

## 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

- |                             |   |
|-----------------------------|---|
| 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.                    |
| Award Date                  | The Invitation for Bid Cover page has box to set an Award Posting Date. You should allow yourself at least one day to complete preference calculations, responsibility checks and a general review of the completed process before posting an award.  |
| 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 and the client being served by the procurement. Award must always be made to the bidder with the lowest adjusted 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 Issued: This is the date this document is 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.

Resident Vendor  
Preference:

South Carolina Resident Vendor Preferences apply to written solicitations over \$10,000. Preferences claimed by a bidder will decrease the quote or bid price for that bidder for evaluation purposes only. Preferences are applied by line item only if the Offeror claims a preference on that line item. An Offeror may claim multiple preferences on a line item but cannot claim both SC End Product and US End Product on the same item. The maximum amount of deduction per line item is 10%. For solicitations with multiple line items and awarded as one total price as a lot, the procurement official must recalculate the total price for evaluation purposes to apply the preferences. It is recommended that you use the Preference Calculator Long Form found at <https://procurement.sc.gov/preferences>. This is an Excel document with fill in the blank information and then drop down boxes to designate preferences. This form will automatically compute the adjusted price and show you the low bid for each line item. If you choose not to use the Preference Calculator, then follow the scale below to guide you to determine adjusted prices. A record of applied preference calculations used to determine the low bid must be part of the solicitation file for audit purposes.

SC Vendor Preference Claimed	Decrease line item by 7%
SC End Product Preference Claimed	Decrease line item by 7%
SC Vendor and SC End Product Claimed	Decrease line item by 10%
US End Product Claimed	Decrease line item by 2%
SC Vendor and US End Product Preference Claimed	Decrease line item by 9%

Contractors will be paid according to their price(s) bid regardless of preferences claimed.

Contractors are not allowed to bid one product and then deliver another product. This is also known as Bait and Switch.

The purchasing official will request verification of preferences claimed from the Offeror if there is any doubt of the reference claimed.

SC Vendor Preferences do not apply to acquisition of motor vehicles, construction projects, purchases up to \$10,000, a single unit of an item with a price greater than \$50,000 or the RFP solicitation process.

### **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 as 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.

For commodity purchases insert:

Are you requesting the SC Resident Vendor Preference?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you requesting SC End Product Preference?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you requesting US End Product Preference?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

For purchase of services insert:

Are you requesting the SC Resident Vendor Preference?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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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.

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.

Solicitations must be advertised in SCBO if they are anticipated to cost more than \$10,000. Advertisements are generally accepted from all state government agencies and boards, political subdivisions, public services, higher education, school districts, cities/municipalities, county governments, and hospitals in South Carolina.

There is no charge to the advertiser. Forms are available at <https://procurement.sc.gov/general/scbo/forms> (use Universal). Although ads on the SCBO forms are preferred, narrative ads are acceptable, also. Please be aware that SCBO does not publish detailed job specifications. A SCBO ad should contain just enough information to let a vendor decide if he is interested in pursuing more information about your solicitation. All advertisers who wish to place ads in SCBO will have to summarize their specifications. Because of space constraints, SCBO reserves the right to judiciously shorten/edit any ad. Ads generally appear only once in SCBO.

Ads may be sent to [SCBO@mmo.sc.gov](mailto:SCBO@mmo.sc.gov). Your file MUST be a document saved as a Microsoft Word file or an ad in plain text pasted in the body of an email. Do not send PDF files.

All advertisements for that evening's publication must be received by noon that day. Ads received after noon will be placed in the next day's issue.

## **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, 2016 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 SC Vendor Preferences claimed. As each bid is read aloud, either the procurement officer or the witness will write down this information on the Bid Tally Sheet.

Once all bidders names have been recorded, the bid prices entered, and the preferences claimed are noted on the Bid Tally Sheet, the bid opening is concluded. However, you may take additional time to complete the Bid Tally Sheet with preference calculations, double check all information and math, and/or any additional follow-up you determine to be necessary. The Procurement Official and the witness must sign the Bid Tally Sheet to verify the accuracy of the document and that the document is complete. Once the Bid Tally Sheet is signed, it is open to for public review and inspection.

After completion of the Bid Tally Sheet, you must check the qualifications of the bidder with the lowest bid preferences applied. You want to confirm that the bidder has the capability, the resources and the financial capability to perform the contract. This may include consideration of key personnel, the date business established, a reference check, or a letter of credit from the bank if you think it necessary. If qualifications are not adequate, you would go the next low bidder and check for adequate qualifications until you are satisfied. A bidder that is qualified is determined to be responsible and you can now make the award to the lowest responsive and responsible bidder. Those bidders not considered qualified are determined to be non-responsible and each must be sent a letter of non-responsibility detailing why this determination was made. This letter must be mailed on the same day as the Date of Award.

Only after completing the award process can you issue a purchase order.

### **Solicitation Award Document – Information For Bids (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 or emailed 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.