



Date Issued: June 12, 2009
Date Last Revised: December 15, 2010

CHAPTER 6. Sealed Bids

Table of Contents

CHAPTER 6. Sealed Bids	6-1
6.1 Policy	6-2
6.2 Preparation, Submission, and Receipt of Bids	6-2
6.2.1 Preparation of Invitation for Bid	6-2
6.2.2 Invitation for Bid	6-2
6.2.3 Solicitation Mailing List	6-2
6.2.4 Pre-Bid Conference	6-2
6.2.5 Amendment of Invitation for Bid	6-2
6.2.6 Cancellation of Invitation for Bids before Opening	6-2
6.2.7 Cancellation of Invitation for Bids after Opening	6-3
6.2.8 Requirements for Submission of Responsive Bids	6-3
6.2.9 Submission of Bids	6-3
6.2.10 Telegraphic Bids (RESERVED)	6-3
6.2.11 Facsimile Bids (RESERVED)	6-4
6.2.12 Internet Bids (RESERVED)	6-4
6.2.13 Modification or Withdrawal of Bids	6-4
6.2.14 Postponement of Bid Opening	6-4
6.3 Bid Opening and Evaluation	6-4
6.3.1 Bid Opening and Inspection	6-4
6.3.2 Late Bids, Late Modifications, and Late Withdrawals.....	6-5
6.3.3 Rejection of Individual Bids	6-5
6.3.4 Bid Evaluation.....	6-5
6.3.5 Unbalanced Bids	6-5
6.3.6 'All or None' Qualified Bids	6-6
6.3.7 Resolving Tie Bids.....	6-6
6.3.8 Minor Informalities or Irregularities in Bids	6-6
6.3.9 Mistakes in Bids before Award	6-6
6.3.10 Mistakes in Bids after Award	6-7
6.4 Contract Award	6-7
6.4.1 Basis of Contract Award.....	6-7
6.4.2 Information to Bidders	6-7



6.1 Policy

Sealed bids are used when the requirements are well defined, discussion with bidders will not be necessary, several sources are expected, and fair and reasonable pricing is desired. Sealed bids are a straightforward way to achieve a demonstrably good value. Sealed bids are one method that may be used if the procurement is expected to exceed the small purchase threshold. Bids must comply in every material respect with the specifications, and bidders must not be allowed to reconsider their bids after the time set for submission of bids.

6.2 Preparation, Submission, and Receipt of Bids

6.2.1 Preparation of Invitation for Bid

An Invitation for Bid (IFB) is prepared using a uniform contract format that includes the solicitation and contract form, provisions, and clauses appropriate for the type of acquisition (e.g., goods, equipment, services, or construction). The IFB shall contain a description of the goods or services required; quantities; time, date, and address for receipt of the bids; and whether or not alternate bids will be accepted.

6.2.2 Invitation for Bid

The IFB shall be publicized for thirty (30) days, unless the Contracting Officer determines otherwise. The IFB or notice of the availability of the IFB shall be mailed or otherwise furnished to an adequate number of bidders to ensure full and open competition.

6.2.3 Solicitation Mailing List

The solicitation mailing list identifies sources for goods and services, including construction services. The Contracting Officer shall establish or have access to solicitation mailing lists. A list is not required when the requirement is non-recurring. A sufficient number of eligible bidders shall be placed on the appropriate solicitation mailing list to ensure adequate competition.

6.2.4 Pre-Bid Conference

The pre-bid conference is generally used in a complex procurement as a means of briefing prospective bidders and explaining complicated specifications and requirements as early as possible after the IFB has been issued and before the bids are opened.

6.2.5 Amendment of Invitation for Bid

The Contracting Officer may issue a written amendment to an IFB when it is necessary to make changes in quantity, specifications, delivery schedules, opening date, or other items or to correct a defective or ambiguous IFB.

The amendment shall be sent, before the bid opening time, to recipients of the IFB, and shall be distributed within a reasonable time to allow all prospective bidders to consider the information in submitting or modifying their bids.

6.2.6 Cancellation of Invitation for Bids before Opening

An IFB may be cancelled before bid opening if it is in the Authority's best interest, for reasons including but not limited to inadequate or ambiguous specifications, revised specifications, goods or services being contracted are no longer required, or the IFB did not provide for consideration of all the Authority's cost



factors. More specifically, an IFB may be cancelled for inadequate or ambiguous specifications if the specifications cannot be corrected by issuing an amendment and if the ambiguous or inadequate specifications would mean that bidders would not be able to compete “on an equal basis.”

