

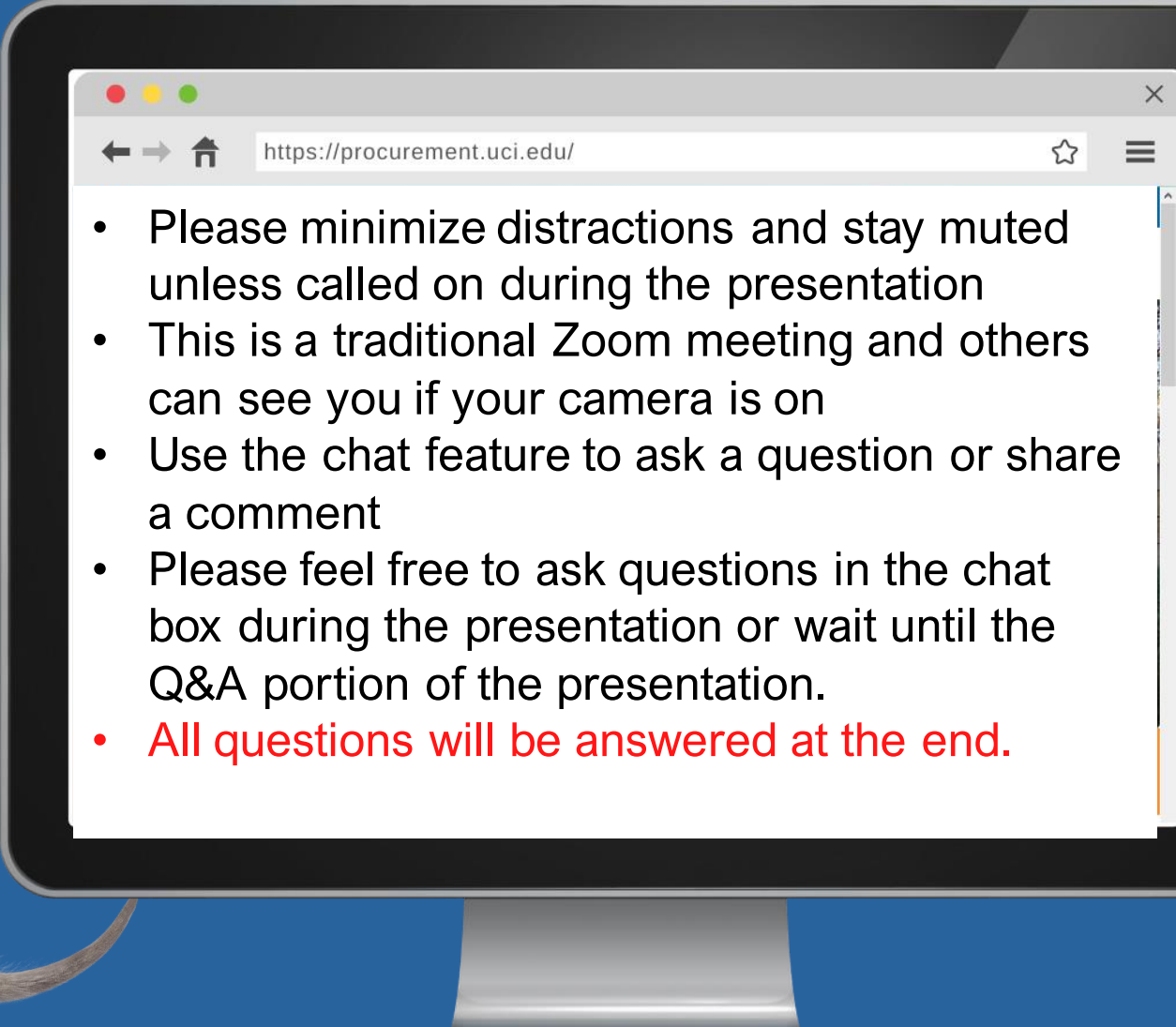
Welcome and thank you for joining!

This session will begin shortly.

THIS SESSION IS BEING RECORDED

and will be available on the Procurement Services website at: procurement.uci.edu.

We'll email you when it's available!

