



SECTION IV

BIDDING

In public agencies, the primary objective of procurement is to obtain suitable goods and services of the highest possible quality at favorable, competitive prices. Public contracts are competitively bid to foster competition and assure the proper use of taxpayer dollars and to provide vendors with a fair opportunity to participate in public purchasing.

A. PROCUREMENT OPTIONS

Two options are available when competitively purchasing goods or services. One option is an Invitation to Bid. This is used to publicly bid purchases / contracts. The award is made to the lowest responsible and responsive bidder. This is the preferred method of public procurement. The Invitation to Bid is most advantageous when clear, concrete specifications are made available.

The other option is a Request for Proposal. A Request for Proposal (RFP) is typically used when public bidding is not required by law or Board policy and price is a secondary factor in an evaluation. With limited exceptions, RFP's are not allowed on purchases over \$25,000. RFP's may also be used where performance or characteristic specifications are not easily defined. With RFP's, a "need" is stated and the bidders respond with a product or service to meet the need.

The Illinois School Code requires that purchases exceeding \$25,000 (with some exceptions) be competitively bid. Some Board policies may require public bidding for lower purchases. For items that cost \$25,000 or less, the purchasing official should determine if it is in the best interest of the institution to seek competition. If so, an informal request for a written quotation may be issued.

Most Board of Education policies state that "the contract shall be awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the Invitation to Bid."

With an RFP, the award is made to the responsible bidder whose proposal is determined to be the most advantageous to the institution taking into consideration the evaluation factors set forth in the RFP. The following items, #1, #2 and #3, are used only in situations when public bidding is not required. They do not constitute a formal bid.

1. Request for Information (RFI)

A Request for Information (RFI) is used to obtain general information about products, services, or suppliers. It is often used prior to specific requisitions for items. This is an informal request and is not binding on either the purchaser or the supplier. Results are generally received in the form of catalogs, price lists or company brochures. RFI's also refer to requests by contractors for the school to clarify plans and specifications.

The RFI is easy to initiate and elicit responses. It is a quick survey. The drawback is that the response may not be targeted to the organization's needs and may still require a Request for Quote (RFQ) as a follow-up.

2. Request for Quote (RFQ)

A Request for Quote or Qualifications (if used for services) (RFQ) is used to obtain supplier commitments for specific items or services. This process is most often used when specific desired items are known. The purchaser selects the items and a reasonable number of suppliers, and requests a quote for not only price, but also such requirements as quantity, quality, delivery, and service. All such quotes should be requested in writing.

3. Request for Proposal (RFP)

The Request for Proposal (RFP) asks the supplier to suggest the best solution to the requirements. This is normally used where it is desirable to have the supplier perform some level of evaluation, or where the purchaser is not certain of the methods of manufacture, quality standards, processes, or other elements. This method allows for information gathering without committing to purchase until the best product or service is discovered.

To treat all competitors equally, information given to any one supplier should be provided to all. If one supplier gets the chance to revise a proposal, equal opportunity should be given to all suppliers.

Normally, a purchaser requests proposals from multiple suppliers and gives them an idea of what is required along with engineering or other specifications. When proposals are received, the purchaser can interview suppliers on any points that are not clear in the proposals. The purchaser may then choose a supplier and award a purchase order.

In some instances, the RFP may result in a higher price range than anticipated, necessitating a formal bid process.

4. Invitation to Bid

The Invitation to Bid is an open public process used to give all suppliers equal opportunity to make their best offer. A bid is requested for tangible goods and services exceeding \$25,000, or less, depending on the institution's board policy. Bids provide the greatest opportunity for identifying the best match between price and value, as represented by the bidder. Bids also allow schools to control the terms of the contract. By submitting a bid, a bidder legally accepts all of the school's contract language, unlike a RFP or RFQ by which the vendor may negotiate the contract language and terms.

Because the bid process is binding on both the supplier and the purchaser, most situations are covered by a bid. A bid should not be requested when one of the previously cited methods or even a telephone inquiry would provide the needed information. The bid process offers control over who may bid, when and where the bids are opened, and who is awarded the bid.

