

Procurement Guide

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Section I

Overview

Introduction

Welcome to the Woods Hole Oceanographic Institution (WHOI) Procurement Guide. The purpose of this document is to provide you, the scientific engineering and administrative staff, with the information you need to process purchases and make informed procurement decisions. In this Guide you will find the "how to's" of acquiring goods and services at WHOI. We have also provided an overview of good procurement techniques.

The Procurement Team is your trained purchasing partner and is anxious to assist you in all your procurements. As procurement professionals, the staff has many insights into best purchasing practices. They will assist you to working with Institution-wide negotiated pricing agreements, identifying qualified suppliers, help you in preparing budgets, facilitate bidding, resolve supplier disputes and generally apply procurement expertise to your work at WHOI. Having a purchasing expert involved in your purchases will only enhance your procurement experience. Whether you wish to have the Procurement Team do all the work or simply assist you, the earlier we can be involved in your project, the better services we can provide.

Much of the work done at WHOI is research related. Therefore, WHOI receives substantial funding from federal agencies and is obligated to maintain a federally approved purchasing system. This Guide details the procedures needed to ensure purchases meet federal requirements regarding the expenditure of awarded funds.

The WHOI Procurement Department (289-2371) is available to answer any questions you may have regarding the contents of this guide. We encourage you to contact us with any questions, suggestions or insights you may wish to share.

Procurement Department Mission

The mission of the Procurement Department is to supply the members of the Woods Hole Oceanographic Institution community with expertise, policies and procedures that ensure goods and services are available in a timely, cost effective manner. The Procurement Department is further charged with the responsibility to manage these acquisitions in accordance with all appropriate government and private agency requirements regarding procurement made with awarded funds. Members of the Procurement Team are to seek out and adopt current best business practices regarding the acquisition and payment of goods and services. In addition, the Procurement Department will utilize the best available technologies to perform its task. Finally, the Procurement Department is to provide appropriate expertise and training to the entire WHOI community in these matters. All questions regarding the procurement of goods and services should be directed to the Procurement Team. If they are unable to assist you, they will be happy

to refer you to the appropriate resource.

Purchasing Policy

The [Purchasing Policy](#), approved by the Directorate, is the document that governs the acquisition of goods and services at WHOI. The full text of this Policy is provided in the appendix. It delegates to the Associate Director of Finance and Administration and the Procurement Manager authority to enforce the policy's requirements and to create and maintain the procedures noted here. You are encouraged to familiarize yourself with the contents of this document. Please refer any questions you may have regarding the Purchasing Policy to your Procurement Team member.

Conflict of Interest

All individuals associated with the Institution are governed by the most current [Conflict of Interest Policy](#). As delineated in the Conflict of Interest Policy, acquisitions from a business in which an employee has an interest is prohibited unless full disclosure of the background facts is presented in writing and subsequently approved by the appropriate officer of the Institution. In cases where a potential conflict exists, it is important to handle transactions competitively and at an arm's length, business-like basis.

Additionally, individuals may neither seek nor accept - directly or indirectly - payments, loan services, travel, gifts or entertainment with a value of more than \$100.00 from any supplier or company with which the Institution conducts or may conduct business. If you are approached by a supplier in an unethical manner, please report the incident to the Procurement Department.

Disadvantaged Business Enterprise Program

Woods Hole Oceanographic Institution holds a unique position in the research community. It has the capacity to influence people beyond its immediate boundaries and has an obligation to render leadership in areas of both public and governmental concern.

WHOI has championed the cause and exhibited its leadership in the area of equal opportunity. The Institution continues to make every effort to promote diversity throughout its research, engineering and administrative populations but must also recognize that special efforts are needed to increase the level of participation by disadvantaged businesses in the Institution's procurement process. Everyone involved in this process is responsible for creating a climate that encourages disadvantaged enterprises to compete for WHOI's business and for eliminating any barriers that might impede this participation. Disadvantaged enterprises do not expect special consideration. They do expect equal access.

The Procurement Department is responsible for maintaining appropriate records of disadvantaged businesses' participation in our procurement activities and reporting it to appropriate internal and external constituents. It is further charged with identifying qualified disadvantaged businesses and introducing them to the WHOI community through outreach programs. You are encouraged to share your successes with disadvantaged businesses with the Procurement Department so that others may benefit from your experiences.

Procurement Department Organization

Reporting to the Associate Director for Finance and Administration, the Procurement Department consists of a team of professionals trained in managing all facets of the procurement cycle. This includes the sourcing of goods and services, the development of the appropriate business and contractual relationships with suppliers, expediting orders, coordination of deliveries and the final payment for goods and services received by the Institution.

Team members are organized along commodity lines. A listing of the staff and their responsibilities is provided in the [Appendix](#) of this Guide. However, while a team member may possess expertise in a particular commodity, she/he will be happy to assist you in any procurement activity.

In addition to procurement responsibilities, the Procurement Manager also administers the travel program and stockroom operations. Specific policies and procedures governing these areas are provided elsewhere in this Guide.

Section II

How to Order Materials and Services

Introduction

This section outlines the procedures and forms that are required to process a procurement transaction. The Procurement Team is available to answer your questions and assist you in processing any of the required forms.

Procurement Value Table

The following table shows the different methods for acquiring goods and services. These are the upper limits approved by the Institution that a department or administrative unit can not exceed. A department may set actual transaction limits or administrative unit may be lower than the limit stated here. Consult your department to find out your specific limits. Explanations of each category follows:

Dollar Value	Petty Cash	Purchasing Card	Request For Payment	Purchase Order
Less than \$100	recommended	recommended	recommended	not recommended
101 to \$500	not available	recommended	recommended	not recommended
501 to \$2500	not available	recommended	not recommended	recommended
\$2500 and Over	not available	not available	not recommended	required

*** Less than \$100.00** - The Institution gives you three ways to procure items totaling \$100.00 or less:

Use your own cash or credit card and submit the original sales slip with a Petty Cash Request to the Cashier in the Controller's Office or at either of the [Stockroom](#) locations. You will be given cash on the spot. (2) Submit the original

sales slip, with a Request For Payment, to the Procurement Department. A check will be sent to you in about 5 business days. (3) Many individuals have been assigned purchasing cards. Payments made for items purchased on the card are made electronically. Procedures for acquiring and using this card are provided in the Procurement Guide.

Although a Purchase Order may create an inconvenience and additional work, if the supplier requires one, you may use a Purchase Order.

Note: *You may find yourself using a particular supplier many times during the course of the year for small dollar purchases. In this case, a "Blanket Purchase Order" may be the best means of conducting business. If you are in this situation, contact the Procurement Department to discuss your options.*

*** \$101 to \$500** - Many suppliers allow you to charge your purchase to an individual or master account. In these situations, the suppliers will provide you with an invoice. A Purchase Order is not required. You may use a Request For Payment or Purchasing Card as above.

*** \$501 to \$2500** - A Purchase Order or Purchasing Card is needed for purchases greater than \$500.00 but less than \$2500 that are not categorically exempt (see below.)

*** \$2501 and Over** - A Purchase Order is required for purchases that are not categorically exempt (see below).

Purchase Orders - There are three reasons for using Purchase Orders. One is to control the acquisition of goods and services when price is a primary consideration. Another is to create an "encumbrance" in the general ledger of accounts helping you manage your budget. Finally, by using a Purchase Order, everyone involved in the purchase cycle can track the order by referring to the same number.

To use a Purchase Order, complete a Purchase Requisition Form and forward it to the Procurement Department. The Procurement Department generates the Purchase Order and sends it to the supplier, either electronically or via U.S. mail.