- 
- The monitor displays a browser window with the URL <https://procurement.uci.edu/>. Below the address bar is a list of five bullet points providing instructions for the meeting.
- Please minimize distractions and stay muted unless called on during the presentation
 - This is a traditional Zoom meeting and others can see you if your camera is on
 - Use the chat feature to ask a question or share a comment
 - Please feel free to ask questions in the chat box during the presentation or wait until the Q&A portion of the presentation.
 - **All questions will be answered at the end.**

A stone wall sign for the University of California, Irvine. The sign is made of light-colored stone blocks and features the university's name in large, dark, serif letters. To the left of the name is a circular seal of the University of California. The sign is set against a background of green trees and a clear blue sky. In the foreground, there is a field of tall, green grasses.

University of California, Irvine

Competition & Completing the Source Selection & Price Reasonableness Form

*Procurement Services Department Buyer Training Session
Tuesday, July 25, 2023*

UCI Division of Finance and Administration | With U • For U

Procurement Training

Robust **training guides** are available on the Procurement website and can be accessed from the top of our website.

UCI | [DFA | With U - For U](#) | [About Us](#) | [FAQs](#) | [Policies](#) | [Forms](#) | **[Training](#)** | [Trademarks](#) | [For Suppliers](#)

UCI Procurement
Services



In addition to the PDF training guides, you may find our interactive online courses on UCLC. You can also request personalized individual or group training available via Zoom or in person.



Capital Asset



PALCard



UCIBuy



Requisition



Purchase Order

Procurement Training

Table of Contents

How to: Enter a KFS Requisition	1
Step 1: Access the Portal	1
Step 2: Document Header displays information to assist in retrieving or tracking a Requisition.	1
Step 3: Document Overview Tab	2
Step 4: Delivery Tab	3
Step 5: Vendor Tab	3
Step 6: Items Tab	5
Step 7: Capital Asset Tab	9
Step 8: Additional Institutional Info Tab	15
Step 9: Notes and Attachments Tab (if applicable)	15
Step 10: Calculate and Submit the Requisition	16
Step 11: Reload	17
Step 12: Route Log Tab Tutorial	17
How to: Perform a Search in KFS	19
Building Lookup	20
Vendor Lookup	20
Commodity Code Lookup*	21
Search Hints	22
Account Lookup	22
How to: Set up a Recurring Payment Requisition	25
Recurring Payment Guidelines	25
Multi-Year Contracts	25
Document Overview Tab	25
Delivery and Vendor Tab	25
Items Tab	25
Payment Info	26
Notes and Attachments Tab	26
Calculate and Submit the Requisition	26
How to: Copy a Requisition	27
Step 1: Copy the Requisition	27

In addition to our guides and micro-learnings, you can request a **one-on-one session** conducted via Zoom for a more personalized learning experience.

Please contact procurement@uci.edu.

Today's Agenda

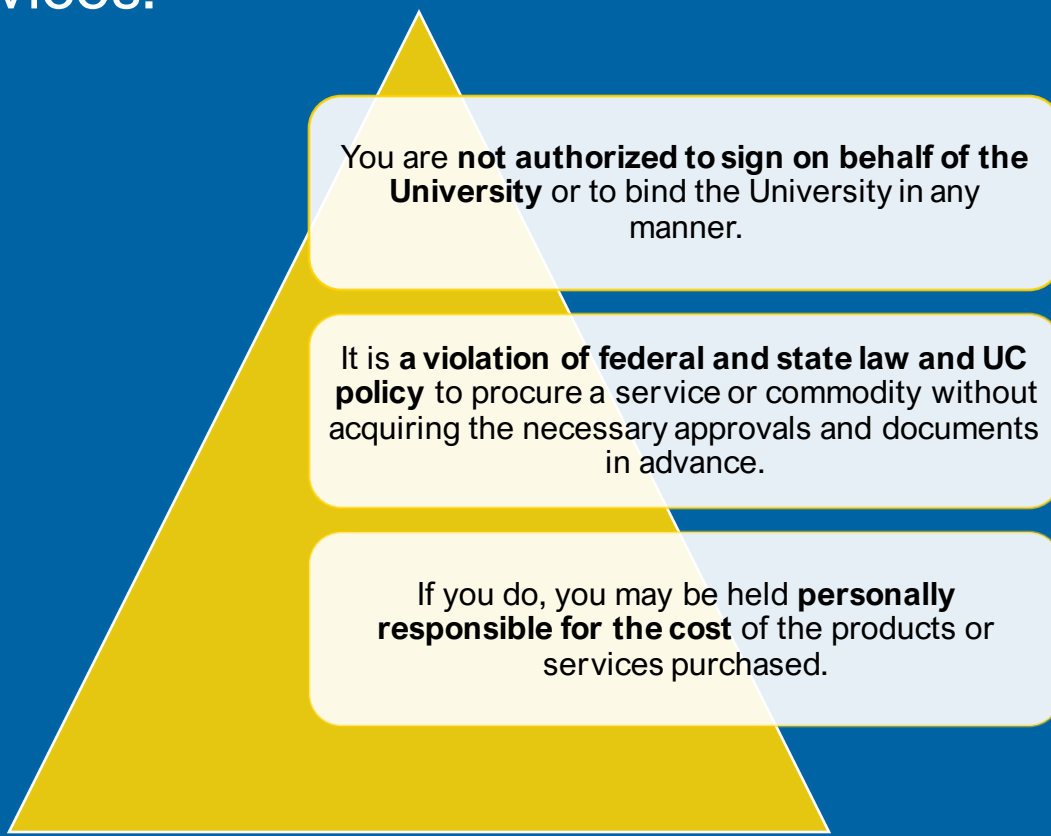
- Welcome
- Understanding Competition - formal or informal bid requirements
- Why the SSPR Form is required
- Completing the Source Selection & Price Reasonableness form
- Pop – Quiz !
- Resources
- Q & A