B. SPECIFICATIONS

A specification is an accurate description of material to be purchased or a service or construction process required in a formal sealed bid (over \$25,000 with some exceptions). Formal bids require submittal in a sealed envelope in hard copy, are advertised in a local newspaper and publicly opened at a fixed date and time. The specification is critical to determining the type and quality of goods received as the law requires acceptance of the lowest responsible bid meeting specifications. It is essential that specifications be clear and complete. It is also desirable that the specifications be as nonrestrictive as possible to allow a maximum number of bid responses.

Complete and accurate specifications are the responsibility of the purchasing official. The purchasing official must be certain that any specification developed by a requesting department meet all the institution's requirements.

When specifications are developed by the end user, it is the responsibility of the purchasing official to question the quantity, quality, and types of materials requested to serve the best interests of the institution. Where bidding is restricted to sole sources due to the nature of the specification, this should be indicated in the Board of Education recommendations and with justification provided by the person requesting the restrictive specification.

C. BID PREPARATION

It is the responsibility of the institution to purchase the correct item of the desired quality at the best possible price from responsible and responsive bidders.

The practice of negotiated transaction can be used in public purchasing when public bidding is not required. It is the responsibility of the purchasing department to prepare bids that encourage competitive bidding, and unsuccessful bidders must see clearly why the business was awarded to another vendor. Where quality, delivery and past service are equal, purchases shall be made from the lowest responsible and responsive vendor.

The purchasing department has the responsibility to consolidate requirements of the various users throughout the institution to achieve the most advantageous price and service. When it is necessary to secure a formal bid, the purchasing department prepares bidding documents including all legally required clauses, and initiates the formal bidding process.

1. *Newspaper Advertisement*

Legal notice, describing the bid, must be placed in a newspaper of local distribution ten (10) days prior to the bid opening. Each bidder must receive at least three days' notice of the time and place of bid opening.

2. *Bid Information*

Instructions to bidders and project specifications shall be clear and complete, setting forth all necessary conditions conducive to competitive bidding. When/if a change or correction in specifications is necessary, an addendum to the bid is sent to all known prospective bidders. When two (2) or more identical bids are received, the purchasing official shall determine which bid will be accepted based on board policy or procedures. Consistent with terms of the Illinois School Code, the board must seek competitive bids and award contracts to the lowest responsible and responsive bidder for purchases in excess of \$25,000 with exceptions. Exceptions to the bidding requirements include, but are not limited to, contracts for services requiring a high degree of professional skill, utility services, and purchases of magazines and books. (Refer to Section 10-20.21 of the School Code for a complete list of items not requiring competitive bids.)

The Board of Education may revise contracts (change orders) awarded through competitive bidding provided the increase is due to unforeseen conditions not the result of the contractor. Such individual revisions may not exceed ten percent (10%) of the amount of the contract. The Board of Education should be kept apprised of all such change orders. The Board of Education may authorize expenditures over 10% in cases of emergency.

D. VENDOR SELECTION

It is the responsibility of the purchasing official to select vendors with whom the institution does business. In the case of formal bids over \$25,000 (with exceptions), the purchasing official is bound by law to recommend the lowest responsible and responsive bidder meeting specifications.

For open market purchases (under \$25,000 or based on specific exceptions), the purchasing official may select vendors who provide the greatest benefit to the institution. Price, service, quality reputation and past experience should all be taken into account when making selections.

When making a purchase or accepting bids, any vendor wishing to participate should be allowed to do so.

