

INVITATION FOR BIDS (IFB)

An Invitation for Bid (IFB) is a procurement method used for purchases exceeding \$75,000 where low cost determines the successful contractor. An IFB requires that:

1. Minimum specifications are provided to prospective contractors in the IFB solicitation document via a public posting.
2. Bid pricing from prospective contractors is received in a sealed packet and opened publicly at the designated place and time as stated in the solicitation document.
3. The contract is awarded to the lowest-bidding, responsive and responsible prospective contractor.

Refer to A.C.A. § 19-11-204 (6) and 19-11-229 for laws and rules regarding IFBs.

HELPFUL HINT

This procurement method is sometimes called a *competitive sealed bid*.

When to Use the Invitation for Bid Procurement Method

When you receive a request to make a purchase for which a contract does not already exist, first evaluate the anticipated total dollar amount of the purchase. The cost estimate of the PR and market research should help you determine if the cost will be in the range to execute an IFB.

If the anticipated total exceeds \$75,000, and the purchase is one for which the specifications and/or requirements are known and can be stated clearly, and you simply need to find the commodity or service with the lowest cost, then your best option is to use the IFB procurement method.

The following are examples of purchases that could be made with an IFB:

- Equipment with functionality that can be clearly defined.
- Security guard services, janitorial services, or other simple services that can be clearly defined.

Executing an IFB

When initiating a solicitation, a buyer should consider the timing factors involved with the procurement. Scheduling the procurement to meet the deadline for the receipt of the commodity or service can often be a critical concern. In addition, a buyer often manages multiple procurements at once and can work much more efficiently when the tasks are effectively planned and scheduled. To understand more about procurement planning, go to the link for ***Planning a Solicitation: Timing Factors***.

Step 1

Download the IFB templates posted on the TSS OSP website to create your solicitation. These templates are found on the Forms and Reporting page under the Solicitation Templates section. Save the template documents to your computer using your agency's naming convention for solicitations.

For more information about the IFB template, go to ***The Invitation for Bid (IFB) Template***.

Step 2

Work with the end user to ensure that the specifications and pricing structure are designed to meet the purchasing need and are approved to post.

Step 3

When the solicitation documents are approved by the end user to post, the IFB must be publicly posted to an approved State website. Some agencies may have their own website for posting bids, and if so, your supervisor can provide directions for the process. Other agencies should post their bids on the TSS OSP website.

Per Arkansas Procurement Law, solicitation postings must be no fewer than five (5) calendar days nor more than ninety (90) calendar days.

For more information about posting a solicitation on the TSS OSP website, go to the link for ***Publicly Posting Solicitation Documents***.

Protest of a Solicitation

Prior to 72 hours before the bid due date and time, a prospective contractor may submit a protest regarding the solicitation. This is not common, but it is allowed by A.C.A. § 19-11-244 when a prospective bidder is aggrieved in connection with the solicitation. Typically, a prospective contractor will protest in regard to the specifications.

The TSS OSP Director or head of the procurement agency must promptly issue a protest determination in writing to the protestor either denying or sustaining the protest. The determination is final and conclusive.

A contract award must not be executed until after the protest determination has been issued.

For more information about protests, go to the link for ***Protests and Protest Resolution***.

Receiving Solicitation Responses

Prospective contractors will complete the posted Bid Packet and submit it to you per the instructions in the solicitation. Each agency should have a process in place for recording the receipt of responses and storing them securely until the bid opening time. Should a response be received after the submission deadline, that response is not timely, and cannot be considered for award. It must be returned to the prospective contractor.

For more information on properly receiving and storing responses, as well as late bid receipts, go to the link for ***Receiving Solicitation Responses***.

Step 4

Open the timely-received bids at the place and time as specified in the IFB and tabulate the bids. This procedure is open to the public and requires the presence of two State employees. See your supervisor for your agency's direction on publicly opening the bids.

Bid pricing for each submission must be read aloud for all who are present.

Each pricing submission (bid) must be documented on an official bid tabulation document for IFBs. See the ***IFB Bid Tab*** link.

Both state employees must verify and sign the official bid tabulation document.

The opened bid pricing is public information, and a copy of the official bid tab document can be provided to anyone who is present or who later requests a copy.

Non-responsive and Non-responsible Prospective Contractors

Non-responsive and non-responsible prospective contractors' bids are rejected. See A.C.A. § 19-11-204 for information regarding responsive and responsible prospective contractors.

Should you need to reject a prospective contractor's bid for failure to meet a submission requirement, the prospective contractor must be contacted and advised of the rejection. A phone call is acceptable, but an email should follow to document the rejection. The email should include the reason for rejection as well as a reference to the specific language from the IFB which contains the requirement that was not met.

Step 5

After the public opening, review all submissions to confirm each is a responsive and responsible prospective contractor. The review should confirm that all submission and solicitation requirements are met, such as:

- Required signatures have been received.
- Any required documents are completed and submitted.
- Contractor meets all specifications and requirements as written.
- Price sheet is filled out correctly and completely.

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Should you need to reject a prospective contractor's proposal for failure to meet a requirement, the prospective contractor must be contacted and advised of the rejection. A phone call is acceptable, but an email should follow to document the rejection. The email should include the reason for rejection as well as a reference to the specific language from the IFB which contains the requirement that was not met.

Step 6

The lowest bidding, responsive and responsible bidder is the apparent successful prospective contractor. Notify the appropriate agency parties of the prospective contractor's name and bid price and request approval to award to this contractor. It is best practice to provide this notification and request for approval by email. This approval reply will create the written documentation you need for the procurement record.

At this point, the end user or agency may request to negotiate pricing.

For more about negotiating a contract, go to the link for ***Negotiation***.

Step 7

Upon approval of the apparent successful contractor and bid price (or negotiated pricing), publicly post the anticipation to award (ATA) on the same website where the solicitation was posted. It is a best practice to email each prospective contractor who submitted a bid to advise them of the ATA posting. You may include the link to the ATA posting in the email.

For more information about posting an ATA on the TSS OSP website, go to the link for ***Publicly Posting Solicitation Documents***.

Keep in mind that a prospective contractor who feels aggrieved by the anticipated award has the right to protest the award prior to the end of the 14-day ATA period. Only a prospective contractor who submitted a bid may protest, and the protest must be resolved prior to the award of the contract.

For more information about the protest of an anticipated award, go to the link for ***Protests and Protest Resolution***.

Awarding an IFB

To award an IFB:

1. After the end of the ATA period, and after any protests have been resolved, create the PO or OA in AASIS (with reference to the PR, if a PR was created) and attach a copy of the following:
 - a. The solicitation with all attachments.
 - b. The successful contractor's bid submission including price sheet.
 - c. The bid tab sheet.
 - d. Any other pertinent documents, such as a negotiation agreement.

For step-by-step instruction for creating a PO or OA, see the OPM eLearning classes.

2. Obtain the approvals necessary for the contract to be released.
 - Along with the approvals in AASIS, remember that service contracts meeting the mandated dollar thresholds for legislative review must go through the review process prior to the final AASIS release.

For more information regarding legislative review, go to the link for ***Legislative Review and Reporting Requirements***.

3. Activate the contract (PO or OA) by executing the print function in AASIS. Provide a copy of the PO or OA to the contractor via email.
4. Save all copies of any relevant procurement documents in the official procurement record.

For more information about requirements for the official procurement record, go to the link for ***Components of a Procurement Contract and the Procurement Record***.

If your agency is not an AASIS user, follow your agency's procedures to award an IFB.