Remember

As an employee of a public university, it is your responsibility to comply with all procurement laws, rules, regulations, executive orders, policies and procedures concerning the purchase of goods and services:

- UCOP BUS-43
- UCI 707-10
- UCI 701-23
- California Public Contract Code
- Uniform Guidance
- Small Business First
- Covered Services



You are **not authorized to sign on behalf of the University** or to bind the University in any manner.

It is a **violation of federal and state law and UC policy** to procure a service or commodity without acquiring the necessary approvals and documents in advance.

If you do, you may be held **personally responsible for the cost** of the products or services purchased.

Understanding Competition - Informal & Formal Bid Requirements – Federal Funds

Competition is always beneficial, even when not required, to help ensure UCI obtains the best service at the best price. In some instances, it is required. Everyone involved in purchasing should be aware of the various bid thresholds that require a specific selection process.

For Federal fund purchases – thresholds are per transaction

\$10,000 to \$100,000	informal bid process, obtain quotes from three or more suppliers
\$10,000 to \$250,000	informal bid process, obtain quotes from two or more small businesses (both must be small)
> \$100,000	formal competitive bid conducted by Central Procurement

Understanding Competition - Informal & Formal Bid Requirements – Non- Federal Funds

Non-federal funds purchases

> \$10,000	informal quote from a certified small business, unless exempt from UC Small Business First policy
Up to \$250,000 in a 12-month period	informal bid process, obtain quotes from two or more certified small businesses (both must be certified)
> \$100,000 in a 12-month period	formal competitive bid conducted by Central Procurement

Ways to Satisfy Formal Competitive Bid Requirements

Conduct a formal bid through Central Procurement

- Develop your Statement/Scope of Work
- Minimum bidder qualifications
- Determine your bid review team

Utilizing an existing master contract

- Must have been publicly bid in a way that matches UC requirements
- Scope of Services must match the desired goods/service
- Examples - UCOP Master Contracts, recent bid conducted by UCI or another UC/CSU campus, CA Department of General Services contracts, OMNIA, E&I, Sourcewell

Why the SSPR Form is required

To document

- The method UCI used to select, the supplier was fair and unbiased
- To document the efforts undertaken to search for capable suppliers
- The amount paid is a reasonable expenditure of state or federal funds

UCI is expending federal or state funds, and its purchases are subject to public examination and audit. Getting UCI's name in the news for making bad purchase decisions is not good publicity.

Completing the SSPR Form

Q: Who should complete the form?

A: The person most knowledgeable about the specifications of the goods or services, should complete and sign the form.

Regardless of who obtained the information or is pursuing the purchase, when the SSPR is required it is the responsibility of each departmental person to ensure it is completed correctly. That can include the requisition requestor, the fiscal officer, and the PI/faculty/staff member making the purchase.

Incomplete or insufficient forms should not be passed along to Procurement, thinking we will fix any deficiencies.

Completing the form - Instructions & FAQ

Updated form include links to UCOP's Instructions and FAQ. Both documents can be accessed via Single Sign On using your UCI email address and login credentials (SSO). Make sure to select Irvine for the campus selection on the drop down.

