

THE COMPETITIVE BID TEMPLATE

The Competitive Bid (CB) solicitation template is divided into a front page and four internal sections.

The front page of the solicitation provides the following basic information to the prospective contractor.

- Bid Number – The number used to identify the solicitation, typically provided by your supervisor.
- Solicitation Issued – The date the solicitation is emailed to prospective contractors.
- Description – The short description/title of the commodity or service being purchased.
- Agency – The formal name of the State agency that is issuing the solicitation.
- Bid Due Date – The due date for response packets to be submitted to your agency.
- Instructions for how to submit the response packet.
- Buyer name and contact information.

The four internal sections of the CB solicitation are:

Section 1: General Instructions and Information

- Provides information that the prospective contractor must know to accurately calculate their bid and submit their response correctly.
- OSP has included the necessary language with prompts for the buyer (in blue) to enter appropriate data elements for the specific procurement.

Section 2: Requirements

- The section where the buyer inserts the specifications, and performance standards (if required).

Section 3: General Contractual Items

- Covers contractual terms that will be applicable to a resulting contract.
- Includes the necessary language with prompts for the buyer to enter appropriate data elements for the specific procurement.

Section 4: Standard Terms and Conditions

- Also referred to as “T&C”s, these are the most basic terms applicable to all Arkansas procurements.
- This section is *never* changed by the buyer and needs no review.

Creating Your CB Solicitation

The buyer's action steps for completing the front page are to:

1. Update the document heading and titles to reflect your office information.
2. Enter the Bid Number provided by your supervisor.
3. Enter the Description, a simple name for the commodity/service being purchased to make it easily identifiable by all parties.
4. Check with the end user to help determine the due date for submissions.
 - a. Some commodities/services may take longer for a prospective contractor to determine a bid price.
5. Update the Bid Number in the Delivery section.
6. Enter your contact information and your agency's contact information.

The buyer's action steps for completing Section 1 are to thoroughly read the entire section and make updates and/or additions to the language as necessary to customize the information to fit the purchase and your agency.

The blue font in the template will help guide you to where the information needs to be confirmed, adjusted, or entered.

Key Items in Section 1 to Be Addressed by the Buyer

The numbering for the items in this section appear as 1.1, 1.2, etc.

1.1 Purpose

It is important that the purpose (heading 1.1 in Section 1) clearly and briefly states what the State agency is purchasing.

Examples of a clear and concise purpose statement are:

“This Competitive Bid (CB) is issued by the Employee Benefits Division (EBD) of the Department of Transformation and Shared Services to obtain pricing and a resultant contract to provide printing, packaging, and delivery of Employee Health Benefits Identification Cards.”

OR

“This Competitive Bid (CB) is issued by the Arkansas Department of Finance and Administration (DFA) to obtain pricing and a resultant contract for pest control services for DFA offices in central Arkansas.”

1.2 Type of Contract

Stipulating the type of contract advises prospective contractors of the length of the initial contract term and if there will be renewal options for additional terms. Adjust this language to fit your contract needs.

Address the following and update as needed:

- Item A language almost always remains as written stating a “single contractor”.
 - Awarding to more than one contractor for the *exact same* commodity or service requires approval from the OSP Director. See your supervisor if you anticipate that you may need to award to more than one contractor.
- Item B prompts the buyer to enter a start date for a resulting contract. The date you enter is the “anticipated” date, meaning it could be moved out based on the needs of the State.
- Item C provides the prospective contractor with information regarding the length of the initial contract term, which is typically one year.

For more information on firm and term contracts and contract renewal terms, go to [Firm and Term Contracts and Contract Renewal Options](#).

1.7 Subcontractors

If your end user does not want to allow the contractor to use subcontractors, you may delete the language in subsection 1.7 and replace it with language stating that the use of subcontractors is not allowed.

1.12 Award Process

If the CB is requesting pricing on multiple items, you will almost always award the contract to one contractor based on the *total* cost of *all* the items. In this instance, the contract will be awarded to one contractor who will provide all the items, and the solicitation will use the “all or none grand total” to determine the lowest bid.

HELPFUL HINT

Remember to go into the document header to replace the SP-XX-XXXX number with your agency’s solicitation number and change it to black font.

Key Items in Section 2 to Be Addressed by the Buyer

SECTION 2 – REQUIREMENTS includes the specifications, requirements, and delivery information for the commodity or service.

The numbering for this section's subsections appear as 2.1, 2.2, etc.