It is important to include evaluation of the following factors when considering vendors:

1. Legal

- a) Equal Employment Opportunity
- b) Prevailing Wage Law
- c) Certificate of Eligibility
- d) Illinois Drug-Free Work Place Act
- e) State or Local License
- f) Human Rights Compliance
- g) Sexual Harassment Policy
- h) Non-collusion statement
- i) Criminal Background Check
- j) Toxic Chemical Ban
- k) No Smoking within school building or on school grounds
- l) Bonds

2. Ability

- a) Size of the company
- b) Number of employees
- c) Financial strength
- d) Local or national

3. Experience

- a) Years in business
- b) Performance on jobs of similar size

4. References

- a) Completes projects on time
- b) Change orders
- c) Support of warranties/response to problems

5. Insurance

- a) Adequate and legitimate insurance
- b) Supplies appropriate bonds and certificates of insurance (based on company rating)

In disqualifying an actual supplier, the purchasing official must document the reasons for disqualification. To this end, complaints about vendors shall be made in writing and files maintained by the purchasing department.

E. BID OPENING

1. Bids are submitted in a sealed envelope identified with the bid number and name of the bid.
2. No facsimile or email bid is accepted.
3. Bids are opened in public at the time and place stated in public notice.
4. Bids are available for inspection immediately following the public opening.
5. The board has the right to reject all or part of any bid (if allowed by law as described below)
6. Bids are read aloud at the time of opening as long as this is practical. When in the opinion of the purchasing official, the length, complexity and/or number of bids make a complete reading impractical, they may utilize options such as reading aloud certain pertinent sections or totals.
7. Electronics bids may be accepted in accordance with P. A. 95-990.

F. BID ANALYSIS

Bids are analyzed by the purchasing department and the originator of the request to determine which vendor is the lowest responsive and responsible bidder. In determining lowest responsive and responsible bidder, the purchasing official shall consider:

1. The ability, skill and capacity of the bidder to perform the required service.
2. The ability of the bidder to perform the contract or provide the service promptly, within the time specified, and without delay or interference.
3. The character, integrity, reputation, judgment, and experience of the bidder.
4. The quality of performance in previous contracts or services.
5. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or services.
6. Sufficient financial resources and ability of the bidder to perform the contract or provide the service.
7. The quality, availability, and adaptability of the supplies or contractual services to the particular use required.

8. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.

G. BOARD APPROVAL

After the bid is analyzed, the purchasing official prepares a Board of Education agenda item including a bid tabulation together with recommendations for award. The format of Board agenda items vary from institution to institution. The award of contracts is made by the Board of Education based on the administrative recommendations.

H. PURCHASE ORDER PROCEDURES

1. Regular purchase order procedure

- a) All purchase orders are initiated at the level at which the items will be used. The initiator is responsible for including correct information. Necessary information may include: complete name and address of the vendor, "ship to" address and telephone number with the attention to the requesting department, complete description and quantity of the item being purchased, verified pricing, shipping/handling charges, date of order/date required, correct account number and total amount of purchase order.
- b) Orders are sent to the purchasing official for authorization and release.

2. Non-budget Purchase orders

If an approver receives a non-budget purchase order (or possibly over-expends the budget) it is suggested that they follow the procedure below:

1. Return the purchase order to the originator. Explain that non-budgeted purchases require the signature of the building principal and the superintendent before processing.
2. The originator should be instructed to write a brief narrative explaining the necessity of the request and attach it to the purchase order.
3. If the principal approves, the purchase order will be sent to the superintendent for approval and forwarded to the purchasing department for processing via regular purchase order procedures.

3. Blanket purchase orders

Certain services and supplies are contracted on an institution-wide basis. These contracts usually run from one to three years on an annually, renewable basis. Examples may

include: paint, hardware supplies, gasoline or fuel. Such purchases in total that exceed \$25,000 per fiscal year must be publicly bid with some exceptions.

4. Pre-payment/check requisition

A pre-pay form is to be used when it is necessary for a check to accompany a purchase order. As an example, most magazine subscriptions require pre-payment. The originator must communicate to the Purchasing Department that a check is required with the purchase order.

I. ANNUAL BID SCHEDULE

Below is a copy of a sample bid schedule used by a public institution.