Detailed instructions on how to process a requisition are provided in the "Procurement Guide." If you do not have this guide, please contact the Procurement Department.

In extreme cases, you may need a Purchase Order number to call in an order. A confirming requisition must follow this request within 72 hours. Please refer to the Purchasing Guide for details. Use this system for emergencies only.

The Requisition

The Purchase Requisition Form (see Appendix) is the method used to communicate your purchasing requirements to the Procurement Department. It provides the Procurement Team with knowledge of the particular items or services required, shipping information, your

recommendations for a supply source, expected pricing, accounting information and appropriate authorizations. These forms are provided to you by the Procurement Department through the Stockrooms. Soon, we hope to provide these forms interactively, across the internal Web.

Some groups may have specialized computer programs that generate a listing of the required materials for a particular purchase. With the approval of the Procurement Manager, these forms may be substituted.

The Purchase Requisition Form formally authorizes the Procurement Team to create procurement transactions. While it is possible to change information for purchases (see Purchase Order Change), it is best to provide as accurate a record as possible at the inception of an order.

Whether generated from your system or provided by Procurement, all Purchase Requisition Forms should include the following information. Those items required are noted with an asterisk (*).

1. Estimated Cost* - A requisition authorizes the Procurement Department to expend funds. This authorization must include an estimate of what you, the requester, expect to spend. The [Purchasing Team](#) will make every effort to find suppliers willing to provide the needed goods or services for the estimated cost. However, this is not always possible. As needed, team members will contact you to secure your approval for any cost variation that exceeds five percent of your estimate.

2. Account Information* - The Procurement Department uses the Bi-Tech computer system to create purchasing records. At the same time, Bi-Tech creates an encumbrance against the appropriate budgets in the ledger of accounts. This encumbrance assists budget managers in estimating budget status at any given time. When an invoice is processed against the Purchase Order, the encumbrance is released and the amount of the transaction is deducted from the budget.

Whenever charging to an account, it is important to provide as accurate a record as possible. This applies not only to the appropriate project code or cost center code but the object code as well. It is as important to note whether an item is a supply or piece of equipment as it is to charge it to the appropriate cost center.

3. Authorized Signature* - Each transaction against a specific project or cost center requires the signature of the individual assigned responsibility for transactions against that account. This authority to requisition funds may be delegated to other individuals within the Institution. However, while it may seem expedient to delegate this responsibility to many individuals who work within a given area, it is advised to keep the authority as limited as operationally possible. The Procurement Approval Policy (see Appendix) defines who may be assigned authorization.

The Procurement Department maintains the list of all individuals responsible for procurement transactions. This Authorization matrix@ is used to verify that the individual noted on the Purchase Requisition Form is indeed authorized to approve the transaction. To facilitate the process, the Procurement Department also requests an internal telephone extension where the person authorizing the transaction may be reached.

4. Requester Information - In addition to the signature of the person with budgetary responsibility, the Procurement Team also requests the name and telephone extension of the individual making the request. This should be the individual with the most knowledge of the requirements and able to answer both technical and logistical questions. This may or may not be the person with budgetary authority as well.

5. Shipping Instructions* - The information on the completed Purchase Order is shared by many groups, both internal and external. One of these groups includes the people responsible for ensuring your shipment is received in a timely manner. Any and all specific information regarding the shipping of goods needs to be included on the requisition particularly when items are to be shipped to another site.

6. Description of Goods and Services* - To process an order, the Procurement Team requires a brief description of the items and services you require. We ask that you be as specific as possible. Please include any model numbers, color selections and a brief description of what is required. Feel free to attach any appropriate, legible list as needed noting any attached lists in the body of the requisition

7. Recommended Supply Source - Many times, the requesting individual may have a preferred supply source. Other times, the requisitioner does not. To facilitate supply source selection, the Procurement Department affords the WHOI community access to a database of approved suppliers through the Bi-Tech data management system.

All suppliers are required to provide pertinent information for this database before conducting business with WHOI. The information includes appropriate addressing, tax information, commodity information and status regarding classification for federal reporting purposes. To learn more about how to access this listing, or to add a supplier to the system, please contact the Procurement Department.

If you are aware of a source for your purchase, please include it on the Purchase Requisition Form. If you do not have a favored source, the Procurement Team will provide one. However, in all cases, final supplier selection decisions rest with the Procurement Department. Taking all facets of an acquisition into consideration, the team professionals will apply their expertise to determine the best supply source. When you have recommended a source and the team has ascertained another to be more appropriate, he or she will inform you prior to placing the order.

8. Quantity* - Each line of a request must include the number of items you wish to procure.

9. Units of Measure - Many times an item will be sold as one unit or each. Other items may be sold by the case, dozen, gross, foot or other unit of measure. It is important to note the way an item is shipped to ensure the quantity requested is the quantity you receive. The Procurement staff can assist you in determining the appropriate unit of measure.

10. Radioactive/Hazardous Materials - Many radioactive and hazardous materials require special handling and tracking. Please note any materials that are classified as radioactive or hazardous. They may also require the additional approval of the Safety

Office before processing.

11. Verification of Surplus Property - While it is always good to verify that similar equipment is not already available for your use through the [Property Department](#), it is a requirement when using government funds. A listing of available equipment can be found on the Property Web site. Please verify your compliance with this requirement by checking the appropriate statement on the Purchase Requisition Form.

12. Additional Approvals - Some procurement require approvals beyond budgetary consideration. These signatures should be obtained before the Purchase Requisition Form is submitted to the Procurement Department.

13. Requisition Number - All requisitions, whether generated on paper or electronically, must have a unique requisition number. This aids the Procurement Team and the requester in tracking the requisition through the process. Please consult with your Procurement Team representative to determine the appropriate numbering system to use when developing your own Purchase Requisition Form.

Competition/Bidding

As a recipient of taxpayer monies, it is imperative to create competition wherever possible. The [Purchasing Policy](#) has specific requirements regarding the solicitation of bids but everyone is encouraged to seek out competition at every level of purchasing. Your Procurement Team representative will be happy to provide you with or assist you in processing bids. The Procurement Department uses and encourages the use of one of these three methods to verify prices:

1. Telephone Quotations - Telephone quotations may be used for purchases less than \$10,000. A telephone solicitation requires many of the same components as a written solicitation but the actual process is managed over the telephone. The Purchasing Policy requires documentation of telephone solicitations of more than \$5,000.

The Procurement Department provides a form for telephone solicitations (see Appendix). You may also wish to develop your own format. In either case, this documentation must include:

- The name and telephone number of at least two suppliers contacted.
- The name and extension of the individual from the supplier making the offer.
- Descriptions of the items being quoted including quantities.
- Any and all notes made during the conversation with the supplier.
- The name, extension and signature of the individual soliciting the quotation.

2. Written Quotations - The best, most effective way to create competition is to solicit two or more written bids (three bids are preferred but is not always possible.) This

method ensures the selected supplier is providing goods and services in the most cost effective manner. Best business practices encourage the use of written competitive bidding at all levels of purchasing but, at WHOI, written quotations are not required unless the value of the purchase is \$10,000 or more. The Procurement Department provides a written quotation form (see [Appendix](#)). It is geared toward smaller less complicated inquiries. Your Procurement Team member will be happy to assist you with more complicated issues.

