

2308 Competitive Bidding

Effective: Dec. 1986

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Last Reviewed: October 2007

Responsible Office: Purchasing Services

Approval: Purchasing Services

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Purpose

To define purchases requiring competitive bidding.

Policy

1. Purchasing Services is responsible for establishing an equitable and efficient competitive bidding process and ensuring that the procedures are followed.
2. All purchases with an aggregate value of \$5,000 or more must be competitively bid. Regardless of the dollar amount, **competitive bids are not required** for purchases from University Contract Suppliers and Penn Marketplace Suppliers.
3. Normally, a minimum of three bids from qualified sources of supply will be required. However, circumstances may exist when fewer than three bids or more than three bids may be appropriate:
 - a. Purchasing Services will accept fewer than three bids only in cases where the normal competitive bidding process cannot be conducted. Purchase orders for which at least three bids cannot be obtained must be accompanied a written Request to Waive the Competitive Bidding Process, in which the circumstances are explained.
 - b. Purchasing Services is authorized to determine when more than three bids will be required.
4. Purchasing Services is authorized to require competitive bids for purchases from University contract and Penn Marketplace suppliers, if in its judgment, cost savings may be realized or other university objectives accomplished.
5. A competitive price quotation is required from Specialty Underwriters, the University's contract supplier of equipment maintenance services, for annual equipment maintenance agreements with an aggregate value of \$5,000 or more. While not required, it is recommended that a competitive bid be obtained from Specialty Underwriters for annual equipment maintenance agreements less than \$5,000 due to the significant cost savings potential of the program. Purchasing Services reserves the right to require a competitive bid from Specialty Underwriters for all equipment maintenance agreements less than \$5,000 if the potential cost savings opportunity is deemed to be in the best interest of the University.