

SPO-100 Competitive Sealed Bidding Method of Procurement Module 3 Transcript

Slide #	Audio
M3_1.	Aloha! This is Module 3, the final module, for the <i>SPO 100 Competitive Sealed Bidding Method of Procurement</i> training course. Click the NEXT button to get started.
M3_2.	This course provides general navigation functions. Use the Topics menu to jump to a specific topic in this course. Use the arrow buttons to play, pause, replay, or move backward and forward within a section. Use the Glossary menu to familiarize yourself with definitions and acronyms. Use the References menu to access the documents and websites referenced in this course. Use the Transcript menu to view the audio narration transcript.
M3_3.	In this module, you will learn how to: <ul style="list-style-type: none"> • Apply the solicitation process; and • Comply with the procurement award process.
M3_4.	For Module 3 of this course, you will learn about posting your solicitation, reviewing bids, and evaluating those bids. Then, you'll learn about the award process and how to handle protests when using the Competitive Sealed Bidding method. Click the NEXT button to get started.
M3_5.	Procurement Process – Learn what goes into the Competitive Sealed Bidding procurement process.
M3_6.	After you create your invitation for bids, or IFB, you must publicize it by posting it on the State's Hawaii Awards and Notices Data System (known as HANDS) or another electronic procurement notice system. This public notice helps to promote as much competition as possible. Although it is not mandatory, you may also choose to post information about your IFB using other forms of media, such as newspapers or other websites.
M3_7.	Let's take a minute to learn about the information to include in your public notice in accordance with HAR 3-122-16.03. Click each box to learn more.
M3_8.	<i>[male voice]</i> After you post your notice, be sure to place a copy of your public notice and the attestation form in your contract file.
M3_9.	<i>[male voice]</i> I already have a list of potential bidders and sent them the information about the IFB. Do I still need to post a public notice? <i>[female voice]</i> Yes. Pursuant to HAR 3-122-16.03, you are required post a public notice. Posting the notice provides the most competition.
M3_10.	For goods and services, IFBs must be open for at least 12 calendar days. This time line includes the day of the public posting and the day of closing. For construction, a minimum of 15 calendar days must be provided between the date of the pre-bid conference and the date set for receipt of offers. For multi-step IFBs, the first phase is at least 17 calendar days, and the second phase is at least 12 calendar days.
M3_11.	<i>[female voice]</i> What if we want to extend the deadline of bid responses by a week after we have publicized the notice and posted the IFB? Is that okay? <i>[male voice]</i> Absolutely! Just make sure you issue an addendum to extend the deadline and update the information on the procurement notice system and anywhere else you may have published it.

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M3_12.	<p>When you need to make a change to your IFB, you may do so before the closing by issuing an addendum. Typical reasons are to change the quantity, description, delivery schedule, or scope of work.</p> <p>We highly suggest listing closing date changes first, no matter how many other changes are included in the addendum, because you want to make sure bidders can get their bids in on time.</p> <p>Addenda may require that offerors acknowledge the receipt of the addendum issued.</p> <p>The addendum must be sent out to all prospective bidders known to have received the solicitation or have submitted the <i>Notice of Intent to Offer</i>.</p> <p>Click the image to see an example of an addendum.</p>
M3_13.	<p><i>[female voice]</i> What if the bidder submitted their bid early and realized a mistake was made in their bid?</p> <p><i>[male voice]</i> Per HAR 3-122-16.07 [read as three, dash, one, twenty-two, dash, one, six, point, zero, seven], as long as they send you a written request prior to the date you will open bids, bidders can make changes or even withdraw their bids.</p> <p><i>[female voice]</i> So, they could send me an email with the changes?</p> <p><i>[male voice]</i> It depends. If it was solicited through an electronic procurement system, the bidder can amend their bid through the system. If not, the bidder can send a copy of the changes in an email or via fax; but the original document still needs to be sent within two working days after the email or fax.</p> <p><i>[female voice]</i> One more question. You said they can make changes prior to the date of bid opening. Is it ever okay to accept late changes or withdrawals?</p> <p><i>[male voice]</i> Pursuant to 3-122-16.08, normally, you would return late bids, unopened, to the offerors. However, there are some exceptions. For instance, if the lateness was due to an office being closed for an emergency on the date the bids were due, you can take that information into consideration for allowing a late submittal.</p>
M3_14.	<p>A pre-bid conference is used to explain the procurement requirements and allow bidders to ask questions to help them more accurately price bids.</p> <p>It's mandatory for construction, including designing buildings, for IFB projects of \$500,000 or more. It is optional for goods and services.</p> <p>When you need to hold a pre-bid conference, ensure that the conference is held at least 15 days prior to the submission of bids.</p> <p>Be sure to invite all interested parties such as potential bidders and subcontractors.</p> <p>When you receive questions during the conference, make sure to record them. A summary of the conference and clarifications to the solicitation after the pre bid conference must be done via formal written addendum.</p> <p>Remember, if you need to make a clarification to the solicitation after the pre-bid conference, it needs to be done via a formal written addendum.</p>
M3_15.	<p>Now that you know a little bit about the procurement process, let's see if you can determine whether this scenario requires a pre-bid conference.</p>
M3_16.	<p>Now, see if you can determine the completeness of this public notice.</p>

