

## **Bid Solicitations and Exemptions**

### **Bid Solicitation Requirements**

Per University Policy 3.25, Procurement and Payment Services (Procurement) is responsible for requesting quotations or proposals from suppliers at expenditure levels above \$25,000 (formal bid limit) or when specific fund types are used. Good purchasing practice dictates that requests for proposals and quotations to responsible suppliers effectively develop competition and guard against favoritism, improvidence and fraud. The primary purpose of competitive bidding is to insure and demonstrate that funding is being responsibly spent and equal opportunities are being extended to responsible suppliers.

When a unit has a need for a good or service that may cost more than \$25,000, the unit should contact Procurement. Procurement will assist the unit in developing specifications, identifying potential sources (vendors), and will issue all requests for bidding. During the competitive bid process, Procurement controls all information to ensure that all suppliers receive the same information. Supplier responses are kept confidential. Suppliers may receive general feedback on their response relative to other suppliers. New York state (NYS) appropriated funds are subject to public bidding.

Awards of bids are made on a best value basis. Lowest pricing award does not require any additional explanation. Awards made for reasons other than low pricing require documentation of the reasons for the award.

To request a bid solicitation, e-mail [procurement@cornell.edu](mailto:procurement@cornell.edu) with the specifications and potential list of vendors. Use the form available on the Bid Solicitation web page at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/bid-solicitation>.

This procedure is in compliance with State and Federal Regulations and is subject to University Policy 4.7, Retention of University Records. Procurement is responsible for issuing and maintaining all documentation relevant to quotations, bids, proposals and awards based on the bid thresholds below.

### **Bid Thresholds**

Competitive bidding occurs at many different levels in terms of dollars, formality and process. Requirements for requesting quotations, bids and proposals are determined by anticipated expenditure levels and fund type as described below:

#### **Less than or equal to \$25,000 (for all fund types)**

The responsible unit is encouraged to solicit competitive quotes, but it is not required. For orders using New York State appropriated funds, reasonableness of the price should be documented and maintained by the unit.

#### **Greater than \$25,000 and less than or equal to \$50,000 (for all fund types)**

Procurement will solicit from a minimum of three (3) responsible suppliers. Formal quotations will be requested only from those suppliers deemed qualified.

#### **Greater than \$50,000 (for all fund types)**

Procurement will solicit from a minimum of five (5) responsible suppliers. Formal quotations will be requested only from those suppliers deemed qualified.

## **Exemptions from Bidding**

For New York State appropriated funds, contact Procurement and Payment Services.

Bids will not be required when any of the following conditions apply:

### **State Contract:**

The acquisition of goods and services from New York State Contracts is exempt from bidding for any dollar amounts. The unit has the option to request bidding at their discretion and in consultation with Procurement.

### **Preferred Supplier Agreements:**

Procurement has Preferred Supplier Agreements with several vendors. These suppliers have participated in a competitive bid and negotiation process to establish pricing, service levels, and terms and conditions for a particular product or service category. The agreements are established based on the University's requirements for the particular product or service category (commodity).

Generally, orders issued to a preferred supplier preclude bidding. Contact [procurement@cornell.edu](mailto:procurement@cornell.edu) if you are working on an order that may exceed \$100,000. Request a quote from the preferred supplier and enter the information on the requisition. No additional paperwork is required. To view the complete list of preferred suppliers, please refer to the Procurement web site <https://www.dfa.cornell.edu/procurement/supplierlistview>. Additional information on each supplier is provided by clicking on the supplier's name.

### **Contract Supplier:**

These suppliers have participated in a competitive bid process and Procurement Services maintains a relationship through a formalized agreement. These suppliers may have been competitively bid by Procurement and Payment Services, New York State, or a group purchasing organization (GPO).

Generally, orders issued to contract suppliers preclude bidding. Contact [procurement@cornell.edu](mailto:procurement@cornell.edu) if you are working on an order that may exceed \$50,000. Purchase orders greater than \$25,000 will be reviewed by a procurement agent and may be bid at the discretion of the agent. A quote is required from the supplier. Enter the information on the requisition and submit the paperwork with the requisitions to Procurement Services.

### **Single Source/Sole Source Purchases:**

Where competition may not be feasible due to the single source or sole source nature of a commodity or a particular specification, a written justification is required and **reasonableness of price must be established**. Use the Single/Sole Source Justification form, which is available at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/source-justification>. This applies to purchases over \$25,000 for all funds. Additional procedures are required for New York State appropriated funds.

### **Local and Diverse Suppliers:**

In the interest of diversifying the university's supplier base and supporting the university's goals of inclusion, Cornell may, at the discretion of the Procurement Agent, purchase directly from local or certified diverse suppliers (as defined by the Small Business Administration) without soliciting competition. The Agent must take steps to ensure that the prices charged are reasonable and that the selection of the supplier assists in this mission.

### **Recycled Products:**

In the interest of meeting the University's goals of sustainability and environmental protection Cornell may, at the Procurement Agent's discretion, purchase recycled goods directly without

soliciting competition. The Procurement Agent must take steps to ensure that prices are reasonable.

