



# RESEARCH CORPORATION OF THE UNIVERSITY OF GUAM

## RCUOG PROCUREMENT GUIDELINES AND PROCEDURES

All persons engaging in purchasing and purchasing-related activities shall conduct business dealings in a manner that is above reproach in every respect. Expenditures should be customary and reasonable in the conduct of RCUOG business. Questionable disbursement requests will be submitted to the RCUOG Executive Director for review and approval.

The PI will serve as his/her own purchasing agent and will avoid purchasing unnecessary items. All procurement transactions must be conducted in a manner providing full and open competition, consistent with CFR Procurement Standards 200.317 through 200.326.

### **Procurement Officer**

The RCUOG Chief Business Officer will serve as the RCUOG Procurement Officer. The Procurement Officer ensures that RCUOG purchases follow RCUOG procurement policies as well as federal regulations applicable to grants and contracts, including but not limited to OMB Circular A-21 and CFR Procurement Standards 200.317 through 200.326.

The UOG Procurement Office will serve as a resource in providing advice on proposals, bids and identification of vendors, when requested.

NOTE: New thresholds will be effective for Federal awards after December 26, 2014.

### Summary of Procurement Methods and Solicitation Requirements

#### **1. Micro-purchase: \$3,500 and below**

Requirement: Solicitation of one quote is allowed if price is considered reasonable. Additional quotes are encouraged.

Acceptable Quote Documentation: (a) Facsimile quote, (b) Written quote provided by vendor, (c) Memo documenting oral quotation by vendor – must include vendor name, vendor representative, date and amount of quote, or (d) Internet printout of price list. If asked by the RCUOG Procurement Officer, Requestor is responsible to establish price reasonability as per #8.

#### **2. Small purchase: between \$3,501 and \$150,000**

Requirement: Require no less than three written quotes from vendors. This generally requires that specifications be emailed/faxed to at least three vendors. Award shall be made to the lowest responsible and responsive bidder.

Acceptable Quote Documentation: (a) Facsimile quotes, (b) Written quotes provided by vendors, (c) Internet printout of three price lists, or (d) Facsimile/email confirmation to show solicitation was sent to a non-responsive vendor.

Procedures for Micro-purchase and Small Purchase Thresholds

**1. Requestor**

- a. Determine supplies or services needed
- b. Solicit required number of quotes and select a vendor (for purchases falling under the micro-purchase and small purchase thresholds)
- c. Create on-line requisition order
- d. Forward/email required documentation (quotes or memo) to RCUOG office

**2. RCUOG Office**

- a. Perform compliance review and funds certification for the purchase
- b. If noncompliant with contract/grant/procurement requirements, return to requestor for more information or additional documentation
- c. If compliant, requisition is approved and purchase order is created
- d. Approved purchase orders are forwarded to requesting department

**3. Competitive sealed bidding: Purchases above \$150,000**

- I. Requirement: Invitation for Bid (IFB) shall be mailed, emailed, or furnished to a sufficient number of vendors to secure competition. Competitive bidding shall follow procurement standards set forth in the Federal Register Vol.78, No.248, CFR Procurement Standards 200.320 ( c ) and the following Sealed Bid Process:
- II. Acceptable Quote Documentation: Sealed bid packages received by RCUOG Office
- III. Bids above \$150,000 must be afforded adequate public notice at least Fifteen (15) days before bid due date. Bids must be solicited from an adequate number of known suppliers. Vendors have (15) working days to respond from the date of notice (unless unusual circumstances prevail; reason must be documented). The IFB must be posted on the RCUOG website fifteen (15) days before the due date and must include:
  - a. Offeror contact information
  - b. Specifications and pertinent attachments
  - c. Definition of the items in order for the bidders to properly respond
  - d. Submission deadline and decision timeline
  - e. A statement that only written IFBs will be accepted
- IV. Bids submitted after the deadline will not be accepted.
- V. Pre-bid conferences may be scheduled as necessary. Pre-bid conference information will be contained in the bid packet.
- VI. The RCUOG Procurement Officer may extend the deadline for submission beyond 15 days of public notice. Deadline extension must be documented and posted on the RCUOG website.
- VII. Receipt and Handling of IFB submissions
  - a. Bids and modifications shall be time stamped upon receipt and held in a secure place until the established due date.
  - b. Bids must be opened publicly at a location specified in the IFB. The bids are opened, recorded and examined.
- VIII. Evaluation and Award Process
  - a. The Evaluation Committee may seek clarification from bidders.
  - b. Once information in the bid is clarified, the bids are evaluated and compared.

- c. The Bid is awarded to the responsible, responsive bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
- d. An evaluation report which includes a price analysis will be signed by the Evaluation Committee chair and submitted to the RCUOG Executive Director for approval.
- e. A notification of award will be sent to successful bidder within ten days of the approval of the evaluation report to the RCUOG Director.

