

Sealed Bidding Process

Overview

The Invitation for Bids is bound by the competitive sealed bidding procedures of both the Procurement Code and accompanying Regulations. Adhering closely to these procedures will result both in a more sound contract and reduce the likelihood of protests. Below is a set of general guidelines to assist you in this process. DDSN's Central Procurement Office is available to provide assistance or answer your questions at any time. Please do not hesitate to call us at (803) 898-9750.

General Guidelines

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| Receipt of Bids | As bids are submitted, you must keep them sealed and in a secure location until the time designated for bid opening has arrived. |
| Bid Opening | The bid opening must be public and at least one witness present. You must read aloud the name of each vendor and the amount bid. This information is then written on the Bid Tally Sheet which must be held open to public inspection after all bids have been opened. |
| Bid Evaluation | You must evaluate the bids in the manner you have defined in the Invitation for Bids. This will always be done on the basis of price however you may specify that there be one or multiple awardees. The solicitation must define precisely which values you intend to use in your evaluation. |
| Responsive and Responsible: | Award should only be made to bidders that are both responsive and responsible. A responsive bidder is one who has submitted all required documentation in the manner defined in the Invitation for Bids. A responsible bidder is one whom you have determined is capable of performing the work. |
| Discussions with Bidders: | Following the bid opening, and prior to award, you may contact bidders in order to obtain clarification regarding their bids. You may also enter into negotiations with the apparent low bidder to allow them to lower their price further. Any such discussions should be documented as part of the contract file. |

Award: Prior to issuing a purchase order, you must first issue an award statement. This must be posted in the location you have designated on the Cover Page of the Invitation for Bids and a copy sent to each of the bidders, the client being served by the procurement, and to DDSN. Award must always be made to the bidder with the lowest evaluated price who is both responsive and responsible.

Invitation for Bids Template

Template Overview

The Invitation for Bids Template includes the basic framework to develop your solicitation though it will be up to you to fill in the most crucial information. Each section is explained below. You will quickly notice that various portions of the Template have been highlighted in one of three colors. The scheme works as follows:

Green areas are blanks to be filled in.

Blue areas are in place to bring attention to portions of the solicitation that may need to be altered. Depending on the procurement, these statements may either need to be removed or swapped out for something more applicable.

Yellow areas are notes that *should not* remain in the solicitation when it is issued. You must be sure to delete these comments before releasing your solicitation.

Cover Page

The first page of the Invitation for Bid is one of three items that will need to be returned with each bid (The others are “Page Two” and the “Bidding Schedule/Price-Business Proposal”). It provides important information regarding the solicitation such as contact/meeting information and the location and time of bid opening. Attention must be paid to each of the items below:

Solicitation Number: You may create your own numbering system for each of your solicitations. This must be a unique value.

Date Printed: The form is setup to display the current date each time the document is opened.

Date Issued: This is the date this document was first posted or released.

Procurement Officer: The individual preparing this document and overseeing the bidding process.

Phone: The telephone number by which the Procurement Officer may be reached.

E-Mail Address The e-mail address by which the procurement officer can be reached. This address must be monitored closely for questions that will be submitted by potential offerors and which must be answered quickly.

Description: This is simply a one or two sentence description of the item(s) or service(s) to be provided and where.

Using Governmental Unit: Enter the name of the Board.

Submit Offer By: This must include both a date and a time for bid submission. This is an absolute deadline though it can be extended through the issuance of an amendment. We recommend this be no less than twenty-one days after the solicitation is advertised in SCBO.

Questions Must Be Received By: You may include a deadline for prospective offerors to submit their questions. Once this deadline has passed, each question should be answered and included in an amendment and sent to all who received a copy of this solicitation.

If a date is entered here, then the Bid Opening date may not be less than twelve days after the solicitation is advertised in SCBO.

If a date is *not* entered here, then any questions must be received in writing no later than five days prior to the bid opening. Read clause QUESTIONS FROM OFFERORS in the Invitation for Bids Template for clarification.

Address(es) For Offer Submission: Include the address(es) where the bids may be delivered. The physical address is the location where the bid opening will occur. The inclusion of this address is mandatory to allow both for the public to attend the bid opening and to allow for hand delivery of bids. If there is not a separate mailing address, such as a Post Office Box, then this portion may be removed.