Some points to remember when soliciting written quotations are:

1. Bids should include a written request for proposal or pricing (RFP) from WHOI and a written offer from the suppliers.
2. The offer should include all delivery and installation costs.
3. Delivery should be FOB (Free on Board) WHOI or the point where you wish delivery to occur. This ensures liability for products does not transfer to WHOI until you receive the goods.
4. Any and all future maintenance costs should be noted.
5. In the RFP, your specifications should be as generic as possible. Try not to use name brands but the actual technical specification for the product or service required. Any variation from your specification (substitution) should be noted by the bidder.
6. Warranties should be explained in the text of the offer.
7. Payment terms should be delineated in the offer.
8. All bids should be provided on company letterheads and signed by an appropriate company employee (i.e., able to commit the firm to the offer.)

3. **Single or Sole Source Justification** - When a purchase order totals more than \$5,000, and competition is not possible, a justification of why the single or sole source is being used is required. Sole source procurement are those where no other supplier is available to provide the same or similar product or service required. A single source procurement occurs when there are other suppliers of the same or similar products or services but the nature of the application dictates the selection of a particular source, regardless of price.

Single source procurement is appropriate when:

- compatibility with accessories, replacement parts or other integrated systems is the paramount consideration
- a specific good or service is required and authorized in a grant or contract to maintain the integrity of the project
- a pre-packaged commodity is procured for resale.

The form, [Sole/Single Source Justification](#), located on the back of the Purchase Requisition Form, must be completed when processing these kinds of procurement. Justification must include what market forces are at play, why the item or service requested is unique and what effect using an alternate would have on the project or institution.

Using a Single or Sole Source does not preclude responsibility to analyze the offer. Whenever a Single or Sole Source is required, a cost or price analysis is to accompany the justification. The appendix to this Guide includes techniques that can assist in determining the fairness of a price. Techniques for comparing price can also be found in the Federal Acquisition Regulation (FAR).

Contracting for Professional Services

From time to time, it may be necessary to contract for professional services from a source other than an enterprise registered as a corporation. In all such cases, the Institution will comply with Federal and State regulations and guidelines concerning the classification of an individual as an employee or an independent contractor.

An independent contractor is defined as a person engaged in an independently established business - a person engaged in an occupation that contracts work according to their own methods, without being subject to control of the employer except for results. The basic tenet of an independent contractor relationship is that the contractor has an independent occupation and is only responsible for the finished product.

Whether someone providing a service is an employee or an independent contractor is critical. It becomes important for determining benefits and pension eligibility, the worker's compensation coverage, wages and hour laws, unemployment compensation and personal tax liability. Each situation must be analyzed independently as the determination of the status may change with each circumstance.

The Institution Policy, [Contracting for Professional Services](#) (see [Appendix](#)) governs the use of an independent contractor at the Institution. Please refer to this Policy and its procedures before processing a requisition for services using an independent contractor. No Purchase Order using an independent contractor will be processed without the appropriate documentation and determination.

Purchase Order Changes

A change to a Purchase Order allows an individual the ability to add items or services, change the accounting and increase or decrease prices. A Purchase Requisition Form must be processed to create a change to a Purchase Order. Please include the Purchase Order number in the text of any Purchase Order change you might request. All authorizations needed for a Purchase Order are also required on a Purchase Order Change. If the change increases the value of the Purchase Order beyond the authorization limits of the original approver, the change must be approved at the next approval level. Note only those items you wish to change when processing a Purchase

Order Change. Any information not noted as needing change will be left as is.

Purchase Order Cancellations

From time to time, it may be necessary to cancel a Purchase Order. You may have determined the items or services were not needed or could be better provided from another source, the supplier may not be able to provide all the items you have requested or the final payment for the items or services were less than expected and you wish to eliminate an encumbrance.

To cancel a Purchase Order, please process a Purchase Requisition Form noting the reason you wish to cancel the Purchase Order and the Purchase Order number of the order you wish to eliminate (exception: when a Purchase Order has less than 5% of its value remaining, an e-mail message to the Procurement Team requesting the closing of a Purchase Order may be used). Budgetary authorization must be secured on a request to cancel a Purchase Order.

SOS Program

To help facilitate the ordering of small dollar supplies, the Procurement Department provides the community with a number of Speedy Order Systems (SOS's). Supplies eligible for [SOS](#) programs are those where the volume of small dollar purchases for a year's period are greater than \$30,000, when we are able purchase the supplies from a single source and where suppliers are willing to offer discounts based on the total volume of purchases over the course of a defined period of time. An SOS program can be designed for a single requester's needs or for the entire community.

The key to an SOS program is to decrease the complexity of order and payment systems while maintaining competitive pricing. We structure the SOS programs to take advantage of technology in decreasing the cost to the Institution for processing. Pricing is based, not on the individual purchase of a supply item, but the total cost of the group supplies over time. As an example, a particular item, say a pen, may cost a few pennies more from the SOS supplier than another source but the cost of another item, Purchase Post It Notes, cost a nickel less. Over the course of the SOS agreement, the total cost of procuring pens and Purchase Post It Notes is less. In addition, through the use of technology, the cost to process a transaction, your time in ordering and the Institution's time in processing payment, is decreased.

SOS agreements are just that, agreements between WHOI and a supplier to do business in a certain way. Unlike an annual contract, the quantity of purchases is not locked in. The SOS agreement does not guarantee the supplier any volume of business but does require the Procurement Team to encourage the use of the SOS for that supply group whenever possible. If you do not wish to use an SOS program for a particular supply category, please let your Procurement Team member know and we will try to accommodate your needs.

A list of the SOS programs currently underway and procedures for their use are provided in the Appendix.

Procurement Card

WHOI provides those individuals doing many small dollar procurement with a bank-sponsored

procurement card to transact these purchases. Similar to a personal credit card, a procurement card is for use with retail oriented suppliers when using an SOS program or when a Purchase Order would be inefficient. Billing is directed to the Institution not the card holder. Each card has individualized controls assigned to discourage inappropriate use.

To learn more about the procurement card and how to receive one, refer to the Procurement Card Purchase Policy and Procedures included in the Appendix of this Guide or contact the Card Office (Ext: 2332).

Tax Status

Woods Hole Oceanographic Institution is a 501(C)(3) Tax Exempt organization. This status allows the Institution to seek exemption from sales tax in states where we purchase items for use in the host state. In most states, sales tax collection is not pursued for items purchased in one state then used in another (i.e., items shipped out of state). Tax exemption does not apply to federal and state fuel taxes, local hotel occupancy and food taxes, most transportation surcharges, user fees and meal taxes.

When we purchase items or services within Massachusetts, the supplier must have on file a hard copy of our state Tax Exemption Certificate (see Appendix). Each certificate notes the supplier's name and can only be used for that particular supplier. You may contact the Procurement Department (ext: 2371) to arrange for a supplier to receive our tax exemption certificate. We will be happy to provide the supplier with the appropriate form.

Our tax exemption pertains to state taxes; what applies in Massachusetts does not apply in every state. Each state has unique requirements regarding tax exempt status. Some simply require a form to be filled out, and others require an act of the state legislature for an organization to receive exemption. WHOI examines our need for sales tax exemption on a state-by-state basis. Please contact the Procurement Department when sales tax exemption is of issue.

Section III

Receipt and Payment of Services and Materials

Introduction

The receipt and payment of materials and services is as important as ordering itself. This section discusses what is undertaken to ensure that the items and services WHOI ordered are the items and services we received and paid for.

Unlike other organizations you may be familiar with, WHOI does not separate the ordering and payment processing. The Procurement Office is responsible for the traditional functions performed at other institutions by Purchasing and Accounts Payable. This gives our Procurement Team member a unique view of the entire transaction, creating an environment where the person responsible for processing the payment also has intimate knowledge of what was ordered.