**4. Competition selection procedures for Request for Proposals for professional services above \$60,000 (architecture, engineering, land surveying, accounting, etc.)**

- I. Requirement: Requirements for services will be in the form of a Request for Proposal (RFP). Competitive RFPs shall follow procurement standards set forth in the Federal Register Vol.78, No.248, CFR Procurement Standards 200.320 ( d ) and the following RFP Process:
- II. Adequate public notice shall be made at least Fifteen (15) days before the proposal due date. Proposals must be solicited from an adequate number of companies/individuals known to deliver the required service to secure competition.
- III. Acceptable Quote Documentation: Proposals submitted by vendor to the RCUOG Office.
- IV. Offerors have (15) working days to respond from the date of public notice (unless unusual circumstances prevail; reason must be documented). RFPs must be posted on the RCUOG website fifteen (15) days before the due date and must include:
  - a. The type of services required
  - b. Type of contract to be used
  - c. Description of the work involved
  - d. Expected start date and duration of services
  - e. Submission deadline
  - f. A statement that only written RFPs will be accepted
  - g. A statement indicating that price quotes for proposals must be submitted in a separate, sealed envelope to be opened only after the proposals have been evaluated
  - h. A statement that offerors may designate portions of the proposals which contain trade secrets or other proprietary data to remain confidential
  - i. A statement regarding the minimum information proposals must contain including:
    - i. Offeror contact information and principal place of business
    - ii. The abilities, qualifications, and experience of all persons assigned to provide the required services
    - iii. Description of past performance on similar contracts
    - iv. Detailed plan explaining how the services will be performed
  - j. Evaluation factors.
- V. RFPs submitted after the deadline will not be accepted.
- VI. Pre-RFP conferences may be scheduled as necessary. Pre-RFP conference information will be contained in the bid packet.
- VII. Questions from offerors will be accepted in writing by the RCUOG Procurement Officer up to five (5) days before the submission deadline. Responses will be shared with all offerors.
- VIII. The RCUOG Procurement Officer may extend the deadline for submission beyond 15 days of public notice. Deadline extension must be documented and posted on the RCUOG website.
- IX. Receipt and Handling of RFP submissions

- a. Proposals and modifications shall be time stamped upon receipt and held in a secure place until the established due date.
- b. RFP submittals must have pricing included in a separately sealed envelope.
- c. Proposals shall not be opened publicly nor disclosed to unauthorized persons but shall be opened in the presence of two more members of the Evaluation Committee.

IV. Evaluation and Award Process

- a. Proposals are ranked by the Evaluation Committee.
- b. Once the ranking process is complete, the committee will open the #1 ranked most qualified proposer's pricing envelope.
- c. An evaluation report which includes a cost analysis and the outcome of any pricing negotiation with the proposer will be signed by the Evaluation Committee chair and submitted to the RCUOG Executive Director for approval. If the Evaluation Committee and the offeror cannot agree to a price, then the next highest ranked proposal's pricing envelope will be opened and negotiations will ensue.
- d. A notification of award will be sent to successful offeror within ten days of the approval of the evaluation report to the RCUOG Director.

**5. Sole source/noncompetitive procurement**

I. Requirement: All sole source procurements require written justification as to why no other bidder will be suitable or acceptable to meet the need. A sole source procurement must be approved in writing by the RCUOG Executive Director before an item is procured and must adhere to CFR 200.320. Sole source procurements are allowed only in the following situations: (a) compatibility of equipment, accessories, or replacement parts is of paramount consideration; (b) sole supplier's item is needed for trial use or testing; (c) sole supplier's item is to be procured for resale; (d) public utility services are to be procured; (e) supplies are offered through bankruptcy or receivership sales, or other disposition at lower than prevailing market prices; (f) public exigency or emergency declared by the Governor of Guam will not permit a delay resulting from competitive solicitation; (g) the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the PI; (h) after solicitation of a number of sources, competition is determined inadequate by the Procurement Officer.

II. Acceptable Quote Documentation: (a) facsimile quote, (b) written quote provided by vendor, (c) internet printout. All must include approved sole source justification.

Source: Federal Register and Procurement Policy

III. Competition: All solicitation must contain clear and accurate description of the technical requirements for the material, product, or service procured and identify all requirements which offerors must fulfill and all other factors to be used in evaluating bids or proposals. All prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.

**6. Establishing a Pre-qualified Pool of vendors for a specific product/service/material or for unspecified quantity purchases**

The RCUOG may establish a pre-qualified pool of vendors for a specific product(s), service or material using the following process:

- I. RCUOG must post a Request for Information (RFI) soliciting a specific product(s), service, or material on its website for a period of fifteen (15) days. A submission deadline will be included in the RFI. To ensure maximum participation, the RFI should be sent via email or fax to multiple offerors. In addition to the website posting, RCUOG may decide to announce via a media or social media outlet to ensure maximum participation.
- II. The RFI must contain clear and accurate description of the requirements for the material, product, or service procured and identify all requirements which offerors must fulfill in order to participate in the pre-qualified pool.
- III. All offerors who submit their required documents prior to the published deadline and who meet RCUOG requirements may qualify to participate in the pre-qualified pool.
- IV. All prequalified lists of persons, firms, or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and free competition.
- V. All offerors in a pre-qualified pool will be utilized on a rotating basis by RCUOG when making purchases for specific product(s), service or material as indicated in the initial RFI.
- VI. Each pre-qualified pool must be updated on an annual basis.