Conference

Type/Date/Location: Should you wish to hold either a site visit or pre-bid meeting, you may provide the appropriate information here. If these are to be held, then this information must be advertised in SCBO along with the solicitation itself. The deadline to receive questions should be after this date so bidders can ask follow-on questions.

Award & Amendments: It is important to note that the award and amendments must be posted for public viewing. It is highly recommended that this be the location where the bid opening is to take place. Regardless of where, the location must be defined in this space.

Page Two

This is the second of three items that must be returned with each bid (The others are the “Cover Page” and the “Bidding Schedule / Price-Business Proposal”). This page provides important information about the individual or entity submitting the bid, their acknowledgement of any issued amendments, and their requests for any applicable preferences. Below are some items to note:

Acknowledgment of Amendments:

If you have issued an amendment following the release of your solicitation, each bidder must indicate that they received the amendment on this page. In addition, a copy of each amendment should also be submitted with their bid.

Preferences:

If requesting the SC Resident Vendor Preference, the bidder will fill in the applicable section on Page Two. In order to request SC/US End-Product Preferences, they will have to note that below each item for which they are requesting the preference on the Bidding Schedule. This applies only to items and not services. You must provide a place for both the US and SC End-Product preferences under each item of the bid schedule manually. For individual descriptions of each preference, please see the section covering the Bid Tally Sheet.

Scope of Solicitation

In this section there are two primary pieces of information that must be included. First is a short description of the items/services to be provided, the location, and for whom (the Board). An estimated contract period should also be included. If you are making a one-time purchase of supplies, you may only need to include an estimated start date. The start date for any contract will be stated on the Award Document.

Terms, Conditions, and Instructions to Offerors

This section provides a selection of clauses that primarily cover the bidding process and instructs each offeror on how to submit their bids. It is important to read this section prior to releasing a solicitation as it governs both the actions of the bidder and procurement officer.

The end of this section is highly important. You must define how offerors will be allowed to submit their offer. Some questions to consider:

- If the bid schedule includes several items, must a bid be submit for all items?
- If the items on the bid schedule are grouped (Lots), must a bid be submitted for all groups or just some?

Any offeror who does not submit their bid in accordance with your defined method of submission may be deemed non-responsive.

Scope of Work/Specifications

This section will include a description of those goods or services to be purchased, as well any special requirements the offeror must adhere to. It is important to include as much detail as possible to ensure that your needs are met and that each vendor will be submitting a bid based on the same criteria. Any details of the items being purchased, or the manner in which services are to be provided, that is left out will be left to the discretion of the contractor(s) receiving the award.

Information for Offerors To Submit

If you require bidders to submit any additional information with their bids, it should be noted here. Be careful when mandating that information must be included as bidders not providing the information may be disqualified as non-responsive even though they may otherwise be capable of providing good products and service.

Professional Affiliation This is optional; applying primarily to contractors performing work on-site (carpenters, plumbers, etc.). Collection of this information will assist in determining the ability of the offeror to perform the work (responsibility).

Insurance/Bonding This applies primarily to contractors performing work on-site.

References This has also been included to help ensure that the contractor is capable of performing the work.

Qualifications

Any minimum qualifications for bidders must be met here. Documentation supporting such qualifications should be requested in the section above. As in the previous section, it is important not to make the requirements so stringent that it will greatly reduce the field of potential offerors.

Award Criteria

This section of the solicitation is absolutely critical as you must define how you will determine which bidder(s) will receive an award. In filling out this section you may consider the following questions:

- Will you only award to one vendor or possibly several?
- If several, will you award separately for each individual item on the bid schedule, or for groups of items (Lots)?

Bidding Schedule/Price-Business Proposal

Items

The item chart can be copied and pasted to account for each different item/service requested from the vendors. The format of this section will be largely dictated by how you have stated offers be submitted and how you have defined the award criteria.

Should you wish to categorize several items, they may be grouped into lots. Example:

Lot A	Lot B
Item 1	Item 4
Item 2	Item 5
Item 3	Item 6

Commodity:	The type of item or service requested.
Quantity:	The amount requested.
Unit of Measure:	Months, Each, Gallons, etc.
Unit Price:	This will be filled in by the offeror.
Extended Price:	The unit price multiplied by the quantity. Will also be filled in by the offeror.
Description:	Brief description of the item/service. This may help distinguish two like items listed in different item charts.