Central Receipt

Woods Hole Oceanographic Institution maintains a central receiving operation. Managed by the Facilities Department, the [Receiving](#) Team is responsible for acknowledging receipt of all incoming shipping traffic and the redistribution of items throughout the two WHOI campuses.

Members of the Receiving Team will verify the quantity of items received against the quantity ordered on a Purchase Order using the Bi-Tech receiving module. They will visually inspect for damages and refuse items that appear to have extensive damage.

As the Receiving Team does not possess intimate knowledge of the items ordered nor the capability to test them, they are not able to ascertain if an item is indeed usable as intended by the requisitioner. Final inspection of materials against specification is the responsibility of the Requisitioner. Therefore, it is imperative to inspect your shipment and verify its quality immediately upon receipt. Delaying this inspection may hamper the effort to return materials that do not work as intended.

When an item does not meet your specification or is damaged, contact your Procurement Team member immediately. She/he will assist you in returning the item and negotiating a remedy with the supplier.

Direct Receipt/Services Receipt

From time to time, it may be necessary to have shipments directed to a location other than central receiving; or, an order may have been for services. In these cases, the Requisitioner is

responsible for acknowledging receipt of the item or service. In addition, items whose value exceeds \$10,000 require the additional acknowledgment of receipt by the requester to be eligible for payment.

To facilitate this process, the Procurement Department provides you with a Pink Approval Form (see Appendix). This form serves as verification of receipt or approval for payment of services rendered. Please use this form whenever an item or service processed on a Purchase Order is sent to you directly or the value of the item exceeds \$10,000.

When merchandise is received off site, we require the name of the person who actually received the items for WHOI and the date of receipt should be indicated on the Pink Approval Form.

Packing Slips

Whether a shipment is received through Central Receiving or is shipped directly to you, a packing slip is usually provided by the supplier. This document commonly shows a shipping number, the Purchase Order number, the quantity ordered, the quantity shipped and, when applicable, the quantity back ordered. It is your record of what was sent to you by the supplier and is used to track the shipment throughout the system. Please keep this form for reference purposes.

Authorization for Payment

Whether received centrally, at a remote site or directly by the requisitioner, all supplier invoices are matched against the items or services ordered on the Purchase Order as well as the items or services received. At WHOI, this three-way match is accomplished electronically, through the Bi-Tech system. The system will verify that the item or service received matches the quantity and prices of the items or services ordered and that the invoiced amount matches both. The system automatically creates back order information, releases encumbrances, creates appropriate entries in the General Ledger and closes fully paid orders when all items and services have been received and paid.

There are three ways the receiving data is entered into the system:

1. When an item is received at Central Receiving, the Receiving Team will enter the data into the Bi-Tech system directly.
2. When an item or a service is received by the requisitioner, the Procurement Team enters receipt based on the Pink Approval Form provided by the requisitioner.
3. When an invoice is received and there is no receiving data in the system or, when the value of the item or service exceeds \$10,000, the Procurement Team member will request a Pink Approval Form be processed by an individual with the appropriate budgetary approval. The information provided on the completed form will be entered into the Bi-Tech database thus creating a match.

Invoice Tolerances

When processing invoices, the Procurement Team works within institutionally defined parameters to determine what is a reasonable variance between invoice total and Purchase Order totals. These tolerances allow Procurement to process payment of invoices that exceed the value of the Purchase Order.

If the value on an invoice for a Purchase Order of \$100 or more exceeds 5% or \$300 of the Purchase Order total, whichever is least, the invoice cannot be processed until a Purchase Order change is issued by the requester (see Purchase Order Change section of this Guide.) As an example, if a Purchase Order is written for a total of \$1,000 but the cumulative total of the invoices for the Purchase Order is \$1,051 or, if the value of the order was \$6,000 but the invoice total was \$6,300, a Purchase Order change would be required.

Receipt and Payments Processing for SOS and Procurement Card Programs

Both the SOS and Procurement card programs have unique requirements regarding how receipt and payments are processed. Please refer to the specific procedures for these processes provided in the Policies and Procedures for each in the [Appendix](#) on this Guide.

Section IV

General Purchasing Practices

Introduction

While the ultimate responsibility for the procurement process made at WHOI is delegated to the Procurement Department, many may wish to provide assistance by doing much of the procurement work themselves. This is particularly true of individuals purchasing highly technical equipment and services. The following gives those wishing to be more involved in the procurement process some basic guidelines to good procurement practices.

Selecting Qualified Suppliers

Supplier selection and evaluation are processes that can take some time and energy but the effort will be rewarded when the product or services needed are supplied in a timely and cost-effective way.

The first step in supplier selection is often research, particularly if the item or service has not been purchased before. There are a number of tools to assist you in this initial phase:

- Discuss your purchase with the appropriate Procurement Team member in advance.
- Go to the [Procurement Web Page](#) and check to find on-line resources we use or use a Web browser to search for suppliers.
- Consult the local and Boston yellow pages for local suppliers.
- Consult professional journals, trade publications, directories and supplier catalogs.
- Talk with colleagues here and at other institutions who might have purchased similar items.

Once a list of potential suppliers has been determined, begin to evaluate their capabilities. Ask suppliers for a list of references. Visit their sales offices, warehouses and manufacturing plants to evaluate their operational capabilities. Look to see if the firm appears prosperous. Evaluate their use of technology. Ask employees how they feel about the company. When needed, ask for samples and prototypes (there may be a cost associated with these) as well as its ability to supply the goods or services.

It is a good practice to investigate the financial stability of the supplier. WHOI uses Dun & Bradstreet to analyze the stability of publicly-held companies. Their services may be obtained by

contacting the Procurement Department. There is a fee for these services. Any member of the financial management team at WHOI can assist you in understanding these reports.

Analyzing a privately held company is more difficult. It may be necessary to look at an audited financial statement for the company. You may also ask for bank and other trade references. Again, any member of the finance team can assist you in this analysis.

Managing a Bid

Once you have selected a few qualified suppliers, the best method to determine if an offer is competitive is to request a written bid. Bidding will allow you to verify the pricing provided by the supplier, tell the supplier you are seeking competition, delineate your expectations of the supplier and his/her expectations of WHOI and, when needed, can form the basis for a legally binding contract.

The bidding process begins with the development of a set of specifications or objectives. To be able to define the requirements exactly requires doing your homework. The resources to assist you in this include colleagues, trade manuals, the Procurement Team and the suppliers themselves. Try to make your specifications as generic as possible allowing the suppliers to use their expertise to find the best solution to your needs. Here are some tips on preparing a bid:

- You will need sufficient time to prepare and evaluate the bid. The suppliers will need sufficient time to respond (usually two to four weeks depending on the complexity).
- All suppliers should receive identical copies of your bid documents and any subsequent changes.
- Sometimes it may be more cost effective to use WHOI's own assets to manufacture an item or perform a service. Whenever practical, every effort should be made to include our internal shops and departments in the bidding process.
- Specify a deadline for receipt of bids. If you extend this deadline for one, you must extend it for all.
- If the bid is quite complicated and will generate a host of questions or require a site visit from the suppliers before they can bid, it may be most expedient to hold a pre-bid meeting with all parties present.
- Make sure the person who is submitting the response is appropriate. All bids should be signed by an officer of the supplier's company with authority to commit the company's resources.
- All bids are confidential and should not be used as a bargaining tool among suppliers.

Once bids are received, you need to evaluate them in a fair and open process. While the procuring of goods and services at the Institution does not require the lowest bid, it is required to document when a lower bid was not accepted (see Single or Sole Source justification section of this Guide). Some tips on evaluating bids include:

- Take the time to review the bids carefully.

