



## LOYOLA UNIVERSITY MARYLAND

— 1852 —

### **BID REQUIREMENT/SOLE SOURCE**

**DIVISION WITH PRIMARY RESPONSIBILITY:** Business and Finance  
**OFFICE FOR ENSURING COMPLIANCE:** Financial Services/Procurement  
**CONTACT OFFICE:** Procurement, [procurement@loyola.edu](mailto:procurement@loyola.edu)  
**EFFECTIVE DATE:** May 2, 2016  
**REVISION HISTORY:** N/A  
**SCHEDULED FOR REVIEW:** Annually

#### **POLICY SUMMARY**

This Bid Requirement/Sole Source Policy (Policy) provides requirements for competitive bids on goods and services purchased by Loyola University Maryland's (Loyola's or University's). This policy is necessary to ensure the proper and prudent use of Loyola's resources and compliance with federal, state and other external regulations.

#### **REASON FOR POLICY**

The purpose of this Policy is to provide departments, supervisors, other employees, and non-employees with specific guidelines covering the University's bid requirements. Agents of the University are responsible for the procurement of materials, equipment and services from the most reliable sources. The procurement process involves researching and negotiating with vendors to acquire the products at a competitive price, while considering quality, delivery and service. This Policy calls for obtaining the best bids based on price and other pertinent factors related to the specific purchase. The Policy explains the three threshold levels that have been established to promote competitive bidding and increase efficiency of the procurement process. The Policy also includes the process for making sole source purchases.

#### **STATEMENT OF POLICY**

##### **A. BID REQUIREMENT**

Good business practice and the responsibility for the expenditure of University funds requires the University to follow a policy of obtaining competitive bids/quotations. Purchases shall be made on the basis of competitive prices, considering quality, suitability (including local and MBE (Minority Business Enterprise)/WBE (Women's Business Enterprise)), delivery and service. University policy requires acceptance of the best bid. When determining the best bid, prices and other factors are to be considered. Authority to enter into agreements for the purchase of goods and services required by the University is delegated by the [Signature Authorization Policy](#).

To ensure objectivity and eliminate unfair competitive advantage, suppliers/vendors who participate in the development or drafting of specifications, requirements, requests for quotes or proposals must be excluded from competing for such purposes.

To avoid potential conflicts of interest, no employee, officer, or agent of the University 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.

The University reserves the right to reject any bids, waive informalities and award the contract in the best interests of the University.

## **1. Competitive Bid Requirements**

The following guidelines have been established to promote competitive bidding. Requestors should realize that these are minimum requirements and that bids should be solicited, whenever the goods or services can be purchased from several different, responsible suppliers.

### **a. Purchases up to and including \$9,999.99**

For purchases less than or equal to \$9,999.99, requestors should follow their own judgment in identifying potential suppliers. If the goods or services can be obtained from a [contracted/preferred supplier](#), it is required that the requestor purchase from this source.

### **b. Purchases over \$10,000**

All purchases over \$10,000 require at least three (3) quotations be obtained from suppliers if not utilizing a contracted/preferred supplier. All quotations must be in written form so they can be attached to the requisition. If there are limited sources of supply or the low bid is found unacceptable because of some factual circumstance, the purchaser should write a clear, concise, and factual justification for not accepting the lowest bid. If the requestor is unable to identify three suppliers, Procurement should be contacted prior to accepting an offer.

### **c. Acceptable Bid Process Exclusions**

There are a few circumstances and items excluded, in all or in part, from the competitive bid requirements. Certain situations which may justify purchases without following the competitive bid procedures are as follows:

- Items purchased from current University cooperative contract or pricing agreements.
- Emergency purchases when:
  - Human life, health or University property is in jeopardy
  - Repairs of equipment involving hidden dangers
  - Repairs are immediately needed for equipment whereby delay would lead to higher costs

The purchaser should submit a written, clear, and concise statement that justifies waiving the competitive bidding requirements.

**d. Sole Source Purchases**

A sole source purchase is one where a good or service can only be purchased from a single source. This situation makes it impossible to obtain competitive bids. The purchaser shall furnish documentation to justify why the technical characteristics inherent in the good or service make it essential to purchase from a single source. Some examples of appropriate justification for sole source purchases include, but are not limited to:

- Supplier holds a proprietary process or license
- Required compatibility with existing equipment or services
- Designated exclusive distributor for this product or service
- Maintain consistency of products during research testing
- Supplier is only provider who can meet the required timeline
- Start-up and orientation for new vendor is not cost effective given requirements

Written documentation of some form of price or cost analysis is required on all sole source purchases with an aggregate expenditure in excess of \$10,000. Appropriate documentation may include copies of published price lists, advertised pricing in established magazines, journals, and newspapers, and similar indices. Final responsibility in determining whether an item is a proprietary item and may be purchased from a sole source rests with Procurement.

**e. Solicitations for Quotes**

Solicitations for quotes shall set forth all requirements that the bidder must fulfill for their bid to be evaluated by the University. Solicitations should be based upon a clear and accurate description of the technical requirements. Complete information should be provided including, but not limited to, quantity, description, delivery requirement, special conditions, drawings, specifications, insurance requirements, bid due date and time. Specifications or requirements should not unduly restrict competition.

**f. Notification**

Unsuccessful bidders/vendors shall be notified that the bid is closed and awarded. It is not necessary to convey the name of the successful bidder to the unsuccessful bidder.

**2. Request for Proposal (RFP) Requirement**

The same requirements for bidding apply to an RFP process. Soliciting proposals from vendors for products and services that cannot be evaluated by cost alone may require an RFP. An RFP is required if the award results in a monetary contract with the University for more than twelve (12) consecutive months.

**a. RFP Components**

When drafting an RFP, purchasers should follow the University's RFP Guidelines to ensure fairness to vendors and consistency. Contact the office of Campus Services x5070 for additional information.

**SPECIAL SITUATIONS/EXCEPTIONS**

Exceptions to this Policy require written approval by a Vice President or his/her designee.

**DEFINITIONS:** None

**CROSS-REFERENCED POLICIES AND PROCEDURES:**

- [Signature Authorization Policy](#)