

USF Institute of Applied Engineering (IAE)

Policy Number: 400-02	Supersedes: New
Approval: USF IAE BOD 11/6/2018	Subject: Competitive Pricing and Supplier Diversity Policy
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I. PURPOSE

Competitive pricing is the standard to assure that an organization obtains commodities, goods and services at the best possible price with an appropriate level of quality. At the same time, as the University of South Florida System continues to grow, greater business opportunities exist for minority-, women-, and veteran-owned business enterprises. A diverse supplier base contributes to economic progress and strengthens the community.

II. POLICY

A. COMPETITIVE PRICING - IAE adopts the following thresholds and procedures to serve as a framework for competitive pricing pursuant to IAE Policy 400-01 (Signature Authorization).

Less than \$5,000 - Formal written price quotes are not required for the purchase of commodities, goods or services amounting to less than \$5,000. Verbal quotes are to be documented in the purchase order request process.

\$5,000 to \$25,000 - The purchase of commodities, goods or services with a value greater than or equal to \$5,000 and less than \$25,000 must have at least two quotations in either verbal or written form. Verbal quotes are to be documented in the purchase order request process. Selection will be based on the best combination of qualifications, relevant experience and fee as determined by a Manager (example, Chief Financial Officer or Contracts Manager) or higher level management position.

\$25,000 to \$100,000 – The purchase of commodities, goods or services with a value greater than or equal to \$25,000 and less than \$100,000 requires at least three written quotations. Selection will be based on the best combination of qualifications, relevant experience and fee as determined and documented by the IAE Executive Director or higher-level leadership position.

\$100,000 and Greater - No purchase of commodities, goods or services may be made when the purchase price is greater than or equal to \$100,000, unless based upon competitive bids except when made as a documented single source or emergency purchase. Purchases may not be divided or subdivided for the purpose of circumventing the intent of the bid requirements. The following competitive bid guidelines are offered when soliciting quotations from potential bidders:

- Each potential bidder must receive the same information and business requirements. Be as specific as possible with requirements. Include manufacturer name and part number if available, a complete description of desired product(s) and/or services, the delivery location and required-by date.
- Obtain at least three quotations from competent sources of supply.
- Provide a contact name, phone number and e-mail address for suppliers that may have questions regarding the request or requirements.
- Clearly define bid submission instructions and submittal day and time.

Selection will be based on the best combination of qualifications, relevant experience and fee as determined and documented by the IAE Executive Director or higher-level leadership position.

Request to Waive the Competitive Bidding Requirement - The competitive bidding requirement can be waived for a purchase of products or services when the product or service is available from only one supplier, thereby exempting the purchase from the otherwise required competitive bid policy. This is done under exceptional and limited circumstances. Even though there may not be an opportunity to competitively bid the requirement, a formal request for quotation should still be sent to the supplier. This request acts in the same way as a formal competitive bidding process is used, to obtain a formal price quotation including terms and conditions for the desired product or service.

In order to waive the competitive bidding requirement, the exemption requestor must provide a detailed written explanation as to why competitively bidding the product or service would be impracticable and that the cost charged by the supplier is reasonable and customary.

Conditions for Waiving the Competitive Bidding Process - A non-competitive purchase is any request, which, by the specifications needed by the requestor, restricts the purchase to one supplier or to one brand. Examples of non-competitive purchases include (but are not limited to):

- Equipment for which there is no comparable competitive product, for example, a one-of-a-kind centrifuge that is available from only one supplier.
- A component or replacement part for which there is no commercially available substitute, and which can be obtained only from the manufacturer.
- An item where compatibility is the overriding consideration, such as computer operating software enhancements for an existing system.
- A supply, equipment, part, service or supplier that, due to technically constraining factors associated with scientific research, are needed to ensure the fairness and validity of the underlying research.
- Repair/replacement parts for non-competitive equipment.
- Continuation of an existing contract when work is so closely related to that of the uncompleted basic contract that it would not be feasible to consider another potential contractor.
- Services for which divulging proprietary security processes to non-contracted providers would be necessary.

Submission of a request to waive the competitive bidding process does not indicate automatic approval. The IAE Executive Director or higher-level leadership position reviews and approves the request.

Request to Waive the Competitive Bidding Requirement - Emergency Purchase - Every attempt will be made to secure necessary items during an emergency situation. If the University President or the President's designee determines, in writing, that an immediate danger to the public health, safety, welfare, or other substantial loss to the University may occur, then a Research Foundation Director or higher level management position may proceed with authorizing the purchase without competitive bidding. The written description outlining the basis for the emergency purchase becomes a part of the file. Contact the IAE Executive Director prior to making a commitment.

B. SUPPLIER DIVERSITY - Inherent within these competitive bidding thresholds and procedures, IAE shall make a “good faith” effort in the utilization of diverse business enterprises, which include minority-, women-, and veteran-owned businesses, in all sourcing initiatives and purchasing events, to assist IAE in increasing actual spend with diverse owned suppliers. As such, IAE adopts USF Policy #5-030 Supplier Diversity, to provide a framework for supplier diversity implementation.

Distribution:

1. IAE Board of Directors
2. Staff

Policy Owner: This policy was developed by the IAE Executive Director. Any questions regarding this policy should be directed to 813-974-6557.