Narrow the field by determining which vendors are responsive. A responsive bid will include ALL the information needed to procure the product or service up front.

Look carefully at the proposed prices. Be wary of suppliers who substantially underbid others. It might mean the supplier misunderstood the requirements or is low balling the bid. In this case, the product or service might suffer.

Consider the supplier's past performance, after sale support and services, technology and other criteria that might separate one supplier from another.

Always compare TOTAL acquisition and life cycle cost. This includes shipping, consumable supplies, service agreements, potential repair parts and other after purchase costs.

Negotiating a Price

There are times when the bid process cannot be used. When this occurs, prices must be negotiated. Negotiation should be used when:

- The purchase involves a significant amount of money or requires an ongoing effort. In these situations, negotiation may be used in conjunction with a bid.
- The number of suppliers available is too limited to create competition via a bid.
- New technologies or processes are required for which a selling price has yet to be determined.
- The supplier is required to make a substantial financial investment or other resources.
- There is not enough time available to seek competitive bids.

When negotiating a price, it is important to remember to do your homework. Find out as much as possible about the company. Be sure you understand your requirements fully and how these might affect prices. Investigate the costs associated with providing the service or materials you are requiring. Develop your own strategy for the negotiation and try to anticipate the strategy of the supplier. Make sure the person you are negotiating with has the authority to make offers and commit the supplier. Finally, remember that a successful negotiation is a win-win for both parties. You must allow the supplier enough leeway to make supplying the goods or services attractive.

Managing Supplier Relationships

Maintaining good supplier relationships should be important to all members of the community. A good buyer-seller relationship is a partnership, a win-win situation that nurtures both parties. A supplier treated with courtesy, honesty and fairness will deliver quality products and services at the best price. A supplier who feels he or she is being treated well will be responsive to emergency and special requests. A well-managed supplier is a useful resource in attaining industry knowledge also.

There is also a public relations aspect to procurement that should not be overlooked. WHOI is in a unique Position in the local, research and business communities. Our name is well known and associated with quality and integrity. This reputation is an important asset that we should always strive to maintain. A well-managed supplier is likely to communicate their positive experiences to others, further enhancing our reputation.

Here are some guidelines to positive supplier relationships:

- **Be Fair:** Give all qualified suppliers equal access to compete for our business
- **Maintain Integrity:** A supplier's price is confidential and should never be shared with another supplier for any reason.
- **Be Honest:** Never inflate requirements to get better pricing. Negotiate in good faith. Do not change requirements and expect the supplier to hold their offering. Communicate with suppliers openly and honestly.
- **Be Ethical:** Procurement decisions should be made objectively and free from any personal considerations.
- **Be Courteous:** Treat suppliers as you wish to be treated.
- **Be Reasonable:** A supplier is entitled to make a profit. Requirements should be attainable without putting undue financial hardship on either party.
- **Process Needed Documents Promptly:** We demand our suppliers to respond to the requirements in a timely manner. We too have an obligation to uphold our end of the bargain by providing them with timely documents and payments.

Section V

Federal Procurement Requirements

Introduction

In this section, we will discuss some of the specific requirements placed on WHOI by funding agencies. Again, while many may wish to pursue these procurements independently, the Procurement Teams are always available to assist you.

Overview

Woods Hole Oceanographic Institution receives much of its funding from federal research funds and is required to maintain a federally approved purchasing system. An approved purchasing system complies with federal procurement regulations and internal purchasing policies and procedures.

The Office of Naval Research (ONR) conducts a Contractor Purchasing System Review (CPSR) at WHOI every few years to evaluate compliance. A CPSR involves an examination of the entire purchasing system. It is not limited to federal funds. Purchases made with WHOI or other non-federal funds are reviewed for compliance with Institution Policies and procedures. Purchases made with federal funds are reviewed for compliance with the Federal Acquisition Regulation and appropriate Office of Management and Budget circulars and regulations.

During a CPSR, the review team will randomly select a sample from our Purchase Order records for analysis. The Procurement Department is responsible for supplying supporting documentation. Required documentation can include purchase orders, invoices, copies of competitive quotes or proposals, justification of single/sole source justifications and appropriate price/cost analysis.

Grant and Contract Purchases

When processing any purchase at WHOI, you are required to provide the appropriate supporting documentation to the Procurement Department before a purchase can be made. The appropriate Policies and procedures to ensure compliance with the appropriate federal regulations have been incorporated into the WHOI procurement system. Therefore, adherence to the policies and procedures noted in this Guide will ensure compliance with most federal regulations.

Additional Federal Approval/Certifications

When using federal funds, there may be additional certifications and approvals required beyond to adherence to WHOI's Policies and Procedures. Requirements may vary from funding-to-

funding source and are always subject to change. It is important to review the requirements of the sponsoring agency each time an award is made to ensure you are meeting the latest requirements of the sponsoring agency. Here are some of the standard requirements that are usually mandated:

1. Non-segregated Facilities - Certification is required from suppliers whose cumulative total awards will exceed \$10,000 in one calendar year. The Procurement Office manages these certifications for suppliers we currently do business with. If a new supplier is planned for a project, please contact the Procurement Department to ensure this certification is in place.

2. Certification of Non-Debarment - For OOI, suppliers receiving purchase orders of \$25,000 or greater (per NSF Business Systems Review mandate). All other suppliers receiving purchase orders of \$30,000 or greater (per FAR 9.409). Federal regulations and good business practices require WHOI to obtain written certification that the supplier has not been debarred (prohibited) from doing business with the federal government. A supplier is debarred for serious offenses such as embezzlement, theft, forgery, bribery and other offenses indicating a lack of business integrity. Depending on the seriousness of the offense, debarment lasts anywhere from three years to indefinitely.

Although the Procurement Department maintains records of firms that have been debarred, the supplier must certify that they do not have debarred status at the time of a purchase. Again, a Procurement Team representative can assist you in obtaining these certifications.

3. Clean Air and Water Certification - For purchases of \$100,000 or greater the supplier must certify that they are in compliance with the Clean Air and Water Act prior to commitment.

4. Certification and Disclosure Regarding Payments - Prior to commitment for purchases of \$100,000 or greater, the supplier must disclose any federal lobbying they have been involved in.

There are additional certifications required for purchases greater than \$500,000. If you are involved in a procurement at this level, please consult with the Procurement Manager to ensure the appropriate certifications and approvals are in place.

Subcontracting Plans for Small and Disadvantaged Businesses

The Federal Acquisition Regulation requires a Subcontracting Plan for Small and Disadvantaged Business for each contract \$500,000 and over. Prime contractors, such as WHOI, must agree to purchase a percentage of the supplies and services required for performance of the contract from small, women-owned and disadvantaged businesses. Some contracts may set specific goals. Most rely on the Institution to make a good faith effort. The Subcontracting Plan specifies:

(A) which items/commodities will be purchased from small and disadvantaged

businesses,

(B) the total dollars to be spent each with small and disadvantaged businesses and the percentage of the total dollars budgeted for supplies and services that these purchases represent.

The Subcontracting Plan is submitted by the Principal Investigator before his/her research proposal and budget may be approved. The Procurement Team is best suited to assist the Principal Investigator in designing these plans because we maintain the database of WHOI supplier classifications, are involved in appropriate industry organizations that seek out and certify disadvantaged firms and have the marketplace knowledge to confirm the validity of goals. Please contact the Procurement Department to seek assistance in developing a manageable Subcontracting Plan.

Once a contract is awarded, the Subcontracting Plan becomes part of that contract. While the Principal Investigator is responsible for the plan, the Procurement Department maintains the records and submits appropriate reports concerning compliance.

