

2.111 Purchases Over \$250,000 (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 funding (i.e., federal and state and/or private funding), this policy shall only apply if the federal portion is over \$250,000.

If it is unknown at the time of solicitation whether the purchase price will exceed \$250,000, projects should follow the requirements of this policy as a safety precaution. If a project chooses not to follow the requirements, and the bid amount exceeds \$250,000, the solicitation will need to be cancelled and resolicited following the requirements of this policy.

I. Independent Cost/Price Estimate Required Prior to Receiving Proposals, Bids, or Quotes for All Purchases over \$250,000 (Federal Funds) (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. **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.

In addition, profit must also be negotiated 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. Consideration should be given to the complexity of the work, risk borne by the contractor, contractor's investment, subcontracting amounts, contractor's record of past performance, and industry profit rates in the surrounding geographical area for similar work. Questions regarding the method to use when calculating profit should be directed to the federal sponsor.

II. Sealed Bidding Requirements for Purchases over \$250,000 (Federal Funds) 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. 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. If there is a discrepancy in the bid document/bid amount, or if the low bidder alleges a mistake(s) after being notified that it is the low bidder, contact RCUH Procurement before proceeding with a correction or withdrawal of the bid.

III. Relevant Documents

[2 CFR § 200.320](#)

[2 CFR § 200.323](#)

www.commercepoint.com

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