Strategic Procurement Fair Market Value Assessment for Canadian Foundation for Innovation (CFI)

When purchasing using CFI funds, the university requires Fair Market Value Assessments (FMVA) to be completed by Strategic Procurement at time of purchase requisition.

1. Researchers (requesters) must attach all supporting documentation for Fair Market Value to their requisitions at time of requisition submission, including comparative quotes and/or redacted invoices so Strategic Procurement can complete the Fair Market Value Assessment. Comparative quotes should be itemized, cover all items in the requisition and within the same time frame.

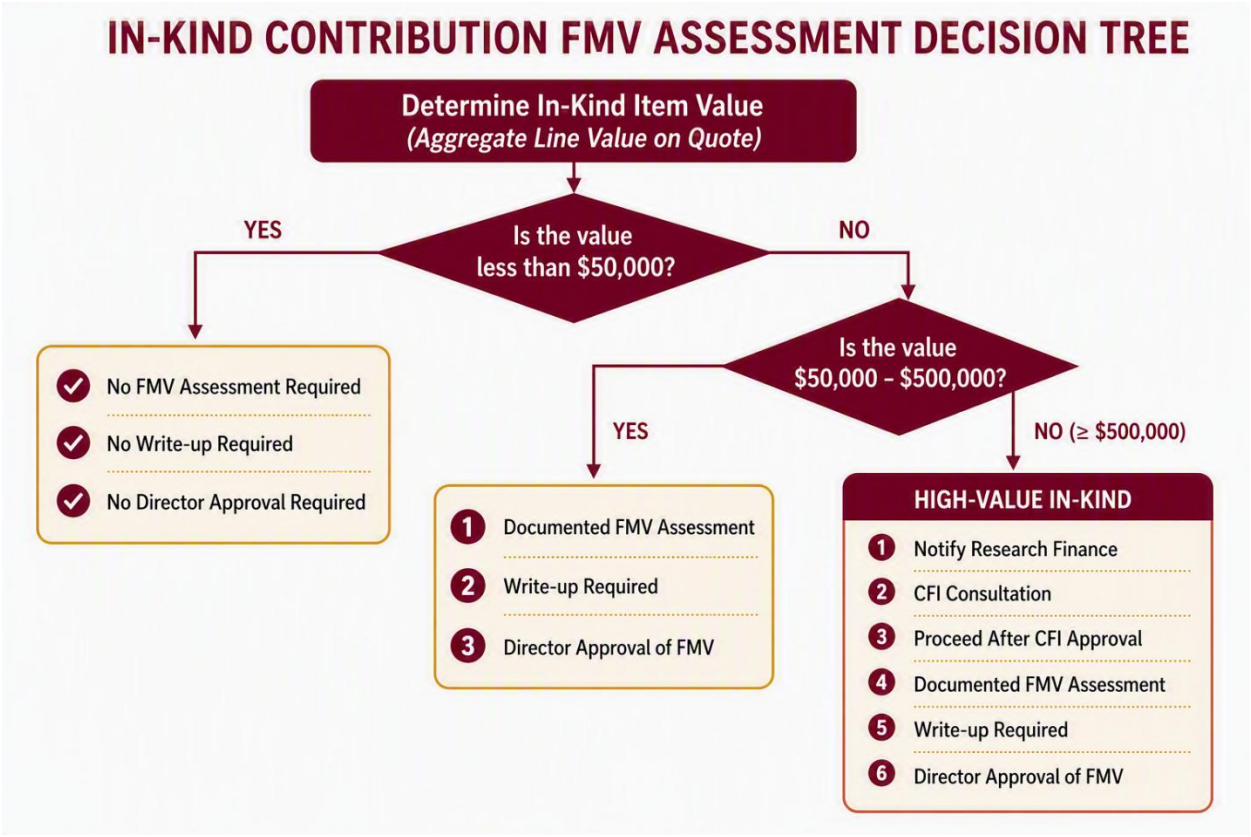
   All purchases must comply with the current SP01 policy. Thresholds are based on CAD, exclusive of taxes and cover the total cost of the item. Purchases over $121,199 require competitive publicly posted RFX (Request for Proposal, Request for Quotation, etc.) to be conducted with Strategic Procurement in advance of purchase requisition.

Goods and Non-Consulting Services	Purchase Method
$0 – $121,200	MacBuy using supplier catalogues (punch-out / hosted)
$0 – $10,000	P-Card
$0- $25,000	Non-PO Voucher / PO with 1 written quote
$25,001 – $ 75,000	PO with minimum 2 written competitive quotes
$75,001 – $121,199	PO with minimum 3 written competitive quotes
$121,200 or more	Open/public competitive RFx bid process
Consulting Services	**Purchase Method**
$0 – $121,199	PO with minimum 3 written competitive quotes or Open/public competitive RFx bid process
$121,200 or more	Open/public competitive RFx bid process

   Please contact the appropriate procurement specialist for more information for high-dollar procurements

https://financial-affairs.mcmaster.ca/services/procurement/about-strategic-procurement/strategic-procurement-people/

2. Requirement for FMVA to **be determined by in-kind values** on purchase requisition.



Researchers (requesters) must attach CFI Budget Finalization Worksheet to their purchase requisitions when submitting requisitions in MacBuy.