Description	Send to School	School Return	Send to Vendor	Bid Due	Bd Meeting	Term	Delivery
2011/12 UNIFORMS (BGHS-choir tux and dresses) and (JHHS- orchestra dress and tuxes).	12/1/10	2/1/11	3/1/11	5/7/11	5/20/11	Single	
CUSTODIAL PAPER	1/27/11	2/10/11	2/20/11	3/17/11	4/5/11	Annual	July/Dec
ENVELOPES (QUOTE)	1/27/11	2/25/11	3/1/11	3/30/11	n/a	Annual	July
AIR FILTER (QUOTE- multi year beginning July 2011, July 2012, July 2013	4/1/11	4/10/10	4/20/10	5/1/10	5/20/10	3 yr	in July 2010
COPIER LEASES (Not Bid)	12/16/10 Email APO, Directors	1/11/11		FEB 2011 PROPOSALS	4/7/11	60 month leases	July
PHOTOGRAPHY SUPPLIES	3/9/11	3/31/11	4/8/11	4/28/11	5/19/11	Annual	Aug
NEWSPAPER STUDENT (printing)	12/1/10	2/9/11	3/24/11	4/11/11	5/26/11		Sept
Chemical Toilets-Rental (Quote expires June 30, 2012)	4/1/11	4/11/2011?	4/18/11	n/a	n/a	3 year	Begins July
ART SUPPLIES	3/9/11	4/4/11	4/11/11	5/9/01	5/19/11	Annual	Aug
FIRE INSPECTION QUOTE (will expire April 30, 2012)			4/12/11	4/15/11		3 year	
TEXTBOOK REBINDING (QUOTED)	4/13/11	n/a	n/a	n/a	n/a		Aug
FLOOR CARE (deliver week of June 15)	2/2/11	3/25/11	4/1/11	4/14/11			
COMMUNITY EDUCATION BOOKLET	3/1/11	4/16/11	5/9/11	5/21/11	6/2/11		
DIPLOMAS	4/18/11	4/30/11	7/9/11	7/28/11	8/7/11	3 year	May
Instructional Capital Equipment FY 11/12	1/1/11	4/20/11	still need EG, FV, VG, NEW, JH, PH, WH				
Milk, Milk Products	1/10/11	3/30/11	4/1/11	4/25/11		5 year	Aug
PLASTIC GARBAGE BAGS (quote)	2/6/11	3/25/11	4/5/11	4/26/11	n/a	annual	June
FINE PAPER	2/1/11	2/25/11	4/4/11	4/27/11	4/22/10	Annual	July and Dec
SCIENCE SUPPLIES (Mt/Sci Div Head) will utilize Fisher (US Commty)	11/30/2010 Email Div Heads and Asst.	1/22/11	2/13/11 (Quote or Bid of Remainder)	4/5/11	4/28/11	Annual	summer
HEALTH/TRAINERS	2/15/11	3/30/11	4/8/11	4/28/11	5/19/11	Annual	July
GIFT REPORT FOR THE BOARD	5/1/11						
WINDOW WASHING QUOTE	5/1/11	n/a	6/5/10	n/a	n/a	1 year	
CUSTODIAL SUPPLIES (del by 8/1)	2/2/11	3/15/11	4/1/11	5/3/10	5/20/10	annual	July
SHREDDING - Quote	5/13/11		5/13/10	5/20/10		annual	June 30th
PREVAILING WAGE	5/30/11				6/8/10		
ICE MELT QUOTE	7/1/11	7/12/10	7/15/10	7/20/10	n/a	one year	Fall
ATHLETIC & PE SUPPLIES (QUOTE)	10/1/11	10/22/11	11/10/11	11/28/11	n/a	Annual	end Feb
Paint (QUOTE)	10/1/11	10/30/11	quote	n/a	n/a	3 years	Jan to Dec
Student Transportation 8/1/07 to 7/31/12	10/10/11	n/a	Trans Coord will advise	3/1/12			
TURFACE QUOTE	11/9/11	11/22/11	12/3/11	12/17/11	n/a	Annual	Spr
2010 CHEVY 8 PASSENGER VANS	12/16/11	12/23/11	1/20/12	3/18/12	4/17/12	annual	after July