

## 2.111 Purchases Over \$250,000 Using Federal Funds

In addition to the standard procurement requirements, purchases over \$250,000 using federal funds must adhere to the requirements described below. For purchases made with mixed finding (i.e., federal and state and/or private funding), this policy shall only apply if the federal portion is over \$250,000.

### **I. Independent Cost/Price Estimate Required for All Purchases over \$250,000 (2 CFR § 200.323)**

Prior to receiving proposals, bids, or quotes for all procurement actions in excess of \$250,000, Projects must perform an independent cost or price analysis to derive an estimate of the purchase amount. In addition, profit must also be evaluated as a separate element of the price whenever there is no price competition, **or** when there is price competition and a cost analysis is performed (questions regarding the method to use to calculate profit should be directed to the federal sponsor). This requirement applies regardless of the procurement method used (e.g., RFQ, RFP, IFB, exempt, sole source), and applies to all initial procurement actions, as well as contract or purchase order modifications, where the cumulative cost will exceed \$250,000. The independent analysis may consist of, but is not limited to, market research, a general survey of prices for similar goods or services, a comparison to similar purchases previously made, or an internal system for developing a price range for the specific purchase.

### **II. Bidding Requirements for Purchases over \$250,000 Obtained via IFB or RFQ (2 CFR § 200.320)**

#### **A. Public Advertising**

Projects shall publicly advertise IFBs/RFQs that are anticipated to receive bids/quotes over \$250,000, using one of the following two methods:

1. RCUH's buyer account on CommercePoint, Inc. ("SuperQUOTE"), available at: [www.commercepoint.com](http://www.commercepoint.com). A specific drop-down menu item, "Sealed Bid (IFB/RFQ)", has been created to accommodate sealed bids.
2. Advertising in a publication of regular and widespread circulation, such as the Honolulu Star Advertiser. The IFB/RFQ must specify that the bids/quotes must be received in a sealed, hard-copy format.

#### **B. Sealed Bids/Quotes and Public Opening**

1. If the IFB/RFQ is advertised via SuperQUOTE using the "Sealed Bid (IFB/RFQ)" option, the information submitted by bidders will not be viewable on the SuperQUOTE website until the IFB/RFQ closes. A listing of each bidder and the

amount of each bid will be available for public viewing on the SuperQUOTE website at the time of bid closure.

2. If the IFB/RFQ is advertised in a publication of regular and widespread circulation, such as the Honolulu Star Advertiser, the advertisement must provide a specific date, time, and location for the public opening of bids/quotes. Each bid/quote and any subsequent modification(s) received must be sealed and stored in a secure place until the time and date set for bid/quote opening. Bids/Quotes shall be publicly opened by the Project at the time, date, and place designated in the IFB/RFQ. The name of each bidder and the amount of each bid/quote shall be read aloud or otherwise made available to those in attendance, and shall be recorded at the time of bid/quote opening.
3. No discussions may be held with any bidder until after a winning bid/quote has been selected. However, if when reviewing the bids/quotes, it is noticed that a mistake has been made on the low bid/quote, the bidder may be requested to confirm the bid/quote. Situations in which confirmation should be requested include obvious, apparent errors on the face of the bid/quote or a bid/quote unreasonably lower than the other bids/quotes submitted. If the low bidder alleges a mistake(s) after being notified that it is the low bidder, the bid/quote may be corrected or withdrawn upon the written approval of the RCUH Procurement & Disbursing Manager or designee.

### **III. Relevant Documents**

[2 CFR § 200.320](#)

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[www.commercepoint.com](http://www.commercepoint.com)

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