Facts

NOT

Conclusions

**SHOW YOUR
WORK**



UC PROCUREMENT SERVICES

SOURCE SELECTION & PRICE REASONABLENESS JUSTIFICATION FORM

For Federally-funded purchases \geq \$10,000 and non-Federally-funded purchases \geq \$100,000

This form is required for all federally funded purchases \geq \$10,000 (including tax and shipping) & non-federally funded purchases \geq \$100,000 (excluding tax, but including shipping), to substantiate the appropriateness of source selection and price reasonableness.

When completing this form, you must provide **detailed facts and explanation**. **Do not merely restate the question as a conclusion**. Please reference the [SSPR instructions](#) and [FAQs](#) for assistance understanding each section of this form.

Requisition #: _____ Dollar Amount: _____

Desired Supplier: _____ Campus Department: _____

Source Selection - Section I.

I. **SOURCE SELECTION:** (This Section is Required in all cases) Check the applicable box from one of the funding sections below. For mixed funding where the federal portion exceeds \$10,000, check Federal side only.

Federal Funds:

- Formal Competitive Bid/Contract# _____
- Certified Small Business \$100K to \$250K (Complete III, VII, [VIII](#))*
- Competitive Proposals < \$100K (Complete II, VII, VIII)
- Sole Source (Complete III, IV, VII, VIII)

Non-Federal Funds:

- Formal Competitive Bid/Contract # _____
- Certified Small Business or DVBE \$100K to \$250k (Complete III, VII, [VIII](#))*
- Sole Source (Complete III, IV, VII, VIII)
- Professional Services; Personal Services (Complete III, V, [VII](#), [VIII](#))
- Unusual & Compelling Urgency/Emergency (Complete VI, [VII](#), [VIII](#))

*For Certified Small Business option, you must obtain a quote from two or more certified small businesses. Upload the quote and small business certification for each company to the requisition.

- Begin by determining the source of funds (federal or non-federal)
- Then select the most appropriate justification (more than one may apply)

Competitive Proposals – Section II.

Informal Competitive Proposals for Federal Fund Purchases only, from \$10,000 up to \$100,000. If selecting the lowest price supplier, no further explanation needed.

II. **COMPETITIVE PROPOSALS:** (Complete if Federal Funds Competitive Proposals is checked in Section I.) Obtain price or rate quotations from three (3) qualified sources (including your selected supplier). This section is required by 2 CFR § 200.320(a)(2)(i).

Please obtain a total of 3 informal, competitive quotes. Attach copies of quotes, and complete the following:

Supplier A:	_____	Price:	_____
Supplier B:	_____	Price:	_____
Supplier C:	_____	Price:	_____

If selecting a supplier *other than the lowest-priced supplier*, explain your justification for selecting a more expensive supplier in the box below. (If you are selecting the lowest-priced supplier, skip Sections III-VI.)

Price Reasonableness – Section III.

III. PRICE REASONABLENESS: (Complete if Sole Source, Certified Small Business/DVBE, Professional Services or Personal Services is checked in Section I.) This section is required by the CA Public Contract Code 10508 and FAR provision Subpart 15.4.

- 1) In the box below provide detailed facts (not conclusions) how you determined the price/fees are fair and reasonable.
- 2) For Federal grant and cooperative agreement orders \geq \$250,000 include profit negotiations you had with the supplier if such purchase has no price competition (see CFR § 200.324(b)).
- 3) For sole-sourced Federal non-commercial contract orders \geq \$2M, FAR subsection 15.403-4 requires Suppliers to submit certified cost or pricing data (TINA). Use the 'UC Certified Cost or Pricing Data for Federal Contract Purchases' form (located on UCOP website) and include with this Form.

Price Reasonableness - How to determine

Reasonable - what a prudent person would pay for the same or similar goods or services.

Comparing your dept's historical pricing (e.g. what you paid last year vs this year) can be helpful, provided the previous prices were analyzed and compared against market rates or other suppliers quoting on the same purchase.

Receiving a discounted price by itself, does not establish reasonableness!