Should you wish for a breakdown of the price listed in any given item chart, you may include lines below it requesting inclusive costs such as materials and labor, or even the length of a manufacturer's warranty.

If you intend to award to only one vendor, then it is important to include one final line for each bidder to provide a total price of their bid. This line should be designated as the one to be used for evaluation and specify how the bidders are to arrive at that figure. For example, "Sum of the Price of items 1, 2, and 3." If you have allowed for multiple awardees, then you should include several such lines in accordance with the award criteria.

Use of lots: Lots are commonly used to increase competition by permitting several different offerors to be awarded portions of your total requested items. You may find that there are only a few companies that can provide two types of service and many that can provide one or the other. By permitting the award of these two items, or groups of items, you increase the number of companies that could submit a bid; increasing the chance of a lower total cost. In this case, you must specify precisely how you intend to make the award and which values on the Bid Schedule will be used in that evaluation.

Labor / Material Cost:	As described above, you may include additional lines for each offeror to breakdown their costs for each item. By default this template lists labor and material costs, though these may be removed or altered to fit the items or services you are purchasing.
SC End Product	This only applies when purchasing items or goods. It may be deleted when purchasing a service. This must be listed under each item chart for which it is applicable.
US End Product	See Above
Warranty	This may be used as applicable and you may want to specify whether to include the manufacturer or supplier's warranty. It cannot be used in determining award, but does allow this information to be obtained up front.
Note	This applies to the purchase of items or goods and should be listed at the end of the Bid Schedule; or if not applicable, removed. It states that the vendor must notify

you 24 hours prior to making the delivery. F.O.B destination, freight pre-paid means that the vendor must pay for the delivery and you do not take ownership of the items until they have arrived at your location. The vendor will be held liable for the items prior to this point, should they be damaged in route. All deliveries must also be made inside unless you specify otherwise. This information may be altered or removed as applicable, but will not hurt anything to be left in.

Attachments To Solicitation

By default, there are three documents attached to each Invitation for Bid. Two include tax information for the offerors and the third is a checklist to help ensure the bidders include all necessary information with their bids. You are free to add whatever other items you feel may be necessary. This may include items such as plans, details regarding anticipated usage of items or services, or simply directions to the Board. These items that are attached should be noted in this section in addition to the three that exist already.

Solicitation Verification Sheet – IFB

This document acts as a checklist to make sure that all of the correct documents have been included in the contract file. The sheet should be printed out prior to releasing the solicitation so that the list can be followed as you work through the solicitation process. As each item is placed in the contract file, this sheet will be initialed and dated. Some of the items on this list are applicable only in some circumstances and can be crossed out if not necessary.

SCBO Advertisement

Any Invitation for Bid must be advertised in South Carolina Business. In order to advertise a solicitation in SCBO, you must fill out the applicable SCBO Advertisement Form. These forms can be found online at SCBO's website: <http://www.mmo.sc.gov/MMO/ops/MMO-scbo-index.phtm>; or directly by clicking [here](#).

Once the form has been filled out, it should be e-mailed as an attachment to mlfowler@mmo.sc.gov. The e-mail should also include the date you wish to have the ad published.

SCBO is published each Monday and Thursday. For your ad to be published in the Monday edition, it must be submitted no later than noon Friday. Ads published on Thursday must be submitted no later than noon Wednesday.

The bid opening may not take place any sooner than seven days after the ad has been published in SCBO. If you include a deadline for questions to be submitted, the bid opening may not take place any sooner than twelve days after the ad has been published.

Amendments

There are two circumstances under which an amendment would be issued.

- You wish to change any portion of the solicitation after it has been issued.

or

- You have received questions from vendors, without the answer to which, other vendors may be at a disadvantage when quoting a price.

For the most part, the first two pages of the amendment will be exactly the same as the Invitation for Bids that was issued. In every circumstance, the date issued and amendment number will have to be altered. If the amendment is being issued to extend the submission date, then this too would be changed.

The third page of the amendment is where you will state the reason for its issuance. For Example:

- This amendment has been issued to extend the date by which to submit your offer to December 28, 2012 at 5:00 PM.

or

- The following questions have been received in response to this solicitation:

When listing questions received, you need only list the question that was asked and your reply. If a change in the Bid Schedule is necessary, then it can be recreated within the amendment by copying the item charts from the Invitation for Bids Template.