The buyer will do most of his/her work in this section by refining the specifications provided by the end user and inserting them under subsection 2.2 MINIMUM SPECIFICATIONS.

The buyer will also include additional information in other subsections in Section 2.

2.1 Introduction

The introduction statement should clearly and briefly describe what the State agency is purchasing. It may include a few more details than the Section 1 purpose in order to describe the extent of the purchase; however, the additional information typically should not exceed more than a few sentences since the details of the purchase are provided in the specifications.

2.2 Minimum Specifications

The specifications are critical to obtaining an accurate price quote from a prospective contractor and best value for the State in a resultant contract.

The end user supplies specifications, but the buyer adds value to the procurement by developing the specifications to ensure they:

- Are written correctly and contractually.
- Allow for open competition.
- Are written to obtain best value for the State.

Market research can be key to ensuring the specifications meet these standards. For more information on how market research can help in developing specifications, go to [Market Research](#).

For more information about developing specifications, go to [Writing Specifications](#).

KEEP IN MIND...

Your end user should provide information regarding:

- The date the contract needs to start.
- The desired initial contract term length.
- The necessity of possible renewals.
- The use of subcontractors.

Market research may also help determine the best option for these key contract elements. You should discuss any market information you find with the end user.

2.3 Delivery (for Commodities)

The language in subsection 2.3 assumes delivery of a commodity. For a commodity purchase with basic delivery, the buyer would simply enter the delivery address and timeframe as prompted by the blue font in items A and B and leave the remaining items (C and D) as they are.

If there are special instructions for the delivery of the commodity, such as a very large piece of equipment or furniture, the buyer should add the necessary information or requirements regarding the delivery by adding the appropriate specification items as E, F, G, etc.

Delivery considerations:

- Do you have specific hours that you accept deliveries?
- Can a large truck access your delivery area, or does the contractor need to deliver the item(s) in a smaller vehicle?
- Does the commodity need to be packaged in multiple, smaller boxes to fit through hallways and doorways, or to be light enough to carry?

If circumstances like these apply, write an additional specification for each delivery requirement.

If the service is one which takes place off-site, such as clearing trees from a parcel of land, the buyer should make adjustments to, or delete, the Delivery subsection as applicable to the purchase.

For the tree-clearing example, the buyer could delete subsection 2.3 entirely as there is no actual delivery of a commodity, and it would be more logical to provide relevant information (that would typically be in subsection 2.3) in the specifications, such as:

- The deadline for having the project completed.
- Notice of delay in completing the project.
- Loss or damage of the contractor's equipment.

If the service is one which takes place off-site but includes the delivery of a final product, such as re-writing a procedural manual or creating a marketing campaign, the buyer should keep subsection 2.3. It is still applicable to the delivery of the revised manual or campaign packet.

2.5 Performance Standards

Performance standards (A.C.A. § R1:19-11-267) are statements which define the acceptable level of performance by a contractor and the damages for falling below those standards. By law, they are required in contracts for services with an ICA of at least \$1,000,000 and/or a TPC of \$7,000,000.00 or more; however, it is best practice to include them in *all* service contracts.

For example, a simple one-time service of cutting down a tree can have performance standards for:

- Timeliness in completing the task.
- Quality of clean-up after the job is complete.

For more information about performance standards and instruction on how to create them and add them to your solicitation, go to [Performance Standards](#).

The contractual language in subsection 2.5 should not need to be edited.

If performance standards are not included in the solicitation, simply delete subsection 2.5.

Key Items in Sections 3 and 4 to Be Addressed by the Buyer

SECTION 3 – GENERAL CONTRACTUAL ITEMS includes the contractual terms that will be applicable to a resultant contract. The numbering for this section’s subsections appear as 3.1, 3.2, etc.

3.1 Payment and Invoice Provisions

Enter the appropriate invoicing address. Take note that the invoicing address is the State agency address to which an invoice will be sent. This is occasionally different from the delivery address.

If your end user or agency has special invoicing requirements, such as itemizing charges in a particular manner on the invoice, that information should be included by writing additional specifications under subsection 3.1.

3.4 Statement of Liability

Enter the contractor’s dollar limit of liability to the State. Unless otherwise directed by your supervisor or legal counsel for your agency, this amount is typically equal to the anticipated total amount of the contract.

SECTION 4 – STANDARD TERMS AND CONDITIONS contains basic contractual terms that apply to all Arkansas procurement contracts. The buyer will *never* make adjustments or additions to the language in this section.