However, Principal Investigators, Department Administrators and others involved in determining the allocation of funds should be familiar with the definitions of Small, Small Disadvantaged and Women-Owned Businesses:

- **Small Business:** Generally less than 500 employees including affiliates, is independently owned and operated and is not dominant in its field of operation.
- **Small Disadvantaged Business:** At least 51% owned, managed and operated on a daily basis by a member of a definable minority group. Definable minority groups include Afro-Americans, Hispanic Americans, Asian-Americans, Native Americans, Native Hawaiians, Eskimos and Asian-Pacific Americans.
- **Women-Owned Business:** At least 51% owned, managed and operated on a daily basis by a woman/women who is a United States citizen. Women-owned businesses are not considered disadvantaged, unless owned by a woman who is also a member of a definable minority group.

WOODS HOLE OCEANOGRAPHIC INSTITUTION

TERMS AND CONDITIONS OF PURCHASE

ARTICLE I - The Woods Hole Oceanographic Institution, a Massachusetts corporation, hereinafter called 'WHOI' have entered into a contract with the United States of America, hereinafter called 'Government'. This order is entered into in furtherance of the performance of the work provided for in said contract.

The materials, supplies or services covered by this order shall be furnished by Seller subject to all the terms and conditions set forth in this order including the following, which Seller, in accepting this order agrees to be bound by and to comply with in all particulars and no other terms or conditions shall be binding upon the parties unless hereafter accepted by them in writing. Written acceptance or shipment of all or any portion of the materials or supplies, or the performance of all or any portion of the services, covered by this order shall constitute unqualified acceptance of all its terms and conditions. The terms of any proposal referred to in this order are included and made a part of the order only to the extent of specifying the nature of the materials, supplies, or services ordered, the price therefor, and the delivery thereof, and then only to the extent that such terms are consistent with the terms and conditions of this order.

ARTICLE 11 - INSPECTION. The materials, supplies or services furnished shall be exactly as specified in this order, free from all defects in Seller's design, workmanship and materials, and, except as otherwise provided in this order, shall be subject to inspection and test by WHOI at all times and places. If, prior to final acceptance, any materials, supplies or services are found to be defective or not as specified, WHOI may reject them, require Seller to correct them without charge, or require delivery of such materials, supplies, or services at a reduction in price which is equitable under the circumstances. If Seller is unable or refuses to correct such items within a time deemed reasonable by WHOI, WHOI may terminate the order in whole or in part. Seller shall bear all risks as to rejected materials, supplies and services and, in addition to any costs for which Seller may become liable w WHOI under other provisions of this order, shall reimburse WHOI for all transportation costs, other related costs incurred, or payments to Seller in accordance with the terms of this order for unaccepted materials, supplies and services. Notwithstanding final acceptance and payment. Seller shall be liable for latent defects, fraud or such gross mistakes as amount to fraud.

ARTICLE III - CHANGES. WHOI may make changes within the general scope of this order in drawings and specifications for specially manufactured supplies, place of delivery, method of shipment or packing of the order by giving notice to Seller and subsequently confirming such changes in writing. If such changes affect the cost of, or the time required for performance of this order, an equitable adjustment in the price or delivery or both shall be made. No change by Seller shall be recognized without written approval of WHOI. Any claim of Seller for an adjustment under this Article must be made in writing within thirty (30) days from the date of receipt by Seller of notification of such change unless WHOI waives this condition. Nothing in this Article shall excuse Seller from proceeding with performance of the order as charged hereunder.

ARTICLE IV - TERMINATION.

A. WHOI may by written notice stating the extent and effective date, terminate this order for convenience in whole or in part at any time. WHOI shall pay Seller as full compensation for performance until such termination (1) the unit or pro rata order price for the delivered and accepted portion; and (2) a reasonable amount, not otherwise recoverable from other sources by Seller as approved by WHOI, with respect to the undelivered or unaccepted portion of this order, provided compensation hereunder shall in no event exceed the total order price.

B. WHOI may by written notice terminate this order for Seller's default, in whole or in part, at any time, if Seller refuses or fails to comply with the provisions of this order or so fails to make progress as to endanger performance and does not cure such failure within a reasonable period of time, or fails to make deliveries of the materials or supplies or perform the services within the time specified or any written extension thereof. In such event, WHOI may purchase or otherwise secure materials, supplies or services and, except as otherwise provided herein, Seller shall be liable to WHOI for any excess costs occasioned WHOI thereby.

If, after notice of termination for default, WHOI determines that the Seller was not in default or that the failure to perform this order is due to causes beyond the control and without the fault or negligence of Seller (including, but not restricted to, acts of God or of the public enemy, acts of WHOI, acts of Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and delays of a subcontractor or supplier due to such causes and without the fault or negligence of the subcontractor or supplier), termination shall be deemed for the convenience of WHOI, unless WHOI shall determine that the materials, supplies or services covered by this order were obtainable from other sources in sufficient time to meet the required delivery schedule.

C. If WHOI determines that Seller has been delayed in the work due to causes beyond the control and without the fault or negligence of Seller, WHOI may extend the time for completion of the work called for by this order, when promptly applied for in writing by Seller, and if such delay is due to failure of WHOI, not caused or contributed to by Seller, to perform services or deliver property in accordance with the terms of the order, the time and price of the order shall be subject to change under the Changes Article. Sole remedy of Seller in event of delay by failure of WHOI to perform shall, however, be limited to any money actually and necessarily expended in the work during the period of delay, solely by reason of the delay. No allowance will be made for anticipated profits.

D. The rights and remedies of WHOI provided in the Article shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.

E. As used in this Article, the word 'Seller' includes Seller and his subsuppliers at any tier.

ARTICLE V - TITLE. Title to the material and supplies **Purchased** hereunder shall **pass** directly from Seller to WHOI or Government at the F.O.B. point shown, subject to the right of WHOI to reject upon inspection.

ARTICLE VI - PAYMENT, EXTRA CHARGES, DRAFTS. Seller shall be paid, upon submission of acceptable invoices, for materials and supplies delivered and accepted or services rendered and accepted. WHOI will not pay cartage, shipping, packaging or boxing expenses,

unless specified in this order. Drafts will not be honored. Invoices must be accompanied by transportation receipts, or facsimile, if transportation is payable and charged as a separate item.

ARTICLE VI] - WARRANTY. Seller agrees that the supplies or services furnished under this order shall be covered by the most favorable commercial warranties the Seller gives to any customer for the same or substantially similar supplies or services and that the rights and remedies so provided are in addition to and do not limit any rights afforded to WHOI by any other article of this order. Such warranties will be effective notwithstanding prior inspection and or acceptance of the services or supplies by the WHOI.

ARTICLE VIII - PATENT INDEMNITY. Seller shall indemnify WHOI and Government **and** its officers, agents, and employees against liability, including costs, for infringement of Letter Patent (except Letters Patent issued upon an application which is now or may hereafter be kept secret or otherwise withheld from issued by order of Government) resulting from Seller's furnishing or supplying standard parts or components or utilizing its normal practices or methods in the performance of this order or to any part, components, practices, or methods as to which Seller has secured indemnification from liability. The foregoing indemnity shall not apply, unless Seller shall have been informed as soon as practicable by WHOI or Government of the suit or action alleging such infringement, and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations **to** participate in **the** defense thereof, **and** further, such indemnity shall not apply to a claimed infringement which **is settled** without the consent of Seller, unless required by final decree of a court of competent jurisdiction.

