

Frequently Asked Questions on Procurement of AI Service/Products

Q1: What documentation can we submit as 'other relevant supporting documents' in each circumstance to support the application when three quotations are not available despite our best efforts? Are there any specific examples?

Answer: Justification is required with supporting documents depending on the types of limited quotations or tender applicable.

You will need to submit the [Justification Form for Limited Quotation and Tender](#) template together with your grant application.

Q2: My Co-operative plans to continue engaging the same IT vendor for an MS Copilot subscription after the current service agreement expires in May 2026. Can we forgo obtaining quotations on the basis that changing vendors would cause significant inconvenience to the Co-operative?

Answer: No. The Co-operative is required to obtain 3 quotations, as off-the-shelf products such as MS Copilot are generally available from multiple vendors or resellers. Under the revised CCF Framework conditions, continuing to procure additional goods or services from the same supplier purely for administrative convenience is not accepted as a basis for waiving the quotation requirement.

Q3: What documents should I provide to show proof of tender exercise?

Answer: Apart from other grant-specific supporting documents, a co-operative will be required to submit 3 quotations obtained from vendors of comparable scope **AND** documentary proof of outcome and approval of tender award.

Q4: Our Co-operative intends to procure an additional IT service or subscription, such as system maintenance or a Generative AI solution integrated with an existing IT project, from our current vendor. If engaging another vendor would result in compatibility issues, disruption, or additional costs, can we proceed without providing quotations or proof of tender?

Answer: Yes, but only if the Co-operative can provide supporting documents to demonstrate that engaging another vendor is not economically or technically viable.

This may include situations where compatibility or interoperability with existing systems, equipment, software, or previously procured solutions would be affected. The supporting documents must clearly substantiate why an alternative vendor is not feasible and will be required to support transparency and compliance with the grant conditions.

Q5: We are engaging an IT vendor for five years starting from October 2024. In addition to providing three quotations if the fee exceeds \$6,000, what other documents does SNCF require for applying to the AI Grant?

Answer: If a cooperative engages the same IT vendor for five consecutive years, the contract/agreement from the service provider should explicitly outline:

1. the agreed-upon scope of work and;
2. costs for each specific year within the five-year period.

It is crucial that the document clearly specifies which five years are covered. Moreover, there must be an extracted record of minutes from the meeting to substantiate the approval and support from the COM.

This approval should explicitly indicate the appointment of the service provider and specify the agreed-upon services for each of the five years within the entire five-year period.

Co-operatives are reminded to ensure that service providers engaged comply with the prevailing AI Grant conditions.

Q6: If my Co-operative is entering into a 2-year subscription for an off-the-shelf software or Generative AI solution, and the cost is \$4,000 per year (with yearly expenditure below \$6,000), do we still need to obtain 3 quotations?

Answer: Yes. The Co-operative must obtain 3 quotations at the initial evaluation stage, as the total contract value over the 2-year period exceeds \$6,000. Procurement should be assessed based on the aggregated contract value, and the purchase should not be split into smaller annual amounts to avoid the quotation requirement.

Q7: Noting that for any goods or services above \$6,000 in value, it is necessary to provide support/approval from COM on the appointed vendor and the type of service/products to be procured. In the scenario where the COM has delegated the approving authority to a key appointment holder in the co-op, will the approval/support from this individual suffice?

Answer: Yes. While the key appointment holder has the authorization to approve/support the appointment of vendor and procurement of service/product, the delegation approved by the COM has to be officially documented before the procurement/engagement and submitted as part of the supporting documents for verification during the grant application.

Q8: Will we be required to obtain 3 quotations for the renewal of software licenses (e.g. MS Copilot) if the initial purchase is below \$6,000 but the renewal fees exceed \$6,000 due to an increase in license subscribed?

Answer: Yes. Procurement is based on aggregated purchase and not split purchase.