

Purchasing Thresholds ^[1]

Effective: May 1, 2024

Under \$10,000: Departmental purchases of up to \$10,000 are considered "small-dollar purchases." Under most circumstances, these are processed by the requestor's campus department. Typical forms of payment are the University Procurement Card or a small dollar Purchase Order.

\$10,000.01 - \$49,999.99: All goods and services between \$10,000.01 and \$49,999.00 are processed at the discretion of the Purchasing Agent.

\$50,000 - \$150,000: All goods and services between \$50,000 - \$150,000 regardless of funding type require a:

- Source Selection & Price Reasonableness form ^[2] (not required if purchased against an existing CU bid/contract or a cooperative contract from places such as Omnia Partners or E&I)
- Price information from at least two suppliers - one from the supplier you are ordering from and the other from a competitor. The price information can be screenshots from two websites or quotes provided from the suppliers.

The requirement to obtain two quotes will be waived if the purchase is made against an existing CU bid/contract or a cooperative contract, is for a Sole Source item ^[3], or is an emergency procurement.

Over \$150,000: The threshold for a solicitation issued by the Procurement Service Center (PSC) will be \$150,000 for goods, services, and construction. Purchases of goods, services, and construction costing more than \$150,000 require that competition be sought via the informal process known as a Documented Quote.

\$500,000 and Over: For purchases of goods, services, or construction costing \$500,000 or more, competition is sought via either an Invitation for Bid or a Request for Proposal.

The University of Colorado posts its solicitations using an electronic solicitation notification system, currently the CU Sourcing website of the CU Supplier Portal.

FAQs and Sample Forms

1. What is considered a Sole Source?

Answer: A sole source procurement is made without competition. A sole source procurement is justified when there is only one good or service that can reasonably meet the University's

needs and there is only one supplier who can provide the good or service. The PSC has final determination as to whether a sole source is present. If there is any ambiguity the PSC will do a solicitation.

2. What is the purpose of the SSPR form?

Answer: The purpose of the SSPR form is to document that the prices paid by the University are fair and reasonable under the circumstances. Additionally, if an expense is transferred to a federal funded account, the SSPR will ensure the federal procurement requirements are met.

3. Who will see the SSPR form?

Answer: The SSPR form is reviewed by the Purchasing Agent prior to issuing the purchase order. In some cases, it may also be reviewed by the Controller's Office or an internal or external auditor.

4. I am unclear how to complete the form for my purchase.

Answer: Below are samples on how to complete the Source Selection and Price Reasonableness form:

- **Previously Awarded Competitive Bid/Contract** (may be University or Cooperative Contract): No form is required, just enter your requisition as you have before and reference the appropriate bid or contract in the notes section. Note the bid or cooperative contract must be within the active term.
- **Informal Competitive Quotes/Price Sheets for orders purchases greater than or equal to \$50,000 but less than \$150,000** – Upload a copy of the SSPR and the two quotes received.
- **Sole Source** – No SSPR form is required, just enter your requisition using the Sole Source form in Marketplace, however a PCA is required.
- **University Standard Sole Source** – No form is required, enter your requisition using the appropriate Marketplace form for the purchase type and note the applicable University Standard Sole Source exception number in the notes section.
- **?Emergency Purchase** – No form is required, just enter your requisition as you have before.
- **Continuity of Service** - Upload a copy of the SSPR form and the applicable quote or contract. Note: this source selection is for services only.

5. My department does not receive federal funding. Why do I have to complete the SSPR and obtain an additional quote for my purchase?

Answer: Employees of the University have a fiduciary responsibility to spend University funds appropriately. This includes an assurance that the prices we pay are both fair and reasonable, regardless of the funding source. The SSPR process allows CU to meet this requirement.

6. Will departments still need to obtain additional quotes for all Sole Source orders?

Answer: No, Sole Sources purchases by their nature are only available from one source. An SSPR form is not required for a Sole Source purchase, but you must complete the Sole Source form in Marketplace as you have always done.

7. Auxiliary Departments: I work for an auxiliary department, does this process apply to my purchases? For auxiliary funds, would we check the box for university funding?

Answer: Yes, this process applies to all purchases greater than or equal to \$50,000 but less than \$150,000 regardless of speedtype. See FAQ 2 for additional context. All funding that is not federal funding fall under the category of University Funds.

8. Do I have to get a second quote for CU Strategic Suppliers (Staples, Dell, Fisher Scientific, Airgas, Konica Minolta, and Xerox)?

Answer: No, a quote is not required for strategic suppliers as it has already been competitively bid.

9. Do I have to get a second quote for CU punchout catalog suppliers that are not strategic suppliers (e.g. Apple, CDW-G, Grainger)?