ARTICLE IX - DECLARED VALUATION OF SHIPMENTS. Except as otherwise provided on the face of this order, all shipments by Seller under this order for WHOI account shall be made at the maximum declared value applicable to the lowest transportation rate of classification and the bill of lading shall so note.

ARTICLE X - ASSIGNMENT. This order is assignable by WHOI. Except as to any payment due hereunder, this order is not assignable by Seller without written approval of WHOI.

ARTICLE XI - AFFIRMATIVE ACTION. Seller shall not maintain or provide racially segregated facilities for employees at any establishment under his control. Seller agrees to adhere to the principles set forth in Executive Orders 11246 and 11375, and to undertake specifically to maintain employment policies and practices that affirmatively promote equality of opportunity of minority group persons and women; to take affirmative steps to hire and promote women and minority group persons at all job levels and in all aspects of employment. The Woods Hole Oceanographic Institution, as a Federal Contractor, is subject to Executive Order 11246 as amended, Title VII of the Civil Rights Act of 1964, The Rehabilitation Act of 1973, (Section 503), the Vietnam Era Readjustment Act of 1974 (USC 2012) and will abide by all the above regulations by not discriminating against any applicant or employee on the basis of race, creed, color, sex, age, national origin, handicap, or veteran status. Such actions shall include, but not be limited to, the following: employment, upgrading, promotion, demotion, transfer, recruitment, lay-off, rates of pay, and all other forms of compensation, selection of training, or other employment benefits.

ARTICLE XII - OTHER APPLICABLE LAWS. Any provision required to be included in a contract of this type by any applicable and valid Executive Order, Federal, State or local law,

ordinance, rule or regulation, including the examination of records by the Controller General, the Occupational Health and Safety Act, and the Renegotiations Act of 1951, as amended, shall be deemed to be incorporated herein.

ARTICLE XIII - ADDITIONAL GOVERNMENTAL REQUIREMENTS. The clauses contained in the following paragraphs of the Federal Acquisition Regulations are incorporated herein by reference. The date of this order determines the date of the FAR clause that is applicable. For purposes of this Purchase Order, in the following clauses, the term 'contract' shall mean '@this order': the term 'Contractor' shall mean 'Seller': and the terms 'Government' and 'Contracting Officer' shall mean 'WHOI' (except with respect to clauses 52.215-1, 52.215-2, 52.227-2, and paragraph (b[9]) of clause 52.222-26 in which cases 'Government' means 'United States Government'.

52.203-7 Anti-Kickback Procedure

52.203-12 Anti-Lobbying

52.209-5 Certification Regarding Debarment (if order exceeds \$30,000)

52.215-1 Examination of Records by Comptroller

52.215-2 Audit - Negotiation (If order exceeds \$100,000.00 and covers other than catalog price hardware)

52.215-22 Price Reduction for Defective Cost or Pricing Data (if order exceeds \$100,00.00 and covers other than catalog price hardware)

52,215-24 Subcontractor Cost or Pricing Data (If order exceeds \$100,000.00 and covers other than catalog price hardware)

52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (If order exceeds \$10,000.00)(Does not apply to small business concerns)

52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan (If order exceeds \$500,000.00)(Does not apply to small Business Concerns)

52.219-13 Utilization of Women-Owned Small Business (If order exceeds \$25,000.00)

52.220-3 Utilization of Labor Surplus Area Concerns (If order exceeds \$25,000.00)

52.220-4 Labor Surplus Area Subcontracting Program (If order exceeds \$500,000.00)

52.222-1 Notice to Government of Labor Disputes

52.222-26 Equal Opportunity

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (If order exceeds \$10,000.00)

52.222-36 Affirmative Action for handicapped Workers (If order exceeds \$2,500.00)

52.222-37 Disabled Veterans, Vietnam Era

52.223-2 Clean Air & Water Certification (if order exceeds \$100,000.)

52.227-1 authorization & Consent (If order exceeds \$25,000.00)

52.227-2 Notice & Assistance Regarding Patent & Copyright Infringement (If order exceeds \$25,000.00)

52.247-63 Preference for U.S. - Flag Air Carriers (If order involves international air transportation)

Request for Quotation

Woods Hole Oceanographic Institution

Woods Hole, MA 02543

[illegible]

	TOTAL		

CONDITIONS: Sellers right to increase price is limited to the extent that any price increase must be approved, in writing, by the buyer prior to shipment. If the buyer and seller can not agree on a new price, buyer shall have the right to terminate the order without further obligation. Unless otherwise stated, all terms are net 30 and FOB WHOI. Conditions not specifically stated here shall be generally governed by established trade customs and those stated in the buyers purchaser formal order.

SIGNATURE:

DATE: _____

(OFFICIAL OF SUPPLIER ABLE TO COMMIT RESOURCES OF FIRM)

Woods Hole Oceanographic Institution

Procurement Department

Telephone Solicitation

Please use this form when collecting any telephone quotations and forward, with your Purchase Requisition, to the Procurement Office. This document provides verification of bidding requirements for items or services greater than \$5,000 but less than \$10,000. Please contact your Procurement Team representative (ext: 2371) with any questions.

Product/Service Required :*

ITEM	QTY	DESCRIPTION

***Use back for additional space**

Suppliers Contacted:

1. NAME OF SUPPLIER: _____ TELEPHONE # _____ - _____

NAME OF CONTACT: _____ DATE: _____

TOTAL PRICE QUOTED: \$ _____

NOTES: _____

2. NAME OF SUPPLIER: _____ TELEPHONE # _____ - _____

NAME OF CONTACT: _____ DATE: _____

TOTAL PRICE QUOTED: \$ _____

NOTES: _____

3. NAME OF SUPPLIER: _____ TELEPHONE # _____ - _____

NAME OF CONTACT: _____ DATE: _____

TOTAL PRICE QUOTED: \$ _____

NOTES: _____

NAME OF REQUESTER: _____ EXT: _____ DATE: _____

PRICE ANALYSIS TECHNIQUES

With any purchase of goods or services, including sole source items, some type of cost analysis is required. A part of this analysis is verification of pricing. There are many ways to analyze the pricing of a product or service. Techniques for comparing price can be found in the Federal Acquisition Regulation (the FAR). Some of the techniques recommended include:

Comparison of Competitive Bids - Obviously, this is one of the best means for validating price. By asking three or more suppliers of their prices for the same product, we can determine if a particular price is reasonable. However, this does not preclude total cost analysis. The lowest bid may not always represent the lowest cost. The total cost of acquisition must be analyzed. There may be cost associated with making the lower cost product perform to standards, the additional cost of early replacement or the cost of redesign and/or testing required to make the lower cost product applicable. This total cost of acquisition is the real cost that must be compared. A brief statement as to why a particular quotation is selected is required.

Comparison of Prior Quotations - In some circumstances, it may be most effective to compare recent (with the past 24 months) quotations for the same product or service to determine the viability of the current quotation. This is particularly helpful when timing of the acquisition is critical and solicitation of the competitive quotes would delay the procurement. An explanation of why comparison of prior quotations was used must accompany this procedure.

Comparison of Published Price List - This method should only be used for materials that are sufficiently similar to items or services are available to the general public and whose price would appear in a published price list. However, when comparing these price lists, it is important to consider standard industry discounts for the items or services. As an example, most electrical supply houses will offer standard discounts to purchasers doing a particular dollar or quantity volume. Such discounts must be considered when comparing list prices and noted in the procurement documentation.

Prices Set by Law or Regulation - Sometimes, prices are set by a law or regulation. When this occurs, there is usually a pronouncement of some form type that references the pricing structure. This must be referenced when procuring such items.