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M3_17.	<p>As bids are received, they must be date- and time-stamped and stored in a secure place. Electronic bids are automatically date- and time-stamped. Bids not received by the deadline should not be considered.</p> <p>Bids are to be opened publicly with witnesses in the designated area at the specified date and time indicated in the IFB.</p>
M3_18.	<p>As soon as the opening date and time passes, the bid becomes public information. For bid responses that are not received through an electronic procurement system, the bid opening, bidder names, bid prices, and other information are read aloud.</p> <p>A Bid Opening Log is used to list the IFBs, attendees, and purchasing specialist in charge of the bid opening.</p> <p>Click the image to see an example of a Bid Opening Log.</p>
M3_19.	<p><i>[male voice]</i> What happens when a bidder marks information as trade secret or proprietary data as confidential?</p> <p><i>[female voice]</i> The procurement officer or designee in the meeting would examine it to determine the validity of the request. Regardless of a confidentiality designation, the prices, makes and models, or catalogue numbers of items offered are always made publicly available.</p> <p><i>[male voice]</i> So, if that person says it should be disclosed, but the vendor still doesn't agree, it has to be disclosed anyway?</p> <p><i>[female voice]</i> Not necessarily. It wouldn't be disclosed at the meeting; but, it would go to the Attorney General or Corporation Counsel to make a final determination in writing.</p> <p><i>[male voice]</i> What if they also say the information should be disclosed? Can the vendor do anything to fight it?</p> <p><i>[female voice]</i> The vendor could still file a protest before exhausting their resources. But, when all is said and done, if the information is determined to be disclosed, all of the vendors who were at the opening will be notified in writing that the information is being publicized so that they can request a copy of that information.</p>
M3_20.	<p>There are times when an IFB may need to be cancelled.</p> <p>It is important to consider if a cancellation is in the best interest of the agency.</p> <p>Remember everyone has spent a lot of time and effort to create the IFB and potentially respond.</p> <p>When you decide to cancel your IFB, you must send all solicited businesses a notification that includes an explanation of why the solicitation was cancelled, citing the statute or rule allowing it, and when the opportunity might be re-solicited in the future, if applicable.</p> <p>Also, be sure to place a copy of this notice in your procurement file.</p>
M3_21.	<p>Click each box to learn about four reasons for cancelling PRIOR to the IFB deadline.</p>
M3_22.	<p><i>[male voice]</i> If you cancel the IFB before the bid opening date, you must return unopened bids to the bidders or dispose of them if they do not want the bids back. Refer to HAR section 3-122-98 to learn more about this process.</p>
M3_23.	<p>Click each box to learn about these reasons for cancelling an IFB AFTER bid opening but PRIOR to the award.</p>

