**The University of Chicago**

**Source and Price Reasonableness-Documentation and Determination**

**Instructions:**

This form is intended to provide a proposed format for documenting the Source and Price Reasonableness on contracts and BuySite requisitions greater than $10,000 but less than $150,000 when: (1) the selected supplier is not a University preferred supplier **or** (2) a non-catalog order is submitted for a preferred supplier. For a list of preferred suppliers please go to: <http://finserv.uchicago.edu/purchasing/lookup/index.shtml>

The purpose of the form is to document that the source of the product or service best meets University needs and that the price to be paid is fair and reasonable. This is essential to ensure that both University and external funds are utilized in a cost effective manner and to conserve funding where resources are limited. The need to perform price analysis to determine price reasonableness is both a good business practice and a requirement of Uniform Guidance as adopted by the University.

The **ten** **most common methods to determine price reasonableness** through price analysis are listed below. For a more comprehensive description of acceptable methods of price analysis to determine price reasonableness please go to: <http://finserv.uchicago.edu/purchasing/ppf/procedures/5062_price.shtml>

|  |  |
| --- | --- |
| **Section 1 - Source** | |
|  | **1. Competitive**: when two or more sources (vendors) are considered |
|  | **2. Sole Source**: The goods or services are only available from the selected vendor. Examples of justifications for a sole source are:    ( ) Goods or services are proprietary to the vendor \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Describe)  ( ) University standard \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Describe)  ( ) Research standard \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Describe)  ( ) No other known source \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(describe research performed)  ( ) Emergency (compelling urgency to avoid a threat to health, welfare, safety, or critical network**/**system security or operability)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Describe emergency) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Section 2 - Method of Price Analysis Used to Determine Price Reasonableness (Please check method used)** | | | | | |
| ***When using a comparison method (1–6 below) complete the Price Analysis table in Section 3; if selecting other than lowest price complete Section 4*** | | | | | |
|  | **1. Price Competition**: when two or more acceptable offers are received the price of the lowest offer can be concluded to be fair and reasonable  **(Preferred method)** |  | **2. Price Based on Prior Competition**: the item was previously purchased based on competition within the previous twelve (12) months |  | **3. Comparison to Substantially Similar Item**: Item is similar to a commercially available one but has added features; need the cost of the base item and additional features |
|  | **4. Sales of the Same Items to Other Purchasers**: If the Supplier has no catalog but has sold the same item to others in the previous six (6) months, verify with other purchasers the price they paid |  | **5. Comparison to Prices with Other Similar Items**: For generic items, such as a computer, compare the price for a similarly configured device from a different supplier |  | **6. Historical Prices**: Compare current price to prices paid in the past, taking into account factor(s) such as inflation to determine the price fair and reasonable |
| ***When using an established pricing method (7–9 below) complete the Pricing Reference table in Section 5*** | | | | | |
|  | **7. Catalog or Established Price List**: When only one offer is received and the Supplier has a published or established price list or catalog; the catalog should be current (within one year) |  | **8. GSA Contracts or Pricing Agreements**: Contracts executed by the Federal Government with various suppliers of goods and services |  | **9. Market Prices**: Where an item has an established market price (examples: purchase of metals – gold, lead, silver or commodities – grains) |
| ***When using method 10 provide information in Section 6 “Independent University Estimate”*** | | | | | |
|  | **10. Independent University Estimate**: An independent estimate prepared by the University; Unbiased cost estimate based upon the specifications and without the influence of potential Supplier’s marketing effort or input | | | | |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Section 3 – Price Analysis Based on Comparison to Other Pricing** | | | | | | | | | |
| **Supplier A** | | | | | **Supplier B** | | | **Supplier C** | |
| Name: | | | |  | Name: | |  | Name: | |
| Quote # | | | |  | Quote # | |  | Quote # | |
| Quote Date: | | | |  | Quote Date: | |  | Quote Date: | |
| Phone: | | | |  | Phone: | |  | Phone: | |
| Contact Name: | | | | | Contact Name: | | | Contact Name: | |
| MBE       SBE       WBE | | | | | MBE       SBE       WBE | | | MBE       SBE       WBE | |
|  | | **Supplier A** | | | **Supplier B** | | | **Supplier C** | |
| Item  No. | Qty | Unit Cost | Unit Sub-Total | | Unit Cost | Unit Sub-Total | | Unit Cost | Unit Sub-Total |
| 1. |  |  | $ 0.00 | |  | $ 0.00 | |  | $ 0.00 |
| 2. |  |  | $ 0.00 | |  | $ 0.00 | |  | $ 0.00 |
| 3. |  |  | $ 0.00 | |  | $ 0.00 | |  | $ 0.00 |
| 4. |  |  | $ 0.00 | |  | $ 0.00 | |  | $ 0.00 |
| 5. |  |  | $ 0.00 | |  | $ 0.00 | |  | $ 0.00 |
| 6. |  |  | $ 0.00 | |  | $ 0.00 | |  | $ 0.00 |
| 7. |  |  | $ 0.00 | |  | $ 0.00 | |  | $ 0.00 |
|  | | Installation  Cost | $0.00 | | Installation  Cost | $0.00 | | Installation  Cost | $0.00 |
|  | | Delivery Cost | $0.00 | | Delivery  Cost | $0.00 | | Delivery  Cost | $0.00 |
|  | | **Total Cost** | **$ 0.00** | | **Total Cost** | **$ 0.00** | | **Total Cost** | **$ 0.00** |
|  | | | | | | | | | |
| **Section 4 – Justification for Selection of Other than Lowest Price Available** | | | | | | | | | |
|  | | | | | | | | | |
|  | | | | | | | | | |
|  | | | | | | | | | |

|  |  |  |
| --- | --- | --- |
| **Section 5 – Pricing Reference(s) for Published, Catalog, GSA, or Market Pricing** | | |
| **Source of Pricing**  Website - URL, Catalog (date and page number), GSA schedule number, or market (for example lead, gold, silver, commodity) | **Date Price Was Found** | **Notes**  Include notes if the actual price is lower than the established price due to discounts |
|  |  |  |

|  |
| --- |
| **Section 6 – Independent University Estimate (Please explain below)** |
|  |
|  |
|  |

**Instructions:**

Attach the completed form to your BuySite requisition as an **internal attachment** prior to submitting it for approval; for contracts, attach the completed form to the contract review request. If applicable, attach quotes/bids received from suppliers as **internal attachments** to the BuySite requisition.