible or practical to obtain three bids. Those circumstances are covered in the Special Circumstances section of this policy.

The following guidelines have been established to promote competitive bidding. Requestors should realize that these are minimum requirements, and that bids or price comparisons should be solicited whenever the goods or services can be purchased from several different responsible suppliers. Upon request, the Purchasing Department will assist departments in locating potential suppliers and obtaining pricing and product availability information for any threshold level.

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.

Purchases that require support from the Facilities Department should not be made until the Facilities Department has reviewed the purchase request and determined the scope and cost for any incremental purchases or services that will be required. This includes any purchase that impacts plumbing, electrical, HVAC, or that requires space modifications.

This policy may not be circumvented by breaking larger purchases into smaller dollar amounts that fall into a lower tier.

Critical Request Forms are required for purchases above \$1,000 and must have cabinet-level approval. Obtaining approval of a purchase via the Critical Request Form does not preclude the requirement to obtain competitive bids.

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II. Scope

The scope of this policy includes Undergraduate, Graduate School, School of Law, and University College purchases, as well as purchases of goods and services intended for leased properties (e.g. 1 Empire Plaza, Byfield School, Reynolds School, and Hawkworks).

III. Requirements: University-funded Purchases

The requirements in this section are for **university-funded purchases** only. Purchases that are made with grant funds have more stringent requirements. See Section **IV, Requirements: Grant-funded Purchases**, below for that information.

A. Tier One: Purchases up to and including \$7,500

For purchases less than or equal to \$7,500.00, requestors should follow their own judgment in identifying potential suppliers. It is preferred that the goods or services be obtained from an existing vendor with whom we have a contract or master agreement on file. (Although there are not many master agreements at this time, there will be an increasing number of agreements with vendors that we use on regular basis to do work that is not directly related to a specific project.) The Purchasing Department or OGC can help requestors make that determination. Educational consortia should also be investigated. The Purchasing Department can support any Departments in identifying preferred sources for goods and services.

Items under \$2,500 may be purchased on a Procurement Card (P-Card), if appropriate. See the Procurement Card policy for more information on when a P-Card can be utilized for a purchase.

B. Tier 2: Purchases between \$7,500 - \$100,000

All purchases over \$7,500 but not exceeding \$100,000 require that at least three (3) quotations be obtained from suppliers if not utilizing a contracted or master agreement. All quotations must be in written form so they can be attached to the requisition. Quotes can be obtained from suppliers or from public websites and included as backup documentation for the purchase.

The Purchasing Department is available to assist with RFP's and competitive bidding at any level. When assistance from the Purchasing Department is needed, the first step is for the requesting department to contact Purchasing to review requirements and discuss next steps. Departments may opt to conduct their own bidding process, however, the Director of Purchasing must have the opportunity to review contracts and provide feedback before contracts are sent to OGC for final review.

If the low bid is found unacceptable because of some extenuating circumstance, the requestor should write a clear, concise justification for not accepting the lowest bid. If the requestor is unable to identify

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three suppliers, the Purchasing Department should be contacted to assist in identifying additional suppliers.

C. Tier 3: Purchases over \$100,000

Competitive bidding via a formal RFP process is required for the procurement of goods and services with a total estimated cost in excess of \$100,000. With the exception of projects managed by the Capital Projects Department, all purchases over \$100,000 require a formal RFP process and the involvement of the Purchasing Department. The Capital Projects Department will conduct the formal RFP process for purchases over \$100,000, however, the involvement of the Purchasing Department is not a requirement. It is at the discretion of the Director of Capital Projects in conjunction with the Director of Purchasing as to whether the involvement of Purchasing is appropriate for any particular project.

Prior to making purchases over \$100,000, the Purchasing Department must determine whether: a) an appropriate contract exists and under which the product/service can be purchased, or b) the product/service can be grouped with another transaction to realize additional cost savings.

Prior to soliciting bids, the requesting department must contact the Purchasing Department to initiate the process. The first step will be a meeting with all internal stakeholders to discuss the requestor's requirements and next steps. The requestor will provide the Purchasing Department with all relevant information regarding the required goods/services, timing, budget, and suggested vendors. The Purchasing Department will collaborate with the requestor to create the RFP.

