13.106-3 Award and documentation.

(a) *Basis for award.* Before making award, the *contracting officer must* determine that the proposed price is fair and reasonable.

(1) Whenever possible, base price reasonableness on competitive quotations or *offers*.

(2) If only one response is received, include a statement of price reasonableness in the contract file. The *contracting officer may* base the statement on-

(i) *Market research*;

(ii) Comparison of the proposed price with prices found reasonable on previous purchases;

(iii) Current price lists, catalogs, or advertisements. However, inclusion of a price in a price list, catalog, or advertisement does not, in and of itself, establish fairness and reasonableness of the price;

(iv) A comparison with similar items in a related industry;

(v) The *contracting officer*'s personal knowledge of the item being purchased;

(vi) Comparison to an independent Government estimate; or

(vii) Any other reasonable basis.

(3) Occasionally an item can be obtained only from a supplier that quotes a minimum order price or quantity that either unreasonably exceeds stated quantity requirements or results in an unreasonable price for the quantity required. In these instances, the *contracting officer should* inform the requiring activity of all facts regarding the quotation or *offer* and ask it to confirm or alter its requirement. The file *shall* be documented to support the final action taken.

(b) *File documentation and retention.* Keep documentation to a minimum. Purchasing offices *shall* retain data supporting purchases (paper or electronic) to the minimum extent and duration necessary for management review purposes (see subpart 4.8). The following illustrate the extent to which quotation or *offer* information *should* be recorded:

(1) *Oral solicitations.* The *contracting office should* establish and maintain records of oral price quotations in order to reflect clearly the propriety of placing the order at the price paid with the supplier concerned. In most cases, this will consist merely of showing the names of the suppliers contacted and the prices and other terms and conditions quoted by each.

(2) *Written solicitations* (see 2.101). For *acquisitions* not exceeding the *simplified acquisition threshold*, limit written records of *solicitations* or *offers* to notes or abstracts to show prices, delivery, references to printed price lists used, the supplier or suppliers contacted, and other pertinent data.

(3) *Special situations.* Include additional statements, when applicable—

(i) Explaining the absence of competition (see 13.106-1 for brand name purchases) if only one source is solicited and the *acquisition* does not exceed the *simplified acquisition threshold* (does not apply

to an *acquisition* of utility services available from only one source);

(ii) Supporting the award decision if other than price-related factors were considered in selecting the supplier; and

(iii) Except for DoD, when using lowest price technically acceptable source selection process, justifying the use of such process.

(c) *Notification.* For *acquisitions* that do not exceed the *simplified acquisition threshold* and for which automatic notification is not provided through an *electronic commerce* method that employs widespread electronic public notice, notification to unsuccessful suppliers *shall* be given only if requested or required by 5.301.

(d) *Request for information.* If a supplier requests information on an award that was based on factors other than price alone, a brief explanation of the basis for the contract award decision *shall* be provided (see 15.503(b)(2)).

(e) *Taxpayer Identification Number*. If an oral *solicitation* is used, the *contracting officer shall* ensure that the copy of the award document sent to the payment office is annotated with the contractor's *Taxpayer Identification Number (TIN*) and type of organization (see 4.203), unless this information will be obtained from some other source (*e.g.,* centralized database). The *contracting officer shall* disclose to the contractor that the TIN *may* be used by the Government to collect and report on any delinquent amounts arising out of the contractor's relationship with the Government (31 U.S.C. 7701(c)(3)).

Parent topic: 13.106 Soliciting competition, evaluation of quotations or offers, award and documentation.