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M3_24.	Let's see if you recall some of the reasons you would cancel an IFB after the bid opening, but prior to the award.
M3_25.	During the Bid Evaluation process, you must determine if the bids are responsive and meet all the specifications of the IFB. In doing so, you will be able to award to the lowest responsive and responsible bidder.
M3_26.	<p>A responsible bidder has the capability, in all respects, to fully perform the contract requirements with the integrity and reliability to assure good faith performance.</p> <p>A procurement officer may require additional information to determine if the bidder is responsible by asking questions about:</p> <ul style="list-style-type: none"> • The bidder's financial ability to deliver the goods, performance, or work required; • The material, equipment, facility, and personal resources to be used; • The references provided to indicate satisfactory work or performance record; and • The bidder's legal qualifications to contract with the State.
M3_27.	<p>A responsive bidder submits a bid that conforms, in all material respects, to the IFB.</p> <p>Some examples of non-responsive offers include:</p> <ul style="list-style-type: none"> • Not having liability insurance; • Not signing the correct Offer Form page; or • Not submitting references, licenses, or other required items with the bid package.
M3_28.	<p>All bidders are informed in writing when their offers are being rejected, citing the reasons.</p> <p>If you view the example of the rejection letter, you will notice that we don't actually call it a rejection letter because it doesn't sound pleasant. Instead, we just mention that we cannot accept the bid and state the reasons, citing the section of the IFB where this reasoning applies.</p>
M3_29.	<p><i>[female voice]</i> What happens if the vendor doesn't agree with my reasons for a rejection?</p> <p><i>[male voice]</i> The vendor has the option to file a protest with the procurement officer. If the issue is still unresolved, per HAR §3-126-42, they can then request an administrative hearing with the Department of Commerce and Consumer Affairs (or DCCA for short).</p>
M3_30.	<p>Before we move on to the award process, let's discuss another situation you may experience. It's not uncommon to find mistakes in the bids.</p> <p>Per HAR §3-122-31, an obvious mistake may be corrected, withdrawn, or waived by the bidder to the extent that it is not contrary to the best interest of the purchasing agency or to the fair treatment of other bidders.</p> <p>When a bidder discovers an obvious mistake in their bid submission before the IFB deadline, they can either provide a correction in writing or withdraw the bid they submitted.</p> <p>If a bidder discovers a mistake after the bid opening but prior to the award, they may be able to correct the mistake, waive it, or withdraw the bid.</p>
M3_31.	Click each box to learn about the types of bid mistakes.
M3_32.	<p>A mistake attributed to a mathematical error may be corrected by the Procurement Officer.</p> <p>When the mistake is in the extension of the bid price, the unit price is used. The unit price cannot be corrected.</p>

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M3_33.	<p>When a minor mistake does not affect the price, quantity, quality, delivery, or contractual conditions, the Procurement Officer may choose to waive the mistake or request corrections.</p> <p>Examples of minor mistakes include typographical errors, such as misspelled words; transposition errors, such as a decimal point obviously in the wrong place; and missing original signatures on the bid, as long as the bid includes other material indicating the bidder’s intent to be bound.</p>
M3_34.	<p>For obvious mistakes that affect price, quantity, quality, delivery, or contractual conditions, the bidder may formally request to withdraw the bid.</p>
M3_35.	<p>Mistakes can be corrected or withdrawn after the award. When they are discovered, it is obvious that the mistake will have an impact on the award.</p> <p>Changes to these mistakes are allowed when the CPO or HOPA makes a written determination that it would be unreasonable not to allow the mistake to be remedied or withdrawn.</p>
M3_36.	<p>Let’s see if you can determine what a vendor can do about a bid mistake in this scenario.</p>
M3_37.	<p>Award Process – Learn what goes into the award and protest process.</p>
M3_38.	<p>IFB awards are made to the lowest responsive, responsible bidder based [stress next word] only on the objectively measurable criteria specified in the IFB.</p> <p>When considering the factors used for evaluation of bids, keep in mind that these factors do not need to be so exact as to predict the actual cost of the purchase. However, they should be reasonable estimates based on currently known information and treat all bids fairly.</p>
M3_39.	<p>Click each box to learn about the additional items that may be required to ensure the bid meets criteria.</p>
M3_40.	<p>When all bids exceed available funds, the HOPA may negotiate with the lowest responsive, responsive bidder to reduce the scope of work to bring the bid within available funds.</p> <p>Low tie bids from responsive, responsible bidders are identical in price and meet the requirements and criteria in the IFB.</p> <p>At the discretion of the Procurement Officer, the award is made in any permissible manner that will resolve tie bids. These ways include but are not limited to awarding the contract based on business location or awarding it to the low tie bidder who received the previous award.</p> <p>If no such method can effectively resolve the tie bid, a written determination is made stating that fact. Then, the award may be made by drawing lots.</p>
M3_41.	<p>When there is only one responsive, responsible bidder for an IFB, the award may be made as long as the price is fair and reasonable, other prospective bidders had reasonable opportunity to respond, and there is not adequate time for resolicitation. Otherwise, you could conduct an alternative procurement method.</p> <p>When no bids are received or there are no responsive, responsible bidders, you may use an alternative procurement method as long as it is not practicable or advantageous to resolicit due to time constraints, marketplace competition, or resolicitation costs.</p>
M3_42.	<p>After the award determination, a contract needs to be created.</p> <p>You can use the Attorney General boiler template AG-003 form for contracts for goods and services. You can also use the AG-005 form for supplements or extensions to your contracts.</p> <p>Other forms you might want to consider include:</p> <ul style="list-style-type: none"> • AG-010, Contractor’s Standards of Conduct Declaration; • AG-012, Compensation and Payment Schedule; and • AG-013, Time of Performance. <p>Click the image to see the template for the AG-003 form.</p>

