

Policies and Standards

<i>SECTION:</i> Department of Strategic Sourcing	<i>NO.</i> 3.5			
<i>CHAPTER:</i> Process	<i>ISSUED:</i> 1993	<i>REV. A</i> 02/07	<i>REV. B</i> 11/12	<i>REV. C</i> 04/19
<i>POLICY:</i> Bids & Quotations	<i>PAGE</i> 1 <i>OF</i> 4			

PURPOSE

To provide policy and procedure concerning the solicitation and due diligence of competitive bids (RFQ, RFP, RFI, and RFX). A full list of procurement definitions can be found at [Chartered Institute of Procurement and Supply](#).

SCOPE

This policy applies to all procurement transactions within the defined dollar limits. Refer to the [Buyer Action Matrix](#) for guidance.

POLICY

Creighton University requires competitive bidding and documentation for every project, good/s and or service/s purchase order total or invoice totaling \$10,000 and over. Two written quotes or sole source and justification are required for any purchase order total with an estimated value between \$10,000 and \$149,999. Purchase order totals with a total value of \$150,000 or more requires either 2 quotations, sole source and justification or formal Request for Proposal (RFP) based on the complexity of purchase. Strategic Sourcing involvement may be required. Sourcing will provide training and advice to departments/schools about how to appropriately conduct and manage the process of requesting quotes and forming RFP language.

Request for Quotes (RFQ) and Request for Proposal (RFP)

Requests for quotation or proposal are sent to suppliers under the following conditions:

- Capital equipment purchases
- Non-standard conditions, requirements, instructions, etc.
- Any occasion where more permanent documentation is advisable. Complete information should be provided including, but not limited to, quantity, description, delivery requirements, special conditions, drawings, specifications, date, information required, etc. If replies are to conform to a certain format, this should be spelled out. Thoroughness and an attempt to remove all known variables is essential.

When obtaining quotations and proposals, the requestor should keep in mind University supplier selection criteria ([Purchasing Policy 3.2](#)).

The requestor should provide answers to technical or general questions arising during the quotation period. The Department of Strategic Sourcing should coordinate the reply and ensure all potential suppliers are provided the same information.

Policies and Standards

<i>SECTION:</i> Department of Strategic Sourcing	<i>NO.</i> 3.5			
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<i>POLICY:</i> Bids & Quotations	<i>PAGE 2 OF 4</i>			

After all quotations have been received and reviewed, the requestor and the Sourcing administrator or the bid reviewer/s should make the determination of the most economical, acceptable quote. The lowest quoted price is not necessarily the best solution. The requestor, Sourcing administrator or the bid reviewer/s are responsible for doing a Total Cost of Ownership (TCO) analysis for all bids. Factors such as, but not limited to, may include shipping costs, payment terms, processing costs, maintenance costs and warranty. All of which may be considered important components of full TCO analysis.

The information gathered will be kept with the requisition instance as backup documentation. If the requisitioning department originated the quote documents, they should be forwarded to the Business Services Center or the Department of Strategic Sourcing for upload into the requisition instance in the eProcurement system.

Neither the Sourcing administrator nor any other University personnel should reveal to another supplier at **any time** the prices quoted or paid.

The act of selecting the quote or proposal that best suits the need of the University is one that requires judgment and experience. If the goods or services offered by each of the suppliers are equal and there were no other considerations, the selected supplier should be the most economical quote or proposal. However, all these factors are seldom equal, and many orders are, therefore, placed with other than most economical bidder for legitimate reasons. No set formula can be devised that can be applied to all products, for all orders.