1

Price competition - comparison of quotes

UCOP, State, or GSA contract pricing, or comparison with prices under existing contracts

2

3

Prior price history with same vendor, for same goods/services (include the prior PO number and \$ amount)

Comparison with current, or recent prices for a similar item(s) with another vendor

4

5

Market research, catalog or established price list (sales to general public - screen shot ok)

Sole Source – What It Is

DEFINITION: A sole source purchase is justified if there is only **one supplier (source)** capable of delivering the required goods or services.

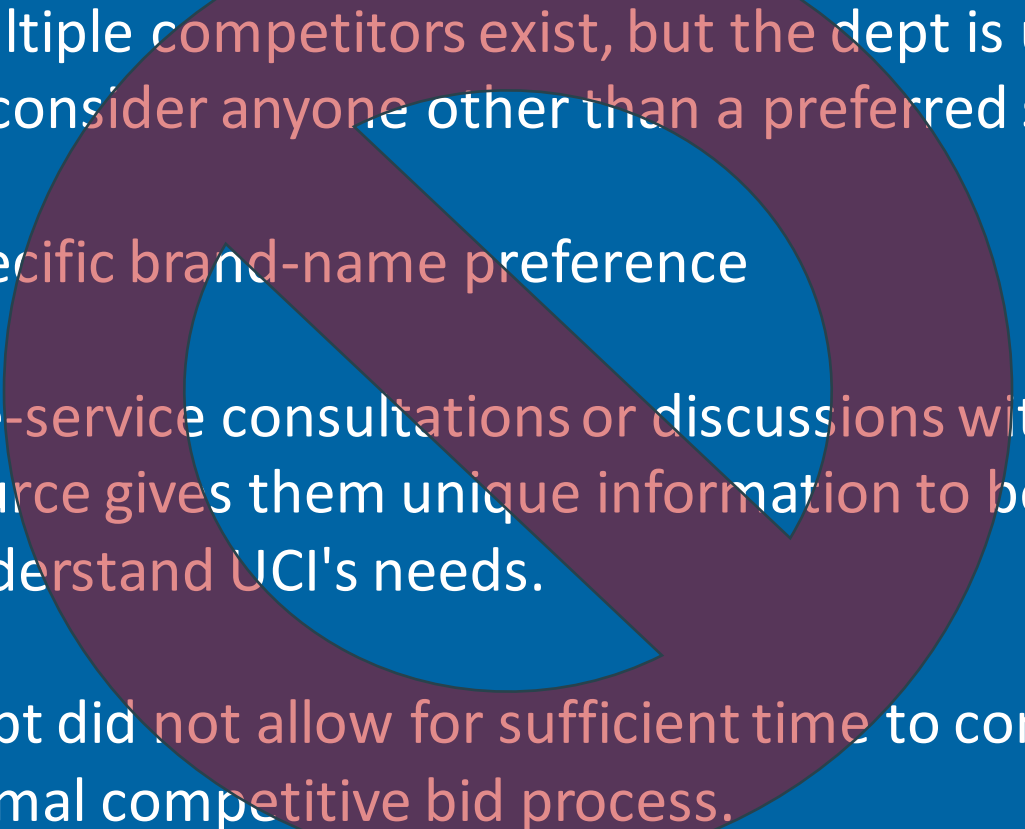
Sole sourcing requires a **thorough and diligent search for suppliers** capable of providing the goods or services.

If other suppliers exist in the field, and you are capable of comparing abilities, features or qualities between them, it is likely not a sole source situation.

Sole Sourcing – what it is NOT

Sole Sourcing is NOT a supplier selection method/option. It is a last resort when there is literally NO other supplier capable of providing the goods or services.

Sole sourcing is **NOT** appropriate when:

- Multiple competitors exist, but the dept is unwilling to consider anyone other than a preferred source
 - Specific brand-name preference
 - Pre-service consultations or discussions with one source gives them unique information to best understand UCI's needs.
 - Dept did not allow for sufficient time to conduct a formal competitive bid process.
- 

Sole Source – Selection IV.

IV. SOLE SOURCE: (Complete if Sole Source is checked in Section I) ***NOTE*** - Sole sourcing means there is literally no other company in existence to provide the goods or services. Sole sourcing is not one selection option among many, it is a last resort when there is literally no other option.

Check the applicable box from one of the funding sections below. For mixed funding where the federal portion exceeds \$10,000, check Federal side only.

Non-Federal Funds

- One-of-a-kind/unique - only one supplier in existence that can provide the goods/services
- Match existing - Prior PO # _____ (This is only for equipment purchases where new equip must connect to existing equip.)

