

TEXAS A&M UNIVERSITY-KINGSVILLE

Title: Bids and Quotations - Processing
Procedure No.: PP-070

Approved by:
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I. Purpose

To define procedures to be used by Buyers when requesting quotations.

II. Scope

This procedure applies to all purchases when bids or quotations are required.

III. General

Price quotes will be administered by the Procurement Office based on information submitted by the requisitioner.

Competitive bidding is employed to ensure responsive, reasonable and firm proposals. Generally three or more qualified suppliers will be solicited. Exceptions are made only in unique situations where such a bidding process would result in no apparent benefit to the University.

This procedure outlines the process of securing verbal or written quotations prior to the selection of a source.

A. In accordance with University purchasing policy, requests for quotation will not be solicited from prospective suppliers unless it is intended that an order shall be placed with the vendor if that vendor is responsive and responsible.

1. To the extent possible, investigations or informal surveys will be made prior to solicitations of quotations to determine if prospective suppliers have required resources and satisfactory performance experience.

2. Quotations are solicited only after a decision is made to procure items or, in special cases, when solicitation of quotations is authorized prior to decision if such action best serves the interests of the University (i.e., special project).

3. The solicitation of quotations in connection with new business ventures or in any other circumstance where a firm requirement does not exist, the Buyer shall make clear to prospective suppliers the intent of the request.

B. Supplier quotations must be in response to a request from Purchasing; unsolicited bids will not be considered.

C. Where a supplier is given the opportunity to re-bid, all competing suppliers must also be given an equitable opportunity to re-bid. Those conditions in which it is in the University's best interest

to allow re-bidding include, but are not limited to, changes in requirements or changes in the state of the art.

D. It is imperative that the supplier knows that:

1. Pre-contract discussions and agreements are preliminary;
2. Any agreements reached are tentative;
3. The University assumes no contract obligations to the supplier until a formal purchase order or letter agreement is executed, or authorization to proceed is given by the Buyer;
4. The University is not under any obligation to procure the items for which the negotiations are conducted, and any cost incurred by the supplier prior to the placing of the order is at the supplier's expense unless otherwise agreed to in advance by the Buyer and the supplier.

The Request for Quotation (Bid, Offer, Proposal) form will be used wherever possible. Utilization of this method will provide vital necessary documentation and efficient communication pertinent to competitive transactions.

The quote number will be cross-referenced to the final purchase order number. All communications or correspondence relative to each project must reference the quotation number.

The Procurement Office copy of the quote request will be filed with the purchase order.

IV. Informal Bids

Informal Bids may be taken when the value of the purchase is \$15,000.00 or less. Formal and Informal Bids cannot be mixed on one procurement. Generally, Informal Bids are verbal quotations and are used to expedite the delivery of goods and services.

The purchaser will contact at least three bidders, when possible; at least two of the three bidders must be a certified HUB.

The purchaser will document the name of the person contacted, the company name, and the bid amount. This documentation will be made a part of the file. A formal bid summary is not required.

V. Formal Bids

Formal Bids are used when strong documentation is required, when the specifications are better communicated in writing, or when a high degree of confidentiality is needed and when time permits. Formal bids will be prepared using the University standard bid form and shall be accompanied by the University General Terms and Conditions. Formal bids are required on purchases greater than \$15,000.00.

All Formal Bids will be prepared by Procurement and General Services. At least three bidders will be contacted for purchases expected to be greater than \$15,000. When possible, at least two of the three bidders must be a certified HUB.

Formal Bids will be publicly opened at the time and place indicated on the Invitation for Bid. The following persons may officiate at the opening: Vice President for Finance & Administration, Assistant Vice President for Finance & Administration, Director of Procurement and General Services, Assistant Director of Procurement and General Services, Purchaser, or Buyer. A

witness, usually one of the purchasing office staff members, will witness the bid opening. The witness will record the bids as opened and prepare a written bid summary. The bid summary will serve as the official bid log of responses.