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M3_43.	<p>[male voice] Here's some good news that was announced in Procurement Circular 2020-04. As of November 20, 2019, form AG-009, <i>Contractor's Acknowledgement</i> is no longer required for Goods, Services, or Construction contracts for the executive branch!</p>
M3_44.	<p>Upon award, the vendor must be compliant with Hawaii laws according to HRS 103D-310(c).</p> <p>The bidder must be able to document compliance. Often, they will utilize Hawaii Compliance Express to show proof of compliance.</p>
M3_45.	<p>After you have determined that the vendor is compliant, you will post the notice of the award within 7 working days of awarding the contractor.</p> <p>Next, you will send a <i>Notice of Award</i> letter to the contractor. While not mandatory, it is recommended to send a letter to all other vendors. When you use an electronic procurement system, it sends an automated notice to the non-awarded vendors.</p> <p>At this point, the contractor will have a set amount of time to accept the award, submit proof of insurance, and submit the filled-out AG-003 form, agreeing to the contract.</p> <p>After the forms are returned, send the forms to the Attorney General for approval, and verify with the Pre-Audit Department that the funds are available. The contract will become effective once the Procurement Officer signs the AG-003 form</p> <p>Then, send out the <i>Notice to Proceed</i> letter so the contractor can begin work.</p>
M3_46.	<p>Protests most often happen directly after the award.</p> <ul style="list-style-type: none"> • Any actual or prospective bidder or contractor must submit their protests in writing to the CPO or designee specified in the IFB within five working days after the date the award was posted. • When a protest is filed, you cannot take any further action on the procurement until the protest is resolved or a request for Lift of Stay is approved by the CPO. • After reviewing all relevant information, a decision is made that includes the resolution to the protest or further actions to be taken. The decision of the CPO or designee is final unless the protest is denied and the protester files for an appeal with the Office of Administrative Hearing, Department of Commerce and Consumer Affairs. <p>Be sure to follow the regulations set forth in HRS §103D-701 and HAR §3-126, <i>Legal and Contractual Remedies</i>, and procurement circulars regarding the posting of procurement notices and awards. If you have any questions related to the solicitation, award, or protest process, reach out to the State Procurement Office, or SPO, for assistance. They are there to help.</p>
M3_47.	<p>After the award is made, you must verify that all specifications and scope of work are satisfied as defined in the contract.</p> <p>The Contract Administrator manages the contract, throughout the term of the contract, to ensure that the State receives the goods, services, or construction that meet the required specifications and/or scope of work at the awarded price.</p>
M3_48.	<p>For transparency purposes, all documents relating to the solicitation and debriefing that are not marked "confidential" are considered public information and, therefore, may be released to anyone requesting it through the Office of Information Practices process.</p>
M3_49.	<p>Let's see if you know what happens in this scenario.</p>
M3_50.	<p>Let's take a look at some references and contact information you may want to use when using the Competitive Sealed Bidding method.</p>
M3_51.	<p>We've covered a lot of information in this course. To help you remember some of the most important parts of the Competitive Sealed Bidding method of procurement, we've created a quick reference guide</p>

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	that you can save and print. To access the guide, click the References menu in the top right corner of this module.
M3_52.	The SPO website contains a lot of reference material pertaining to the Competitive Sealed Bidding method of procurement. You can find hyperlinks to these references in the quick reference guide attached to this course.
M3_53.	The SPO website also provides mandatory and recommended on-demand training for your department's procurement personnel. To view the available training, navigate to the SPO website, select "Training for State & County Personnel," and then select "SPO Training."
M3_54.	Let's take a minute to review some key points from this module.
M3_55.	In this module, you were presented with information to help you navigate the Competitive Sealed Bidding method of procurement. You should now be able to: <ul style="list-style-type: none"> • Apply the solicitation process; and • Comply with the procurement award process.
M3_56.	This concludes the SPO 100 Competitive Sealed Bidding Method of Procurement training course. To receive credit for this course, you are required to take an assessment and pass with a score of 100 percent.
M3_57.	N/A
M3_58.	N/A
M3_59.	N/A
M3_60.	N/A
M3_61.	N/A
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M3_69.	N/A
M3_70.	N/A
M3_71.	N/A
M3_72.	N/A
M3_73.	Congratulations! You've completed the SPO 100 Competitive Sealed Bidding Method of Procurement training course. We appreciate feedback and request that you fill out a short survey to let us know how we did. Mahalo!