Federal Funds

- One-of-a-kind/unique – only one supplier in existence that can provide the goods/services
- Emergency – poses immediate risk of harm to persons or property.
- Awarding Agency Approval (to dispense with a competitive selection) – Read the [SSPR instructions](#) for required documentation. Naming a supplier in your funding proposal does NOT meet this justification.
- No Competition (Grant and Cooperative Agreement Funds Only) – when other companies exist but are unwilling or unable to provide a quote.

Explain your selection above with detailed facts. For “one-of-a-kind/unique”, you must state the detailed specifications of the goods or services you need. Then state the efforts you undertook to search for possible suppliers. Explain why this supplier alone is the only option available. If you located other suppliers, explain why they were unable to meet the specifications or refused to provide a quote. (**NOTE:** Pre-work/discussions with a supplier giving them special information allowing them to customize equipment or services, to the exclusion of others, is not a valid justification.)

Sole Source – Non-federal Funds

One-of-a-kind	<ul style="list-style-type: none">• Must possess specific features essential for completion of task or project available from only one source in the world.• Change of brands/manufacturers would compromise project continuity or integrity.• Maintenance, repair or warranty services that are only offered by the equipment manufacturer.• Proprietary item for compatibility with existing equipment or systems, and available only from original manufacturer.
Match Existing	<ul style="list-style-type: none">• New equipment needs to inter-member, connect or match existing equipment or systems, and only one option is available to do so. The "matching" cannot be mere aesthetics, the functionality is what matters.• Match existing does not apply to the supplier themselves (e.g., We used Supplier X last year, so we want to use them again this year.)

Sole Source – Federal Funds

One-of-a-kind	<ul style="list-style-type: none">• Must possess specific features essential for completion of task or project available from only one source in the world.• Change of brands/manufacturers would compromise project continuity or integrity and would result in substantially higher cost• Proprietary item for compatibility with existing equipment or systems, and available only from original manufacturer.
Awarding Agency	<ul style="list-style-type: none">• The awarding agency is requiring use of only one manufacturer or supplier as part of the award or gives express permission to select a supplier without competition.• Identifying the Supplier in your funding proposal <u>does not justify sole sourcing</u>. You cannot bake sole sourcing into the cake!
No Competition (Grant & Cooperative Agreement Funds only)	<ul style="list-style-type: none">• After soliciting multiple sources, competition is determined to be inadequate.• No responses received or suppliers stating they cannot meet specifications.• Efforts to solicit must be proven by including documentation with requisition.
Emergency	<ul style="list-style-type: none">• Failing to complete the purchase puts lives or UC property at risk• Poor time management or planning is <u>NOT</u> an emergency.

Unusual & Compelling Urgency – Section VI.

This category involves an immediate risk of injury to persons or property, or will result in legal or substantial liability to UCI.

Poor time management, or failure to keep track of deadlines or expirations does not support this category.

VI. UNUSUAL AND COMPELLING URGENCY/EMERGENCY (For non-Federal Funds only): Explain how this purchase is needed to avoid significant bodily harm, significant property loss or damage, violations of law or University policies, cause significant liability to the University, or to members of the University community. Lack of planning/time management is not an emergency.

Professional Services; Personal Services

Read the definition! These are very specialized categories of services, as defined in BUS-43. Do not apply a generic meaning to the terms "professional" or "personal."

V. PROFESSIONAL SERVICES; PERSONAL SERVICES (Complete only for non-Federal Funds):

Professional services are highly specialized services that typically require a professional license to perform (examples – doctor, lawyer, accountant, engineer, architect).

Personal services are technical or unique services that require special skill, experience, or qualifications that are not easily capable of comparison (examples – technical editing, appraisals, real estate transaction valuation, interior decorating, artists, actors, musicians, and others in the performing arts).

Please state detailed facts explaining why the services are **professional** or **personal**.

Certification & Signature – Section VII.

Must check "agree" or explain why not. Sign and include name, date, and email or phone.

VII. CONFLICT OF INTEREST STATEMENT: (This Section is required in all cases.) To the best of my knowledge, no UC employee or near relative of a UC employee is the supplier or holds more than a 10% ownership or controlling interest in the supplier OR the UC employee is exempt because he/she has teaching or research responsibilities and the goods or service is not commercial. I am the individual who has gathered and provided this detailed information and any further questions regarding these details can be directed to my attention.