Answer: No, the forms are not required when using a punch out catalog.

10. Is this form needed for services from an independent contract?

Answer: Yes, the SSPR form is required for purchases greater than or equal to \$50,000 but less than \$150,000.

11. The form must be submitted with a requisition but asks for a requisition number, how do we fill out a requisition number if one hasn't been issued yet?

Answer: The requisition number can be added to the form by the Requestor at time of submission in Marketplace.

12. Is a guest speaker a Sole Source?

Answer: Yes, a guest speaker is considered a University Standard Sole Source either under Entertainment Services (#2) or Guest Lecturer Services (#6), depending on the circumstances. An SSPR form is not required for this type of purchase.

13. I received a supplier quote with a Sourcwell contract number listed on it. Do I have to complete the SSPR form and submit an additional quote?

Answer: No, Sourcewell, like E&I, NASPO, Omnia and many others is a cooperative purchasing organization that meets the competitive requirements under Section VI of Procurement Rules, so no further competition or SSPR form is required.

14. What happens if my initial purchase is under \$150,000, but due to unforeseen circumstances the purchase now exceeds \$150,000?

Answer: As happens now if a purchase starts under the bid threshold and later increases to an amount that exceeds that threshold, you will need to work with the appropriate Purchasing Agent to evaluate the situation and determine the best path forward.

15. Is there an exemption for software purchases? What about the maintenance associated with the software?

Answer: Software purchases are not exempted from the SSPR process. Software maintenance, however, is considered a University Standard Sole Source and does not require competitive quotes.

16. Isn't it easier to pull data from the requisition (Marketplace) rather than an attached form?

Answer: The information contained in the form is necessary to document that proper procedures are followed in the procurement of goods or services greater than or equal to \$50,000 but less than \$150,000

17. What happens if my initial purchase is under \$50k, but due to unforeseen circumstances the purchase now exceeds \$50k, do I have to complete the SSPR?

Answer: Yes, a SSPR would be required.

18. What happens if my initial purchase wasn't a federal fund purchase but due to many reasons, it is now federally funded, will the SSPR or any other documentation be required?

Answer: By uploading the SSPR at the time of purchase, it allows an expense to be transferred to a federally funded account should all other criteria be met.

19. What is considered an emergency?

Answer: An emergency is determined when one or more conditions threatens: (1) the functioning of the University, or its programs; (2) the preservation or protection of property; and/or (3) the health or safety of any person(s) or animal(s).

An emergency is not: (1) a requisition that needs to be rushed because of a failure to plan ahead; (2) it is the end of the fiscal year and a department prefers or needs an expense to hit the current fiscal year budget; or (3) the purchase should be applied to a grant or contract that is about to expire.

20. I have procured services from a particular supplier for many years and have an existing relationship with them, why do I have to fill out the SSPR form?

Answer: It is important that we are fiscally responsible with how we spend University funds and seeking periodic competition for goods and services helps us accomplish this. That being said, if a project or service requires ongoing use of the same supplier, you can request that the purchase be process as a Continuity of Service by completing the SSPR form using this option.

21. Why is the SSPR required if we are not using general funds? It wasn't required before for renewals and/or amendments?

Answer: As employees of the University, it is important that we spend our funds in a fiscally responsible way, regardless of funding type. As we renew and amend contracts, we need to ensure that we are being charged a reasonable rate under the circumstances. If a contract was competitively procured prior to being amended, then the SSPR form would not be required.

22. Do we have to complete a SSPR for name changes or Speedtype changes requisitions?

Answer: No.

23. I have an existing contract with this supplier, I am processing a renewal/amendment that is below the new bid threshold, it was never competed, what is required on the form or is the form required?

Answer: If the purchase qualifies as a Sole Source or a University Standard Sole Source, no SSPR is required. If the purchase does not qualify for one of these sourcing types, then a SSPR must be completed as a Continuity of Service.

24. What information is required for purchases greater than \$150k? Do we have to complete a Price Cost Analysis form? Where can I find information out about the greater than \$150k process?

Answer: Unless the purchase qualifies as a Sole Source, the purchase will be competitively procured by a Purchasing Agent within the PSC following CU's Procurement Rules. If the purchase qualifies as a Sole Source, then the PSC will work with the department to complete a PCA.

Groups audience:

Procurement Service Center

Right Sidebar:

Purchasing Services_Clone

PSC - Purchasing Thresholds

Source URL:<https://www.cu.edu/psc/purchasing-thresholds>

Links

[1] <https://www.cu.edu/psc/purchasing-thresholds> [2] <https://www.cu.edu/doc/source-selection-and-price-reasonableness-formpdf> [3] <https://www.cu.edu/psc/procurement/sole-source-procurements>