It is highly recommended that no less than three legitimate vendors receive an RFP. In any case where bids are obtained from less than three vendors, the rationale shall be documented by either the Requestor or the Purchasing Department. (See below for record retention requirements.)

Once the RFP is written, in the majority of cases, the Purchasing Department will be the single point of contact with bidders for distributing the RFP, receiving inquiries, and distributing answers to questions. The Purchasing Department will also be the recipient of final proposals from bidders and will provide a tabulation of bids for the requestor's review and evaluation. Once a bidder has been selected, the Purchasing Department will remain the primary point of contact with the bidder and will facilitate negotiations and finalization of the contract.

IV. Requirements: Grant-funded Purchases

Purchasing goods and services that use grant funds must be handled under the Federal regulations outlined in the federal register. While Federal regulations have guidelines based on the dollar amount of the purchase, the internal bid policies of an organization may also come into play. If the Federal regulation and internal policy have different spending limits, grant purchases must follow the guidelines with the lowest spend level.

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The Federal statute requires purchases of \$5,000 or greater, and with a useful life of over one year, to be capitalized. However, RWU's internal threshold for the capitalization of purchases is \$3,000, therefore, RWU must follow its internal policy. Federal regulations also require that we obtain three quotes for purchases equal to or greater than \$3,000.

Similarly, the RWU bid policy requires a formal RFP process for purchases equal to or greater than \$100,000, however, the Federal regulations require a formal RFP process for purchases greater than or equal to \$25,000. This means that RWU must follow a formal RFP process for grant purchases equal to or greater than \$25,000.

In summary, RWU must follow the guidelines below for grant-funded purchases:

Below \$3,000: competitive quotes are not required.

\$3,000: three quotes are required.

\$25,000 and above: a formal RFP process is required.

Federal guidelines allow for exceptions when alternate sources are not available or not feasible. Justification for these purchases may follow the organization's internal no-bid justification process. Details on RWU's no-bid process are detailed below in the section "Special Circumstances".

V. Special Circumstances

A. Sole Source

A sole source purchase is one where a good or service is only available from a single source. This situation makes it impossible to obtain competitive bids. Potential scenarios for sole source purchases include but are not limited to:

1. Vendor is the only authorized distributor/provider for the area
2. Item is special research equipment that is manufactured only by one vendor
3. Vendor is the only service provider for existing equipment or software
4. Vendor is the only provider for this brand of equipment, software or service, where such brand and/or expertise relates to existing Roger Williams University equipment or software

Written documentation is required on all sole source purchases with an aggregate expenditure in excess of \$7,500. When requisitioning goods or services from a sole source, the requisitioning department shall complete the Sole Source/No Bid Justification Form and furnish documentation to

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Purchasing to justify why the technical characteristics inherent in the item make it essential to purchase the particular good or service from the sole source vendor.

B. No-bid

A no-bid purchase is one where multiple vendors exist, however, there is a compelling reason to use a specific vendor, consultant, or manufacturer without going out to bid. The circumstances under which a no-bid procurement may be authorized include:

1. An emergency purchase necessary to protect the safety of RWU personnel or students, or to protect existing property from immediate damage or loss. Such emergency sole source procurement decisions will be made only at the discretion of the applicable department or division Vice President.
2. An urgent need to maintain or restore University operations. Examples include issues resulting from inclement weather, breakdown of HVAC equipment, power outages, water emergencies, and breakdown of essential vehicles.
3. A purchase needed immediately in support of an ongoing RWU function or operation (e.g. graduation) which could not have otherwise been anticipated.
4. The nature of the product or service requires continuity or knowledge that is held only by the vendor that previously supplied similar products or provided similar services. This also applies in circumstances where previous work or products need to be reworked, removed, or replaced, and the work is best done by the original vendor.
5. The equipment, parts, or service must be sourced from the local/regional distributor designated by the OEM.
6. A prior and recent RFP demonstrates that the selected vendor has competitive pricing and that the vendor should be used for continuation of a similar products or service.

In those cases where a no-bid purchase must be made, the authorization to do so rests solely with the department head who will complete the Sole Source/No Bid Justification Form and furnish documentation to Purchasing to substantiate that one of the two conditions above are met. In that instance, the department will use all diligence necessary to ensure that the cost of the goods and service procured is fair and reasonable.

