means. Requests for quotations should be solicited orally to the maximum extent practicable for contract actions not to exceed \$25,000 when FACNET is not available or a determination has been made that it is practicable or cost effective to purchase via FACNET. Paper solicitations for contract actions not expected to exceed \$25,000 should only be issued when obtaining electronic or oral quotations is not considered economical or practical. Solicitations for construction contracts over \$2,000 shall only be issued electronically or by paper solicitation.

(3) When not soliciting quotations electronically, maximum practicable competition ordinarily can be obtained without soliciting quotations or offers from sources outside the trade area in which the contracting office is located for actions that do not exceed \$25,000. Generally, solicitation of at least three sources may be considered to promote competition to the maximum extent practicable if the contract action does not exceed \$25,000. If practicable, two sources not included in the previous solicitation should be requested to furnish quotations. The following factors influence the number of quotations required in connection with any particular purchase:

(i) The nature of the article or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or is relatively noncompetitive.

(ii) Information obtained in making recent purchases of the same or similar item.

(iii) The urgency of the proposed purchase.

(iv) The dollar value of the proposed purchase.

(v) Past experience concerning specific dealers' prices.

(4) Contracting officers may solicit from one source if the contracting officer determines that the circumstances of the contract action deem only one source being reasonably available (e.g., only one available source, urgency).

(5) Contracting officers shall not limit solicitations to suppliers of well known and widely distributed makes or brands, nor shall quotations be solicited on a personal preference basis. If required to maintain a list of sources, new supply sources disclosed through trade journals or other media, shall be continuously reviewed and, if appropriate, added to the list.

(6) Consistent with the applicable principles in 14.407–3, contracting officers shall make every effort to obtain trade and prompt payment discounts. However, prompt payment discounts shall not be considered in the evaluation of quotations.

(7)(i) Unless exempted from this requirement by the head of the contracting activity or purchases are made through FACNET, each contracting office should maintain a source list (or lists, if more convenient) and should record on the list the status of each source (when the status is made known to the contracting office) in the following categories:

(A) Small business.

(B) Small disadvantaged business.

(C) Women-owned small business

(ii) The status information should be used to ensure that small business concerns are given opportunities to respond to solicitations issued using simplified acquisition procedures.

(b) Evaluation of quotes. (1) Contracting officers may evaluate quotations or offers based on price alone or price and other factors (e.g., past performance, or quality). When evaluating quotations or offers on price and other factors, contractor's quotations or offers shall be evaluated solely on the basis of criteria established in the solicitation. Methods to accomplish this may include, but are not limited to simplified solicitations, streamlined evaluation methods, and award with simplified award documentation. Formal evaluation plans, conduct of discussions and scoring of quotes or offers are not required. Evaluation of other factors does not require the creation or existence of a formal data base, but may be based on such information as the contracting officer's knowledge, previous experience, or customer surveys.

(2) If suppliers furnish standing price quotations on supplies or services required on an intermittent and recurring basis, the information may be used in lieu of obtaining individual quotations each time a purchase is contemplated. The buyer shall ensure that the price information is current and that the Government obtains the benefit of maximum discounts.

(3) Contracting officers shall evaluate quotations inclusive of transportation charges from the shipping point of the supplier to the delivery destination.

(4) Contracting officers shall comply with the policy in section 7.202 relating to economic purchase quantities, when practicable.

(c) Award. (1) Occasionally an item can be obtained only from a supplier who quotes a minimum order price or quantity that either unreasonably exceeds stated quantity requirements or results in an unreasonable price for the quantities required. In these instances, the contracting officer should inform the requiring activity of all facts regarding the quotation and request it to confirm or alter its requirement. The file shall be documented to support the final action taken.

(2) Notification to unsuccessful suppliers shall be given only if requested. When a supplier requests information on an award which was based on other than price alone, the notification shall include a brief explanation of the basis for the contract award decision.

35. 13.106–2 is added to read as follows:

## 13.106-2 Data to support purchases.

(a) The determination that a proposed price is reasonable should be based on competitive quotations. If only one response is received, or the price variance between multiple responses reflects lack of adequate competition, a statement shall be included in the contract file giving the basis of the determination of fair and reasonable price. The determination may be based on a comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items in a related industry, value analysis, the contracting officer's personal knowledge of the item being purchased or any other reasonable basis.

(b) When other than price related factors are considered in selecting the supplier (see 13.106-1(b)(1)), the contracting officer shall document the file to support the final contract award decision.

(c) If only one source is solicited, an additional notation shall be made to explain the absence of competition, except for acquisition of utility services available only from one source or of educational services from nonprofit institutions.

(d) Simplified documentation practices should be used. The following illustrate the extent to which quotation information should be recorded.

(1) Oral solicitations. The contracting office should establish and maintain informal 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 (see 2.101) solicitations. Written records of solicitations may be limited to notes or abstracts to show prices, delivery, references to printed price lists used, the supplier or