**Emergency Orders:**

An emergency is defined as a critical situation which is an unanticipated and sudden occurrence which is life threatening, catastrophic in nature, or involves pressing necessity for immediate repairs, reconstruction, or maintenance in order to permit the safe continuation of a necessary use or function, or to protect the property or the life, health, or safety of any person. Orders may be issued in these emergency situations at the Procurement Agent's discretion without soliciting competition. Procurement Agents must take steps to ensure that prices are reasonable.

**Catering Services, Hotel/Event Space Rental, Hosted Events**

Selection of a service provider for catering or a venue for a hosted event are based on criteria which may include location, number of guests/attendees, hosting dignitaries, accessibility, parking, event budget, and so forth. These types of services typically do not lend themselves to bidding and as such are exempt from the bidding requirement. However, these services must use the appropriate contract and purchase order and the vendor must provide the necessary certificates of insurance as required. *These services are exempt from the bid limit unless contract, grant, or federal funds are used to pay for the service.*

**Human Resources Recruiting Services**

The Human Resources' Employment and Recruitment Center is responsible for approving all contracts for professional services with employment search firms. These firms offer a specialized service to meet specific criteria established by the college or administrative unit. *These services are exempt from the bid limit unless contract, grant, or federal funds are used to pay for the service.*

**Cornell Cooperative Extension (CCE) Association Services**

Purchase of extension association related services, requested by Cornell Cooperative Extension (CCE) Administration units, is exempt from the bidding requirement due to the nature of our land grant mission, including when contract, grant, or federal funds are used to pay for the services.

**Source (Vendor) Qualification**

A college or administrative unit may submit the names of prospective bidders (i.e., bidders list). Procurement will identify additional bidders if necessary to comply with bid requirements. Procurement will add or delete suppliers from a bidders list based upon factors including but not limited to size (which relates to the ability to provide and/or service the requirements), past performance, financial resources, quality assurance, technical capability, competitive pricing, customer service and through current research on available suppliers, including input from end users/units at Cornell. Only suppliers deemed qualified will be invited to participate in an RFP.

**Types of Bid Requirements (Solicitations)**

The following defines the types of bid solicitations used by Procurement. Information and results from RFP's, RFQ's & RFI's are Cornell University confidential. Responses to any of these types of bid solicitations may not be shared with parties outside of Cornell University, including vendors.

- **Request for Proposal (RFP)** – This is a formal invitation to vendors to submit a proposal to provide a product or service. The RFP contains project specifications, application procedures, and deadlines. The responses are evaluated based on dollar amount, quality, service, delivery, and other criteria as described in the document. Results may not be shared with parties outside of Cornell University, including vendors. For New York State appropriated funds, additional procedures and paperwork are required for RFPs over \$10,000. Results may be shared with parties outside of Cornell University, including vendors.

- **Request for Quotation (RFQ)** – This is an invitation to vendors, which is used to get pricing and delivery information for a list of items with a clear set of specifications. Results may not be shared with parties outside of Cornell University, including vendors. For New York State appropriated funds, additional procedures and paperwork are required for RFQs over \$10,000. Results may be shared with parties outside of Cornell University, including vendors.
- **Request for Information (RFI)** – This is an informal request. This is used to collect general information about suppliers or products and services. An RFI is used to gather information to help make a decision regarding the next step as needed in the process. The results of an RFI may be used to generate formal specifications for an RFP. Results may not be shared with parties outside of Cornell University, including vendors.
- **Invitation for Bid (BID)** – This is a formal invitation to vendors to submit a proposal (bid) on a specific goods or services. The vendors submit sealed bids which are opened in a meeting that is open to the public. The Invitation to Bid is used for expenditure of New York State appropriated funds when the purchase amount is greater than \$50,000.

### **Single Source and Sole Source Justifications**

These guidelines apply to all purchases greater than \$25,000 for all fund types, where competition may be restricted due to a variety of reasons such as technical specifications, proprietary information, method of distribution, or upgrades of existing equipment.

A **Single Source** is the one source among others in a competitive marketplace which for a justifiable reason has predominate qualifications for selection for contract award.

A **Sole Source** is the one and only source regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contract award.

### **Roles and Responsibilities**

It is the responsibility of the End User/Unit and the Procurement Agent to indicate the basis for awarding the purchase to a single source/sole source and to determine that the non-competitive price was fair and reasonable.

The *End User/Unit* will justify and document in writing, the reasons why competition may be restricted; and also provide information which establishes the reasonableness of the price (refer to the single/sole source justification form). The [Single/Sole Source form](#) should be completed, dated, and signed by the End User/Unit prior to attaching it to the requisition being submitted to Procurement Services.

*Procurement Services* will verify the justification and documentation and/or supplemental information provided by the End User/Unit. All single/sole source justification forms that identify using funding from grants, contracts, or federal funds may be routed to Sponsored Financial Services for review prior to the release of the purchase order.

The Single/Sole Source form and directions are available on the Procurement Services web site at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/source-justification>.