C. Existing Contracts

Bids are not required for purchases that are made as part of an existing contract. The OGC contract number under which the goods or services are being purchased should be referenced in the Purchase Requisition. The Purchasing Department can assist requestors in identifying contract numbers.

D. IT Purchases

It is recognized that IT projects can have multiple technical considerations in relation to obtaining bids from multiple vendors. The follow areas are specified:

1. VAR (Value Added Resellers): It is inherent in VAR sourcing that we are getting the lowest possible pricing from the manufacturers with whom our vendor holds the VAR relationship. As such, multiple bids are not required from VAR's for products that are made by the specific manufacturer with whom they hold the relationship. The Purchasing Department shall maintain a current list of all VAR's. Vendors who carry products from multiple manufacturers may not be a VAR for all of them. Multiple quotes must be obtained for products/manufacturers that are not within the VAR agreement.
2. IT Projects: Multiple-year but finite projects to install new or upgrade existing equipment may require the use of the same vendor for the course of the project to ensure continuity and consistency. Multiple bids are not required for the selected vendor throughout the course of the project. The Purchasing Department shall maintain a current list of defined projects including project duration, selected vendors, and types of products expected to be purchased from vendors.
3. Preferred vendor relationships: Multiple bids are not required when preferred vendor relationships exist. The Purchasing Department shall maintain a current list of preferred vendors including supporting information or explanation as to why the vendor was selected. Also included on the list should be the date on which the preferred vendor relationship either ends or should be re-evaluated, or, any circumstance which would require the relationship to be reviewed, i.e., expiration of a contract with a consortium.

VI. Indefinite Delivery / Indefinite Quantity (ID/IQ) Master Agreements.

With the authorization and oversight of the Director of Purchasing, certain departments may enter into ID/IQ contracts with selected vendors for the procurement of routine goods and services on a recurring basis. ID/IQ's are for short term, relatively minor, design and construction projects, and may be used under the following conditions:

1. The ID/IQ solicitation or RFP must be broadly advertised so as to result in a minimum of 6 proposals from comparable suppliers. Multiple ID/IQ contracts are awarded for each category of ID/IQ awarded (e.g. landscaping and minor site work).
2. The department will draft a selection criteria to evaluate each proposal received. The ID/IQ vendor selection criteria must be weighted 50% or more on the generic price proposal / schedule of fees included with the proposal.
3. Each ID/IQ vendor must execute a master agreement contract, the terms and conditions of which are incorporated by reference into each purchase order awarded under the ID/IQ agreement.
4. The cost for task orders assigned under the ID/IQ agreement will be based on the competitively bid schedule of fees included in the ID/IQ proposals and subsequent contract.

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5. The intent of the ID/IQ agreement is to streamline procurement and standardize contracts, however, when possible the department making the purchase under the ID/IQ will solicit bid proposals from two or more ID/IQ contract holders, prior to issuing the purchase order.

Some examples of recent projects that are appropriate for the use of ID/IQ's include bathroom renovations, renovation of a building envelope, repairs to the parking garage, sports field improvements, and furniture replacements. ID/IQ's are not for major capital projects. The determination of whether or not the use of an ID/IQ is appropriate lies with the Project Director.

VII. Additional Information

To ensure objectivity and eliminate unfair competitive advantage, suppliers (i.e., vendors) who participate in the preliminary planning or development or drafting of specifications, requirements, requests for quotes or proposals must be informed in writing prior to such assistance that the information they develop will be shared with all potential bidders, and that they will be required to submit a full proposal for the goods or services and be subject to the same selection and award criteria as others submitting proposals.


To avoid potential conflicts of interest, no employee, officer, or agent of the College should participate in the selection, award, or administration of purchases or contracts in which, to his or her knowledge, the employee, immediate family, or partner has a financial interest in the supplier's organization.

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 competitive sources.

Per the *Roger Williams University Records Retention Schedule, Section VI(E), Office of Purchasing*, RFP's and Bids must be retained for 7 years. The records are retained by the Purchasing Department.

Approved and Adopted

President

 ON BEHALF OF ANNA WOODWARD
6/26/19

Date: _____

Considered by:

(X) President's Cabinet, 6/26/2019

() Other _____

(X) Approved by Office of General Counsel, 6/26/2019