SECTION 7: ACQUISITION PROCEDURES

SUBJECT: PROCUREMENT METHODS, VENDOR Procedure #7.3.3

SELECTION AND PRICE VALIDATION

POLICY

The Buyer is responsible for determining that the purchase price is reasonable and offers the lowest cost consistent with the best interests of the University prior to purchase. Competition must be secured for all purchases in excess of the direct purchase limitation, unless it has been clearly and legitimately determined that, due to the unique nature of the item to be purchased, competition is impractical. For purchases of this nature see Sole Source procedure. Competition may be secured for any purchase, regardless of value, if it is to the University's advantage.

The University of Washington recognizes its economic responsibility as a public institution to provide fair and open opportunities to all members of the business community and especially to Small/Disadvantaged Businesses and MWBE business firms in support of its educational, research and public service activities. See MWBE, Small/Disadvantaged Businesses, Invitation to Bid, and Quotation procedures. These policies and procedures are applicable to all acquisitions regardless of the source of funds.

PROCEDURE

The various types of procurements and the method by which the price of each type is validated (i.e. determined to be fair and reasonable) are listed below.
I. **Competition**

Whenever possible, purchases shall be based on competition. Competition is defined as securing bids, quotes, or proposals from a sufficient number of vendors, in accordance with a solicitation from the Buyer, to assure a competitive, and therefore reasonable price. (See [Procurement Limitations](#), [Request for Quotation](#) and [Invitation to Bid procedures](#)).

II. **Master Contracts or Price Agreements**

Purchases against a master contract or price agreement, either University, State, or Buying Consortium satisfy required price analysis, **provided that the original master contract or price agreement was awarded following competition or some other form of price or cost analysis.** The contract or agreement number must be cited on the requisition for documentation.

III. **Federal Supply Schedule**

The U.S. General Services Administration (GSA) has arranged and published price schedules with some vendors. Where such schedules are available and applicable to purchase on federal **contracts**, the Buyer may use the federal supply schedule as the basis for price determination. **GSA Contract pricing applies only to federal contracts** and cannot be used with federal **grants**. The Buyer is responsible for determining if they are purchasing for a federal contract. The Buyer must write a letter to the applicable federal contracting officer requesting authority to utilize GSA pricing. The letter must reference the University's contract number with the federal agency, the duration of that contract and the items required. If use of the GSA contract is appropriate, the contracting officer will send a letter of approval to the Buyer.
IV. Medical/Surgical, Decisions and Prescriptions

When patient care is involved, a particular brand may be prescribed by the physician if deemed to be in the patient's best interests. The same requirement for price validation is required for this type of purchase as for sole source.

V. Special Market Conditions

This type of purchase is one in which there may be more than one source of supply for an item, but for the purposes of a given purchase, the purchase price may be best established by direct negotiation. Review and approval must be obtained prior to using Special Market Conditions. The same requirement for price validation is required for this type of purchase as for sole source.

VI. Emergency Purchases

On occasion, it may be necessary to make an emergency purchase in response to unforeseen circumstances beyond the control of the University. These circumstances must present an immediate and extreme threat to the proper performance of essential functions and/or be expected to result in excessive loss or damage to property, bodily injury or loss of life. (See Emergency Purchase procedure.) The same requirement for price validation is required for emergency purchases as for sole source, although it will have to be performed after the fact.

VII. Sole Source Purchases

Purchases which are clearly and legitimately limited to a single source of supply may be acquired through direct negotiation rather than through the competitive process. (See Sole Source procedure.)