Researchers (requesters) must attach competitive quotes to their requisitions to satisfy the SP01 Procurement Policy.

All quotes, including comparative quotes, must be submitted in the CFI format. When requesting quotes from suppliers, the researcher (requestor) should request that these be broken down by item number to assist with the fair market value pricing comparison.

An educational discount is a discount offered to all educational institutions. It is considered a normal discount and therefore is not an eligible CFI in-kind contribution. All quotes must refer to educational discounts. If the list price and the normal educational prices are the same, the supplier must provide a statement in their response to explain the rationale behind their pricing strategy, such as “We do not have an educational price policy”. Each quote must include costs for freight/handling/installation.

All purchases of CFI infrastructure items must be charged to a CFI MULTI project. If your CFI application has been awarded but your project is not yet open, please contact your Senior Research Accountant for assistance.

CFI Quote Format:

	List price
-	Normal discount (for example: due to volume of purchase)
-	Educational discount (offered to all educational institutions)
=	Fair market value (eligible cost)
-	Eligible In-kind contribution for CFI project (discount offered as a contribution toward CFI project)
=	Net selling price (cash consideration)

3. Fair Market Value Assessment Form (FMVAF) will be completed by Strategic Procurement Specialists using the CFI formatted competitive quotes attached to the purchase requisition, as provided by the Researcher (requester). This will be a pricing comparison using comparative quotes provided to determine the In-Kind calculation.

    - Acceptable alternatives should competitive quotes not be available, would-be price lists and redacted invoices.
    - Quotes to itemized by SKU number.
    - Quotes should be from a similar time period.

4. Researchers **must identify any CFI purchase requisitions done on bridging accounts.**

5. Researchers **must identify an alternative funding source (Fund 20 or Fund 50/80)** to cover any potential cash shortfall if the calculated in-kind value on the FMVA is lower than the budgeted amount on the CFI Finalization Worksheet

When purchasing using CFI funds, the University requires Fair Market Value Assessments (FMVA) to be completed by Strategic Procurement at time of purchase requisition.

Providing complete and accurate documentation at the time of requisition submission will help avoid delays and allow Strategic Procurement to complete the FMVA efficiently.

Review the steps below before submitting a CFI-funded purchase requisition in MacBuy.

STEP 1: Gather Required Documents

Attach the following to your purchase requisition:

- CFI Budget Finalization Worksheet
- Supplier quotation in CFI format
- Competitive quotation(s), where applicable
- Price lists or Redacted Invoices (if comparable quotations are unavailable)
- Any additional supporting documentation requested by Strategic Procurement

Important: FMVAs are completed during requisition review. **Incomplete submissions may delay processing.**

STEP 2: Review Your Supplier Quote

Please ensure the supplier quotation is in the CFI Quote Format including the below:

- List Price,
- Normal Discount (e.g., due to volume of purchase)
- Educational Discount (a discount available to all educational institutions)
- Eligible In-Kind Contribution (discount offered as a contribution toward CFI project)
- Net Selling Price (cash consideration)

Note: An educational discount is a discount offered to all educational institutions and therefore is not an eligible CFI in-kind contribution. All quotes must refer to educational discounts. If the list price and the normal educational prices are the same, the supplier must provide a statement in their response to explain the rationale behind their pricing strategy, such as “We do not have an educational price policy”.

The quotation should also include:

- Freight, shipping, handling, installation, and any related costs listed separately.
- Itemized pricing by SKU or item number to facilitate fair market value comparisons.

STEP 3: Review Comparable Quote(s)

- Comparable quotes must be in the CFI format described above
- Ensure quotations compare similar products or equipment and covers all items in the supplier quote
- Ensure quotations are from a similar time period
- If comparable quotations are unavailable, provide price lists or redacted invoices
- Explain any significant differences between products being compared

STEP 4: Review Funding Considerations

Researchers are to provide the below additional information will applicable:

- Identify any purchases being processed through a bridging account
- Review of the in-kind contribution budget included in the CFI Budget Finalization Worksheet

Note: If the FMVA determines that the eligible in-kind contribution is lower than the amount budgeted in the CFI application, additional funding may be required before the requisition can be approved. Researchers **must identify an alternative funding source (fund 20 or fund 50/80)** to cover any such potential cash shortfall.