The following factors in combination, not necessarily listed in their order of importance, will be considered in reviewing bids and awarding contracts:

- Prices
- Bidder's previous record of performance and service
- Ability of bidder to render satisfactory service in this instance
- Availability of bidder's representative to call upon and consult with our using departments
- Bidder's availability of special pricing programs or educational discounts
- Quality and conformance to specifications
- Acceptance of Creighton's terms and conditions
- Ability to meet Creighton's mission and strategic goals

Other Considerations

Other factors of importance may affect the decision as to which requestor and/or reviewer will receive the quote or proposal. Some of the more common factors are:

Policies and Standards

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<i>CHAPTER:</i> Process	<i>ISSUED:</i> 1993	<i>REV. A</i> 02/07	<i>REV. B</i> 11/12	<i>REV. C</i> 04/19
<i>POLICY:</i> Bids & Quotations	<i>PAGE</i> 3 <i>OF</i> 4			

- A. The University wishes to maintain alternative sources or dual supply. In these cases, the alternative supplier will usually be the second "best" quote or proposal evaluated or an incumbent supplier. The use of alternative sources for this purpose and the volume of purchase to be procured from each supplier involved should be reviewed.
- B. If an order is being placed with a new supplier, the requestor or Sourcing administrator may be reluctant to rely entirely on an untried supplier. The requestor may, therefore, split the order between the new supplier and an incumbent supplier previously used to assure that at least the minimum quantity required is available if the new supplier cannot deliver acceptable goods or services.
- C. The Sourcing administrator may require that the requesting department provide technical question and/or answers, so the Sourcing administrator can coordinate the reply and ensure all potential suppliers are provided the same information.
- D. After all bids are received and examined for completeness, a summary is prepared noting all pertinent data and discrepancies. Determination of the most economical and acceptable quote or proposal are made by the Sourcing administrator only after all aspects including the requesting department's preference are reviewed.
- E. Special consideration may be given to local, sustainable as well as women and minority-owned (MWBE) suppliers. Considering quote and proposal criteria are comparable to the "best" supplier.

The University reserves the right to reject any and all quotes or proposals, waive informalities and to contract in the best interests of the University.

PROCEDURES

- A. All Department of Strategic Sourcing requests should be submitted using the University's ticketing system to obtain quotations and proposals.
- B. A minimum of two suppliers is acceptable where applicable, providing the Sourcing administrator is familiar with the market and prices of the goods or services in question. In the case of proprietary items, more than one quote or proposal is often not possible and should be attached in the requisition utilizing the Sole Source and Justification Form.
- C. Notification/s will be sent by Sourcing administrator to all suppliers.
- D. Unless a specific exception has been obtained from the Sr. Director of Strategic Sourcing, quotes and proposals shall not be solicited from, nor any order placed with, any company that:
 - Is owned, controlled or actively influenced by any University employee or immediate relative of said employee.
 - Employs in a management, consulting or sales capacity any person who is a University employee.

Policies and Standards

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<i>POLICY:</i> Bids & Quotations	<i>PAGE</i> 4 <i>OF</i> 4			

- Employs in any capacity a University employee who is in a position to influence the selection of, or conduct business with, such supplier.
- Suppliers/Contractors that develop draft specifications, requirements, statements of work, or invitations for bids or requests for proposals for the University.

E. If circumstances warrant the solicitation of competitive bids inappropriate, the Department of Strategic Sourcing along with the requisitioning department's assistance shall document the facts in written form using the Single/Sole Source and Justification procedure ([Purchasing Policy 3.12](#)) and attach in the University's eProcurement requisition instance.

ADMINISTRATION AND INTERPRETATIONS

Questions regarding interpretation of this policy should be directed to the Sr Director of Strategic Sourcing.

AMENDMENT/TERMINATION OF THIS POLICY

The University reserves the right to modify, amend, or terminate this policy at any time.

REFERENCES TO APPLICABLE POLICIES

- [3.2 Supplier Selection](#)
- [3.12 Single/Sole Source Justification](#)

EXCEPTIONS

A department may request an exemption by following the University's single/sole source and justification policy.

VIOLATIONS/ENFORCEMENT

Any known violations of this policy should be reported to the University's Sr Director of Strategic Sourcing.