#### **7. Composition, Roles and Responsibilities of a Bid Evaluation Committee**

The Bid Evaluation Committee is an ad hoc committee comprised of a minimum of three individuals including the principal investigator who initiated the bid, an RCUOG administrator, and an administrator from the UOG unit that initiated the bid. Other RCUOG or UOG administrators and faculty may be invited to sit on the Bid Evaluation Committee to provide expertise as warranted. Administrators and employees in the UOG Procurement Office may also be invited to sit on a Bid Evaluation committee as necessary.

Roles and responsibilities include ensuring that the Bid was conducted in a manner providing full and open competition as specified in CFR Procurement Standards 200.317 through 200.326.

#### **8. Price and Cost Analysis for Evaluation Purposes**

Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices, and discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

##### I. Price Analysis for Bids

Price analysis is the process of determining whether the price is reasonable and acceptable. The analysis should include an evaluation of price for the same or similar products or services, details of the research conducted, details of negotiations with the vendor or contractor, or details of other efforts made by the program to validate price reasonableness. Price comparisons, not limited to the following, may be used in the price analysis:

- a. Comparison with bids in the current procurement action
- b. Comparison with prior price quotations for the same or similar items or services
- c. Comparison with a published catalog price or published price list (a vendor's quotation or correspondence does not qualify as a published price list)
- d. Comparison with prices available on the open market
- e. Comparison with an in-house estimate (e.g., the cost of the work if performed by own staff) or an independent cost estimate (e.g., cost review by a third party expert)
- f. Comparison with prevailing rates in the industry

- g. The price analysis must be documented and attached to the purchase order

**II. Cost Analysis for RFPs**

Cost analysis is the process of reviewing and evaluating each element of cost to determine reasonableness, allocability, and allowability. In the analysis, consider the following:

- a. Specific elements of cost
- b. The necessity for certain costs
- c. The reasonableness of amounts estimated for necessary costs
- d. The reasonableness of allowances for contingencies
- e. The basis used for allocation of indirect costs
- f. The appropriateness of allocations of particular indirect costs to the proposed contract
- g. The reasonableness of the total cost

Generally, cost analysis, rather than price analysis, is used to evaluate offered prices for complex procurement actions, or when comparative data to perform a price analysis does not exist. These comparisons are documented in a memo from the Principal Investigator to the Chief Business Officer who must approve the fair and reasonable cost.

**9. Appeal Process**

An offeror may appeal a decision made by the IFB or RFP Evaluation Committee by following the Appeal Process.

**Step One**

The offeror must submit their appeal in writing to the RCUOG Executive Director within ten days of the bid award notice. The offeror must specifically cite the section of the RCUOG procurement policy which they feel has been unfairly applied.

The RCUOG Executive Director must respond to the appeal in writing within 10 days of the filing of the appeal. The Executive Director will only consider the issue stated in writing and will not consider any new issues.

**Step Two**

If the offeror does not accept the decision of the RCUOG Executive Director, the offeror may submit a second appeal to the Chair of the RCUOG Board of Directors within 10 days of receiving the appeal response from the RCUOG Executive Director.

The Chair of the RCUOG Board of Directors may call an ad hoc committee to respond to the appeal comprised of three RCUOG administrators or RCUOG Board Members of his choosing. The committee will only consider the original issue stated in writing and will not consider any new issues. The Chair will respond in writing to the appeal within ten working days. The Chair of the RCUOG Board of Directors decision is final. The process ends.

**10. Contracting with Minority Businesses and Women's Business Enterprises**

CFR Procurement Standards 200.319 (b) prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals. However, CFR Procurement Standards 200.321 specifies that RCUOG must take necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. These steps are indicated in CFR Procurement Standards 200.319.

Local purchases are encouraged where possible. Local procurement preference shall apply to local funds as specified in 5 GCA Section 5008.

**11. Cancellation of an RFP or Bid**

RFPs and IFBs may be cancelled due to lack of funding, lack of an adequate number of respondents, when public notice timelines were not followed, or other reason documented by the Procurement Officer. If an RFP or IFB is cancelled, RCUOG will notify those offerors who responded to the RFP or IFB of the cancellation. Public notice of cancellations will also be posted on the RCUOG website.

**12. Rejection of Bid or Proposal**

RFPs and IFBs may be rejected if they do not contain the basic information as stated in #3 and #4 above.