I certify that this purchase will not present a conflict of interest as defined by university policy and that I have received no income, gifts or gratuities from or have an investment in this supplier. **Agree**

If you do not agree with the above statement, please provide an explanation:

VIII. REPRESENTATION: (This section is required in all cases.) By signing below, I hereby certify the foregoing is true and correct to the best of my knowledge.

Dept. Responsible Party Signature: _____

Date: _____

Dept. Responsible Party Name: _____

Email / Phone: _____

Test – Are these explanations sufficient?

Price Reasonableness

- "This supplier has agreed to this rate for several years. This rate is low."
- "The work supplier is doing is unique for this project, and therefore it is the sole source. No other company provides the proposed services for this activity. The price was based on historical prices paid for same services in our prior work with this supplier, as well as by other supplier clients"

Test – Are these explanations sufficient?

Sole Source

- Agency Approval: "The fees for this supplier's service was included with our proposal which was approved."
- One-of-a-kind/Unique: "We have worked with this supplier on this project for many years so they have the knowledge and experience we need. We cannot train someone else to perform the work."
- One-of-a-kind/Unique: "This supplier is the only one capable of providing the services. They were much more qualified than the other suppliers."

Test – Are these explanations sufficient?

Professional Services

- "We have worked with this supplier for many years. They are very professional."
- We have worked with this company before and they are familiar with our requirements. They have the lowest price, full range of services, and offer great customer service prioritizing safety.

Test – Are these explanations sufficient?

Price Reasonableness (federal fund, over \$250,000)

Supplier's pricing estimates are in line with similar fabrication work for similar projects conducted in other cities. We have experience with the complexity of the work to be performed, and the quality of their past performance. We conducted a google search for average profit margins for similar fabricators in CA and found most sources suggested between 25% and 35%. Here it is 20%. This pricing appears to be in line with standard rates and profit margins.

Sole Source – No Competition (federal)

We need a supplier capable of providing high quality fabrication and installation of this equipment within a special timeline. We had conversations with other fabrication companies including [name of 2 companies] and neither were willing to provide an estimate due to a lack of capacity. We inquired with other companies but no other company was able to meet the timeline, budget, and quality of work requirements for this project.

Resources

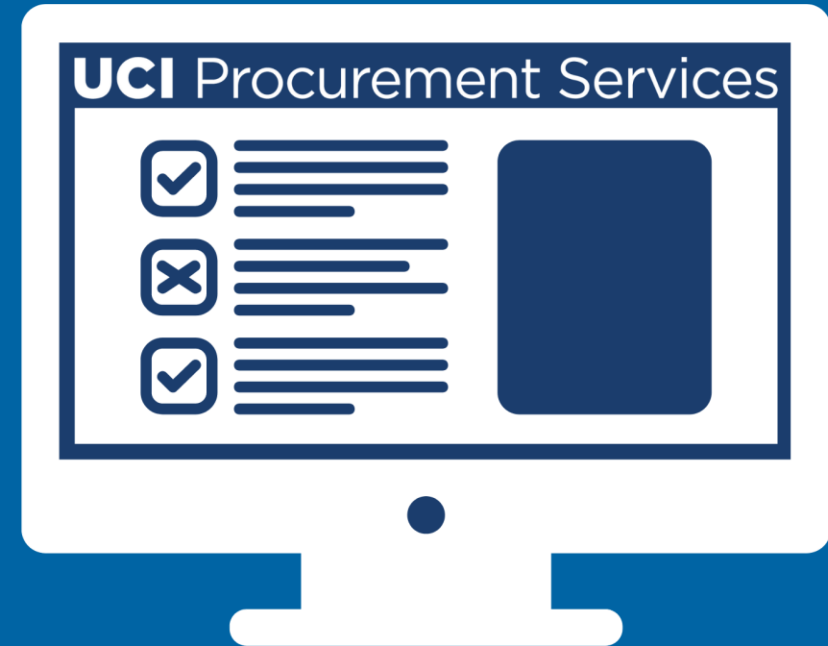
- [Source Selection & Price Reasonableness](#)
- [SSPR Instructions \(SSO Login\)](#)
- [SSPR FAQ \(SSO Login\)](#)
- [Procurement Services](#)

Questions



Survey

<https://bit.ly/7-25-survey>



**THANK
YOU!**