Similar Item Comparison - When an item or service is fairly unique, it is possible to compare items that are similar to those being purchased. A statement as to why the common item will not meet the specification should accompany the price comparison.

Rough Yardstick Comparisons - This technique uses a rough comparison between like items based on measurable similarities such as price per pound, cost per horsepower or price per test sample. Again, an explanation of the similarities must accompany this analysis.

Many times, it is difficult to find comparable items or services. In these situations, it may be

necessary to rely on a technical analysis. While time consuming, this is the best method to use when validating price for complicated sole source items. In this analysis, the supplier of the goods or services is asked to provide:

1. List of materials and their cost
2. Number and kinds of labor hours required
3. Any special tooling and facilities proposed.
4. A reasonable plan for use and disposal of scrap
5. Any other cost, including profit, relevant to the cost of providing the service or item.

Each item on the supplier's bill of materials is then analyzed using the above noted techniques. Negotiation of variables such as overhead and profit can occur as well. Again the exercise must be documented.

In all price and cost analysis, time is required. We recommend beginning the process as early as possible, even if funding has not yet been guaranteed. In all circumstances, the Procurement staff will be happy to assist.

SOS PROGRAM

Fisher Scientific and Procurement...

ACCT# 890500-02

Meagan Clifford Account Representative	Voice mail e-mail	800-955-999 X6226 mcclifford@AOL.com
Customer Service Team:	Gary King Dana Sikora Nancy Sterling-Pinzon Stephan Peaks Barbara Stark	800-220-0652

[Fisher Scientific Home Page](#)

ORDERING INFORMATION (please have all information ready before placing order)

1. Name
2. Phone # (please include extension)
3. Purchase Order # will equal: Employee # - Cost Center # or Project # - Dept. #
4. Place your order:
 - Quantity
 - Unit of Measure
 - Catalog #

Dollar Limit per order + \$1000

The Customer Service Representative will give you list price and your contract price. Keep a record of your confirmation number, this will aid in resolving any problems that may arise with an order. Your pricing will appear on the packing slip.

Procurement for Scientific Products:

E-Mail: [Robert Wilson](#)

S.O.S. PROGRAM

Corp Brothers Inc.

Scro

Our e-mail address is:

[CORP.BROTHERS](mailto:CORP.BROTHERS@SOSPROGRAM.COM)

Phone #: (508) 775-5001

Fax #: (508) 775-5038

All the information we need is:

1. Account number with Corp Brothers starting with 98---
2. Cost Center # or Project #
3. Principle Investigator (name)
4. Building name and room #
5. Place your order with the following information:
 - Quantity
 - Unit of Measure
 - Item Description
 - Requested Delivery Date, if any

SOS PROGRAM

W.B. MASON

Customized Office Products Catalog

I) ABOUT THIS CATALOG

Welcome to the Woods Hole Oceanographic custom office products catalog. This catalog has been printed for the exclusive use of Woods Hole Oceanographic. When used in conjunction with the order form, this catalog should satisfy almost all of the day to day office supply needs at Woods Hole Oceanographic Institution.

Features of this catalog:

- 1) 2600 items are contained in this catalog. These items represent the top used items in the office supply industry.
- 2) The catalog is in full color, with full descriptions.
- 3) Products are displayed in an alphabetical format by product category (ie., E section for envelopes, L for labels, etc.)
- 4) There is a user friendly two page index at back.
- 5) The most exclusive feature is that every item has Woods Hole's net, delivered price printed next to it. These are the Institution's actual prices, with manufacturer's list prices also shown.
- 6) Also, all the Woods Hole Oceanographic's contracted items are shaded in gray, with the contract price next to the item.
- 7) The order form has a catalog page listed so that you can locate these items easily in this catalog.
- 8) Page 4-5 of this introductory section has a list of some of Woods Hole's exclusive items that do not appear in the catalog, but have significant usage at the Institution.
- 9) **REMINDER** - The greatest cost savings are obtained by purchasing contract, or shaded, items in this catalog.
- 10) Products required and not found in this catalog, with the exception of office

equipment, forms, letterhead, and envelopes, are considered special items and can be ordered at the bottom of the Office Supply Order form. All office equipment must be ordered on a purchase requisition if \$500.00.

II. GOALS / OBJECTIVES OF THIS CATALOG

W.B. Mason Company, in a cooperative effort with the Woods Hole Oceanographic Institution's Procurement Department, has developed and printed this catalog and accompanying order forms for your exclusive use. It is our goal that this catalog, containing 2600 items, will satisfy all of your office supply needs, with minimal consultation of the large catalog. If a department has special supply needs not found in this catalog, contact the Procurement Department for ordering assistance. By printing the Institution's actual buy prices for each item, we hope that you will be able to keep a close watch on budgets. By highlighting contract items it is our goal to show you the cost savings that can be achieved with the use of these items.

III. SUPPLY ORDERING PROCEDURES

Some reminders that should be noted:

- Order as often as you like.
- All orders will be delivered next day, desk top.
- Fill out the Office Supply Order form completely. See sample on pages VI-VII.
- **DO NOT ORDER** furniture or major office equipment through this office supply order form.
- Once you have received your order **PLEASE READ** the packing slip carefully. It will indicate the status of all products ordered. See sample on page VIII.
- **PLEASE NOTE:** Holidays: If your order falls on a holiday, your order must be placed two days in advance of the holiday to insure uninterrupted delivery, ie., Monday holiday, your order should be placed by Thursday.

***PLEASE DO NOT HESITATE TO CHECK OFF THE BOXES FOR SALESMAN TO PHONE OR VISIT. THIS HAS PROVEN TO BE A VERY HELPFUL SERVICE IN MANY INSTANCES.**

IV. RETURN / SHORT SHIPMENTS

- When returning products for credit because they were damaged in transit, ordered incorrectly or if you received the wrong product; call customer service for a return authorization number, the driver will pick up all returns. A W.B. Mason representative will be at the Institution on a weekly basis to reconcile any and all discrepancies. Please note, all products must remain in their original package. No returns are allowed without the packing slips and must be returned within 30 days of receipt of the order.

- Should you receive a short shipment or a wrong color or size, indicate the problem on the packing slip and call for a return authorization number and pick up, and the vendor will correct the problem.
- If you have any questions, contact Sandy sherlock in the Procurement department at ext. 3249.
- Please **DO NOT** bring returns to the Procurement Department. This will only slow down the process.

V. DELIVERY

Deliveries will be made too desktop by W.B. Mason personnel. W.B. Mason driver is required to obtain a signature upon making every delivery. Should you not be in your office when the driver attempts delivery, please have someone designated to sign, or the package will be delivered to the Receiving department.

VI. NON PICTURED ITEMS

The following items are items highly used by Woods Hole Oceanographic Institution, but are not printed in the catalog: [NON PICTURED ITEMS](#)

VII. USING THE CUSTOM ORDER FORM

Use the preprinted order forms to order all office supplies. When completing this form, it is **IMPORTANT** that you print clearly:

- Current date in this space
- Your department name
- Department location (where applicable)
- Requisitioner's name
- Your telephone extension
- Authorized signature of person responsible for authorizing your purchases
- Cost Center or Project number
- Quantity ordered. **DO NOT CHANGE THE UNITS OF MEASURE ON THE PREPRINTED ORDER FORM**

SPECIAL ORDER ITEMS

- Quantity ordered
- Catalog unit of measure (Denoted in the ALPS catalog.) **DO NOT** change the catalog

unit of measure

- Catalog product number
- Catalog page number
- A brief description of the product should be written in this space