



University of Washington

Faculty Grants
Management
Program

Purchasing

■ Purchasing
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[Access the UW Purchasing website.](#)

I. External Regulations for Purchased Goods and Services

Primary Regulations	Regulated By
UNIFORM COMMERCIAL CODE	
Governs the actions of buyers and sellers, resolution of contract disputes	Legislature and courts
FEDERAL	
Prior approvals and contract flowdowns	Funding agency
Hazardous materials, controlled substances, radioactives	Various agencies
Employee (payroll) vs. independent contractor (purchase order)	IRS
Non-resident alien (foreign visitors)	INS
Imports and exports	Customs
Utilizing small, disadvantaged businesses	SBA
Debarred Vendors/Excluded Parties List	FAR
Foreign Terrorist Countries/Persons	Dept. of Treasury
STATE	
Ethics/conflict of interest	Legislature/Ethics Board
Bid limits	Legislature
Prohibition on contracting out services	Legislature
Public works/construction vs. purchased goods and services	Legislature/L&I
Consultants/personal services	Legislature/OFM
Computing/communications/video systems	DIS
Minority and women businesses	OMWBE
Travel expenses	Legislature/OFM
Payment/accounting procedures, segregation of duties	OFM/State Auditor
Delegation of authority to sign contracts	Legislature/Regents

II. Dollar Limitations

Confirming

Department chairs and directors are authorized to submit confirming purchase requests up to \$3,000 per order with some exceptions.

	Purchased Goods and Services	Computing / Communications	Personal Services / Consulting
Direct buy (no competition)	\$3,000 per order	\$10,000 per order	\$5,000 per year
Informal competition	\$3,000 - \$43,900*	\$10,001 - \$99,999	Up to \$20,000 per year
<i>* Statutory requirement to include at least one Minority Business Enterprise (MBE) and one Women's Business Enterprise (WBE) in each informal competition below \$43,900.</i>			
Formal competition	Over \$43,900	Over \$100,000**	Over \$20,000

Formal competition means an advertised solicitation (bid, request for proposal) issued by a Buyer in Purchasing; sealed offers must be received by the deadline for public opening.

*** Note: If 5-year project cost exceeds \$1 million, the project requires prior ITAC approval. If 5-year project cost exceeds \$1.833 million, the project requires prior DIS approval.*

Sole Source

Any non-competitive purchase over the direct buy limit requires documentation of:

- justification for limiting the purchase to a single source of supply; and
- analysis to show that the price is fair and reasonable.

III. Sole Source Guidelines

Information such as the following is needed to help justify and document each sole source purchase for the official public record:

Sole Brand

What are the reasons, other than cost, that you selected this product brand (or this service provider) over other brands (or services)?

Please note: even though there may be justification for selecting only one brand as acceptable, if that brand is available from several suppliers then a competitive solicitation must be conducted to select one supplier for the order.

Sole Source

“... clearly and legitimately limited to a single source of supply” (RCW43.19)

- Possible situations when you are purchasing more goods or services for an existing research program include the following (if these conditions apply, briefly describe):
 - upgrade or addition to match existing equipment/system;*
 - maintenance from original equipment manufacturer;*
 - continuity of research/experiment conditions;
 - medical-surgical-prescription.

** = Provide purchase order number on which existing equipment was purchased, or the equipment inventory tag number for reference.*

- To justify a sole source of a new piece of equipment or service contract not provided before, the following information may help substantiate the justification:
 - What are the unique features, functions, or capabilities of the item or service, that are required for your research?
 - What other manufacturers of this type of product (or providers of this service) have you considered? Please describe the way(s) they do not meet your minimum requirements,

and/or what other deficiencies their products have that would hinder your research. If no other manufacturers were considered, please describe the search process you used to determine that no other sources of supply exist for this product (service).

- What does not constitute a sole source justification? Some examples:
 - Price and delivery, such as special discounts or immediate availability, are never justifications for a sole source. There need to be technical or functional reasons for the sole source; otherwise if several vendors can meet the requirements, then price and delivery must be determined through a competitive process.
 - Equipment is listed in the grant or contract award. The funding agency may list a specific piece of equipment because it appeared in your proposal. This is not a sole source “justification.” If the funding agency **REQUIRES** that you acquire a specific product, then they need to state precisely that in a separate correspondence.

These are suggested as guidelines only and Purchasing Department Buyers are available to work with you to identify other kinds of information to document specific and unique sole source justifications.

IV. Considerations for Bidding

When the University conducts a competitive purchase, whether formal (advertised) or informal, it must ensure that it is an open and fair process, which permits all interested parties an opportunity to compete for the business. It is important to include small, minority, and women-owned firms in competitive solicitations, to the maximum extent possible. The Business Diversity Program staff in Purchasing can assist you with locating qualified firms. The state laws under which bids are issued allow for factors to be considered in making the award, in addition to price and delivery. The evaluation criteria can be as extensive as appropriate, depending on the nature of the item to be purchased. HOWEVER, the evaluation factors need to be stated in the bid specifications, so that all bidders know in advance the basis on which the award will be made. Some suggestions for areas to consider in working with the Buyer on the bid requirements:

- Service requirements. If you require certain levels of support or maintenance, these should be specified as minimums; if appropriate, you may wish to give additional consideration to bidders who can demonstrate that they exceed the minimums. Conversely, if you know that one or more potential suppliers has a (preferably documented) reputation for poor service, be sure to let the Buyer know this before the bid specifications are prepared, so that bidders will be required, for instance, to provide references from comparable installations, or whatever other information may be needed to evaluate their ability to meet your needs.
- Delivery requirements. There may be a need to coordinate the delivery schedule as part of an overall project, such as a laboratory remodel. Or, bidders may need to be aware of limited access routes or a need to provide rigging to move large instruments through your facility. Any special requirements like this need to be included in the bid, so that if there are any additional charges they are included in the bid price.
- “Brand name or equal.” This can be an effective technique for preparing bid specifications. For this to work, and still give suppliers of other brands the opportunity to compete, the specific, salient features or functions of the named brand must be identified. All bids will be compared for their ability to meet that list of requirements.
- Reasonable requirements. Whether listed as part of a “brand name or equal” specification, or part of a more generic description of the item to be purchased, your stated requirements must reflect reasonable and realistic needs related to your specific application or installation. Avoid using one manufacturer’s product specifications in order to provide exact numeric ranges of performance-- for instance, if you need to specify a weight or height limitation, state what the limitation is for the space in which the item will be used; do not specify the exact dimensions of one product that you know fits the space.

Bid specifications are generally unique to fit your requirements, so please work with the commodity Buyer to develop and refine the specifications for competitive purchases.

INFORMAL COMPETITION: not advertised. You and the Buyer select the vendors from whom you want to receive quotations. This is a minimum of three, and must include one minority business and one women-owned business. Quotations are received by the Buyer, but there is no public opening. Informal competition usually allows for a more expedited response.

FORMAL COMPETITION: The solicitation is advertised by the Buyer. Any interested party may request a copy of the bid documents and submit a bid. We try to allow at least two weeks for bidders to respond, and that may need to be longer for large, complex purchases. Formal sealed bids are opened publicly and read aloud. The award is predicated on the extent of evaluation factors and criteria, so a complex evaluation may take some time to complete.

During any competitive process, it is important that all communications with the bidders go to the Buyer only. The Buyer will ensure that all bidders receive the same information (by issuing a bid addendum). Information provided by anyone other than the Buyer will not be considered valid for purposes of evaluating and awarding the bid and such information, or the perception of providing it to one bidder and not to all, may result in bid protests which can significantly delay the award of an order.