After entering the final specifications, updating the information prompted by the blue font (and changing it to black), and receiving approval from the end user that the CB is complete and accurate, the solicitation document is final.

Next, the buyer will customize the Response Packet document as applicable and distribute the approved CB and Response Packet to prospective contractors.

The Response Packet

When issuing a CB solicitation, you will always provide a response packet document for prospective contractors to use to submit a response.

The basic CB response packet consists of:

1. The cover page.
2. Bid signature page.
3. Proposed Subcontractors Form.
4. Official Solicitation Price Sheet.

The cover page is simply a page identifying the document. The buyer's action step with the cover page is to replace the SP-XX-XXXX (solicitation number place holder) with the solicitation number that the buyer's agency has assigned to the CB.

The bid signature page is a form that is filled out by the prospective contractor to:

- Identify their company and provide contact information.
- Address the matters of a redacted copy of the response, Illegal Immigrant Certification, and Israel Boycott Restriction Confirmation.
- Provide an authorized signature.

HELPFUL HINT

The prospective contractor's signature at the bottom of this page serves as their official, contractual signature (unless negotiations occur. For more information, go to [Negotiation](#)).

The buyer's action step is to update the SP-XX-XXXX (solicitation number placeholder) in the footer of this document with the solicitation number assigned by your agency and change the color to black.

The Proposed Subcontractors form is included in the response packet when the end user advises that subcontractors *are* allowed.

The buyer does not have to take any further action with this form.

If the end user does *not* want to allow subcontractors, and subsection 1.7 SUBCONTRACTORS is deleted from Section 1, then the buyer should remove this form from the response packet.

The prospective contractor uses the provided Official Bid Price Sheet to submit their company's bid pricing.

The price sheet should not be altered by a prospective contractor to ensure that the buyer can compare the bids using a standardized set of pricing data.

The buyer's action step for the price sheet is to customize it to fit the purchase.

For example:

1. Entering a line description, quantity, and unit of measure for each item to be priced.

2. Adding lines or columns if needed to fit the purchase.
3. Deleting the blue example data line at the top of the table.

Creating a CB Price Sheet

Because the end user (or his/her approving authority) reviews the lowest bid to approve the contractor and pricing prior to award, he/she may request to see the pricing in a particular format.

For example, the end user may want to see the pricing broken down by an hourly cost as opposed to a monthly cost; or, he/she may want to know the flat fee cost of set-up or implementation as well as the subsequent monthly cost for a service.

It is the buyer's responsibility to create a price sheet that will:

1. Reflect the pricing format as requested by the end user.
2. Provide a pricing format that is standard for the market and is logically structured to ensure that prospective contractors can prepare a clear and accurate price quote.

Should you need to customize your price sheet in a way that is not conducive to using the provided example in the response packet, you may do so.

Many buyers prefer to use an excel spreadsheet as the price sheet. These are easier to manipulate if you need to calculate costs using formulas.

If you use an excel spreadsheet, the price sheet will be a separate file from the response packet. This is acceptable as long as they are provided together.

REMINDER

The end user must always approve the response packet, especially the price sheet, prior to the buyer distributing the solicitation.

To view examples of customized price sheets, see the [Bid Opportunities](#) page under the PUBLIC category on the OSP website.

Click on one of the bid numbers listed, then click on the response packet or the price sheet link.

If in doubt about how to create a price sheet to accurately reflect the pricing format your end user requests:

- See your supervisor.
- Contact an OSP buyer for assistance or for possible price sheet examples that may fit your needs.

Distributing the CB and Receiving Responses

CB solicitations are not required to be publicly posted. Typically, they are emailed to the prospective contractors along with the response packet. The buyer should do his/her due diligence to ensure the solicitation reaches a broad range of suppliers in the market. This can be accomplished by researching prospective contractors.

The buyer can find and compile prospective contractors and their email addresses through:

- Using the end user's suggested vendor list.
- Market research.
- Finding prospective contractors who are registered in AASIS for the commodity or service.
- Outreach to other buyers or agencies who have executed similar solicitations.

Prospective contractors return their response packets to the buyer by attaching their completed response packet file to an email. Hard copy deliveries are also acceptable.

Upon receipt of the response packets, the buyer should:

1. Tabulate the bids on the CB tab sheet to have a concise overview of all the bids received for the procurement record.
2. File a copy (electronic and/or printed hard copy) of each response packet in the procurement record.