

## 2.103 Request for Quotation

(For the procurement of construction, an IFB must be used; refer to [Policy 2.105 Invitation for Bid \(For the Procurement of Construction\)](#).)

Purchases shall be made through a competitive solicitation process whenever feasible. A Request for Quotation (RFQ) should be used when the detailed specifications for a good or service is known and can be easily described, and when an award will be made solely on price. An RFQ provides potential vendors with information about the desired good, service, and/or equipment, including a description and quantity.

During the solicitation process, small, disadvantaged, or women and minority owned businesses should be considered in accordance with [UH AP 8.295](#) and [UH AP 8.290](#).

Refer to [Policy 2.403 Watercraft, Aircraft, Helicopter, Bus Services \(Vendor Solicitations\)](#), prior to soliciting a transportation service.

### I. Details of Policy

An RFQ is a procurement method used to determine source selection when price is the primary factor. A quote is a written or verbal commitment from a vendor to furnish clearly specified goods, materials, and/or services in specific quantities at a firm price.

Purchases on a competitive basis are required to ensure fair and reasonable prices are obtained for goods and services. All procurement transactions shall be made to promote open and free competition. In general, the number of vendors solicited should increase as the price of the goods or services increases, or when there are more available vendors that can meet the needs of the Project.

#### **A. Purchases \$10,000 or below (\$3,500 or below when using federal contract funds) (micro-purchase)**

Purchases in this category are made using the most advantageous price, terms, and other factors affecting the total cost. The approval of the Fiscal Administrator (FA) signifies that a determination has been made that the price is fair and reasonable.

The acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$10,000 (\$3,500 when using federal contract funds), may be distributed equitably among various suppliers and may be awarded without soliciting competitive quotations if the FA considers and certifies the price(s) to be reasonable.

#### **B. Purchases greater than \$10,000 (\$3,500 when using federal contract funds) but less than \$25,000**

Purchases in this category require three (3) or more verbal quotations. The [Attachment 25 Record of Verbal Quotations](#) form may be used to record and document verbal quotations. A written quotation from the vendor submitting the lowest verbal quotation is recommended to avoid a subsequent dispute on price or terms. If an award is recommended to someone other than the lowest bidder, or if less than three (3) verbal quotations are received, the [Attachment 1 Determination of Cost or Price Reasonableness](#) form must be completed. If the solicitor chooses to obtain written quotations in lieu of verbal quotations, then refer to C1 and C2 below.

### **C. Purchases of \$25,000 and above**

1. If the solicitor uses discretion to select the vendors invited to submit a quote, purchases in this category require three (3) or more written quotations. The [Attachment 26 Request for Quotation](#) form may be used to obtain and document the written quotations. The award of purchase shall be made to the lowest responsive bidder. If less than three (3) quotes are received, or if an award is recommended to someone other than the lowest bidder, the [Attachment 1 Determination of Cost or Price Reasonableness](#) form must be completed.
2. If the solicitation is publicly posted in such a way that the solicitor does not control who responds (e.g., the utilization of SuperQUOTE or an equivalent State public posting system, or advertising in a publication of regular circulation), a minimum of two (2) quotes must be received. If only one (1) quote is received, or if an award is recommended to someone other than the lowest bidder, the [Attachment 1 Determination of Cost or Price Reasonableness](#) form must be completed. The applicable RCUH terms and conditions must be attached to the solicitation so that vendors are aware that RCUH terms and conditions will apply to the procurement.

As provided in [Policy 2.104 Request for Proposal](#), a Request for Proposal (RFP) may be more appropriate for a procurement where it is necessary to establish the basis for selection of a product, equipment, or service on factors other than the lowest price. Other factors such as qualifications of the vendor, quality of service provided, expertise in a specific area, and financial stability may contribute to the selection of the best proposal. If you are uncertain whether an RFP or RFQ is appropriate, please consult with RCUH Procurement.

## **II. Responsibilities**

### **A. Principal Investigator**

Obtain verbal or written quotations based on the dollar thresholds referenced in this policy. Document the record of competition. Complete a Determination of Cost or Price Reasonableness form if applicable, and submit it to the FA for approval. Respond to the FA's inquiries.

### **B. Fiscal Administrator**

Review the record of competition to ensure sufficient documentation is provided. If a Determination of Cost or Price Reasonableness is required, ensure that the form sufficiently details that the cost or price is fair and reasonable, and that the basis for the determination of cost or price reasonableness is in the procurement file. Respond to any inquiries from RCUH Procurement.

### **III. Relevant Documents**

[Attachment 1 Determination of Cost or Price Reasonableness](#)

[Attachment 25 Record of Verbal Quotations](#)

[Attachment 26 Request for Quotation](#)

[Policy 2.104 Request for Proposal](#)

[Policy 2.105 Invitation for Bid \(For the Procurement of Construction\)](#)

[Policy 2.110 Cost or Price Reasonableness](#)

[Policy 2.403 Watercraft, Aircraft, Helicopter, Bus Services \(Vendor Solicitations\)](#)

[UH AP 8.290 Requirements of Federally Funded Purchases](#)

[UH AP 8.295 Small Business and Small Disadvantaged Business Utilization Programs](#)

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