

SAMPLE

In accordance with the USM Procurement Policies and Procedures dated August 2024, the Chancellor's directive on the use of Cooperative Purchasing Agreements dated March 3, 2025, and the Maryland Board of Public Works (BPW) Advisory 2016-1, this Procurement Officer's Written Determination provides the justification for the proposed contract/purchase via cooperative purchasing.

Purchase Order Number: _____
Cooperative Contract No: _____
Cooperative Contract Title: _____
Vendor Name: _____

Project Overview:

Provide a brief description of the project, including the scope of work, objectives, and any relevant background information.

Price Analysis:

The Price Analysis method looks at the whole price, it does not examine the individual cost and profit Components. Here are some Price Analysis methods that may be used to evaluate whether a proposed Price is fair and reasonable. *(Please remove the methods that are not applicable and provide more detail for The ones that are used).*

1. **Price Competition:** Two or more acceptable bids are received. *For example, the Cooperative Purchasing Agreement*
2. **GSA Schedule:** Proposed price is comparable to price on federal General Services Administration contracts. *Cite details.*
3. **Current Catalog or Established Price List:** Proposed price is comparable to established price list (for example, a catalog) that bidder published within one year of proposed price. *Cite details.*
4. **Market Price:** Proposed price is comparable to verifiable market price. *Show details.*
5. **Historical Price:** Proposed price is comparable to price institution has paid historically, taking into consideration appropriate inflationary factors, ie: Consumer Price Index (CPI)/Producer Price Index (PPI), etc. as well as additional/ancillary agency requirements (for example, new insurance requirements). *Provide details, including an explanation of cost index applied.*

6. **Price Based on Prior Competition:** Proposed price is comparable to price that resulted from a prior competitive procurement that received more than one bid, taking into consideration appropriate inflationary factors, ie: Consumer Price Index (CPI)/Producer Price Index (PPI), etc. as well as additional/ancillary agency requirements (for example, new insurance requirements).
7. **Pre-bid estimate:** Proposed price is comparable price that resulted from a prior competitive procurement that received more than one bid, taking into account the applicable cost indices and additional agency requirements (for example, new insurance requirements).
8. **Comparable Item:** Proposed price is comparable to another commercial item but has added features as long as the vendor validates the cost of the added features.
9. **Sale of Same Item to Other Purchasers:** Proposed price is comparable to the price at which the vendor has sold the same item/service to another purchaser, when the other purchaser's price is verified.
10. **Other Reasonable Basis:** Proposed price may be determined fair and reasonable when a State agency articulates a rationale appropriate to the circumstances.

Cost Analysis:

The Cost Analysis method examines the individual cost elements that compose the total proposed price. Individual cost elements include labor rates, material costs, overhead, indirect rates, general and administrative expenses, and profits or fees. A Cost Analysis is typically done when a Price Analysis is not practicable. The Cost Analysis may then be compared with pricing data obtained from other reliable sources.

Conclusion:

Based on analysis (see attached spreadsheet), the quoted price of \$[Quoted Price] is determined to be fair reasonable for the scope of work. The use of the cooperative contract is in the best interest of [Institution Name].

It is recommended that the University proceed with issuing Purchase Order to [Vendor Name] under the cooperative contract [Cooperative Contract No/Title].

Procurement Representative:

Signature

Name

Date

Procurement Director or Designee:

Signature

Name

Date