Each offeror submitting a bid after an amendment has been issued, must also send a copy of those amendments issued with the bid. This is to ensure that each vendor is submitting bids based on the same criteria. They must also acknowledge their receipt on Page Two of the Invitation for Bids.

Bid Tally Sheet

Prior to the bid opening, the solicitation number, title, and bid opening date should be entered into the Bid Tally Sheet, which then should be printed out. It can be customized based on the way your Bid Schedule is designed. By default it lists item numbers however, should you have grouped the Bid Schedule into lots, you may want to change the sheet to reflect this.

Once the time for bid opening has arrived, the procurement officer will announce that the bid opening has commenced and that no additional bids will be accepted. Each bid will then be opened with the procurement officer reading aloud the name of each vendor, the total of their bid, and any other important information that must be taken note of (such as

whether or not each vendor applied for any state or end product preferences). As each bid is read aloud, either the procurement officer or the witness will write down this information on the Bid Tally Sheet.

If a bidder has declared an In-State Preference, this will be noted on Page Two of the solicitation at which time the appropriate box on the Bid Tally Sheet would be checked. To declare either of the End Product preferences, the bidder must have noted this under each item on the Bid Schedule.

Once all of the bids have been recorded, the total evaluated price should be written down on the Bid Tally Sheet under Price. This value should always be defined on the Bid Schedule. At this point you will conclude the bid opening. Both the procurement officer and the witness will initial the bottom right corner. After this has been done, you must make the Bid Tally Sheet available for any members of the public present to inspect it.

Following the bid opening, you will begin evaluating the bids first by calculating the Adjusted Price for each bid according to the preferences declared. A summary of these is provided below:

Preferences	Each is only used if one of the bidders claims one or more of the preferences. In the event that occurs, each applicable percentage is added to the bids and/or individual items submitted by the bidders who did not claim the preference(s) as follows:
S.C Vendor	7 % added to entire bid of vendors not claiming this preference.
S.C. End-Product	7 % added to any items not claiming this preference.
S.C. Vendor and End-Product	10 % added to entire bid of vendors not claiming this preference.
U.S. End-Product	2 % added to any items not claiming this preference.
S.C. Vendor and U.S. End Product	9% added to entire bid of vendors not claiming both preferences.

The value used to evaluate the bids received will be the price bid plus any applicable percentage(s).

Award will then be made to vendor with the lowest Adjusted Price that has also been determined to be both Responsive and Responsible. Should lots be used to allow for multiple awards, then you would award each lot independently based on its own Adjusted Price.

Note that you do have the option of making the award at the time of Bid Opening. If an award is made at the time of Bid Opening, then the Award Document should be released the same day and in the location stated on the Cover Page of the Invitation for Bids. Otherwise, award will be made whenever the Award Document is issued. Only after an Award Document has been issued can a purchase order be issued.

Solicitation Award Document – IFB

Issuing an award requires only that the form be filled out and sent to each of the vendors who submitted an offer. Information to be filled in will come directly from the Invitation for Bids and Bid Tally Sheet documents that were completed prior to this step.

When listing the final price, the total for the entire bid must be listed. If there are multiple lots or items, these may also be listed separately if you should wish to do so. If listing by item, you should include a description of each. You may provide the applicable terminology.

Also important to include is the total potential length and total potential value of the contract. Although the length of any individual contract term can be no longer than one year, you can provide options to renew the contract for up to four additional one-year terms. In these cases, you must list the full range of dates that the contract may potentially cover. Similarly, you should include the total potential cost of the contract should it last for that entire period. Below is an example of total potential cost:

- 1 year contract with four one-year options to renew that costs \$12,000.00 / year.
- Because the contract could potentially last five total years, the total potential cost would be \$60,000.00.

If awards are being made to multiple vendors it is necessary to list each vendor receiving an award and the corresponding lot to which they submitted a successful bid. Vendors should not be sent an award document showing only the portion of the contract they were awarded, rather it should also include who was awarded the portion for which they were not successful.

The award statement must be mailed to each vendor who submitted a bid in response to the solicitation in addition to being posted in the location defined on the Cover Page of the Invitation for Bids. This document must be signed by the Executive Director of the Board prior to being posted or mailed. Aside from sending a copy of the Award Document to each offeror, a copy must also be sent to the Consumer being served.

Once this document has been issued, the solicitation process is complete and you are free to issue your purchase order(s).