An IFB that is cancelled shall require the Contracting Officer’s determination that cancellation is in the Authority’s best interest. Notice of cancellation shall be sent to all recipients of the IFB. Any bids received shall be returned unopened.

6.2.7 Cancellation of Invitation for Bids after Opening

One or more of the reasons to cancel an IFB listed in Cancellation of Invitation for Bids before Opening may arise after bids have been opened. An IFB may be cancelled after bid opening for the same reasons as in Cancellation of Invitation for Bids before Opening. In addition, an IFB may be cancelled after bid opening when:

1. Bids received indicate that the Authority’s needs can be satisfied by a less expensive means differing from that for which the bids were invited.
2. All otherwise acceptable bids received are at unreasonable prices, only one bid is received and the Contracting Officer cannot determine the reasonableness of the bid price, or no responsive bid has been received from a responsible bidder.
3. The bids were not independently arrived at in open competition, were collusive, or were submitted in bad faith.
4. When cancellation is in the public interest.

The Contracting Officer shall determine whether the Authority’s best interest is served by the cancellation of the IFB and rejection of all bids.

Generally, an IFB shall not be canceled and resolicited due solely to increased requirements for the items being procured. In that case, award shall be made on the initial IFB, and the additional quantity shall be treated as a change to the contract or a new procurement.

When it is determined that it is necessary to reject all bids, bidders shall be notified that all bids have been rejected and provided the reason for the action.

6.2.8 Requirements for Submission of Responsive Bids

To be considered for award, a bid must comply in all material respects with the IFB. Each bid shall be typewritten or written legibly in ink. Each bid shall be signed in ink. All erasures or alterations shall be initialed in ink by the person who signs the bid. The IFB shall require the bidder to acknowledge receipt of amendments.

6.2.9 Submission of Bids

A reasonable time shall be allowed for prospective bidders to prepare and submit their bids. Each bid shall be submitted in an envelope that clearly indicates the project name, identifies the bid by the IFB number, and the bidder’s name. Bids must be received at the time and place specified in the IFB.

6.2.10 Telegraphic Bids (RESERVED)



6.2.11 Facsimile Bids (RESERVED)

6.2.12 Internet Bids (RESERVED)

6.2.13 Modification or Withdrawal of Bids

A bid that has been submitted and received may be modified or withdrawn by written notice received in the office designated in the IFB not later than the exact date and time set for opening of bids. A bid may be withdrawn in person by a bidder or an authorized representative if, before the exact date and time set for opening of bids, the bidder or authorized representative requesting withdrawal establishes their identity and signs a receipt for the bid.

If a bid is withdrawn in accordance with this section, any bid guarantee shall be returned to the bidder.

6.2.14 Postponement of Bid Opening

A bid opening may be postponed when the Contracting Officer determines that additional time is required in order to prepare and issue an amendment. The bid opening may also be postponed when the Contracting Officer has reason to believe that the bids of an important segment of bidders have been delayed in the mail, in the communications system specified for transmission of bids, or for causes beyond the bidders' control due to no fault or negligence of the bidders. Emergency or unanticipated events that interrupt the Authority's normal processes may also be the basis for postponement of a scheduled bid opening.

Except for an emergency or unanticipated event, an announcement of the postponement shall be publicly posted. If practical, prospective bidders that are likely to attend the scheduled bid opening shall be notified expeditiously of the postponement.

In the case of an emergency or unanticipated event, the bid opening may proceed as soon as practical after the original scheduled bid opening without prior amendment to the IFB or notice to bidders if the further delay is not in the Authority's best interest. In such cases, the bid opening time established in the IFB will be used for determining "late bids" or other late actions.

6.3 Bid Opening and Evaluation

6.3.1 Bid Opening and Inspection

The bid opening official shall decide when the time set for opening bids has arrived and shall inform those present of that decision. Bids shall be publicly opened and each bid read out loud without discussion. At the time of the bid opening, the name of each bidder and each bid price shall be read aloud and recorded by the bid official.

Interested parties at the bid opening may be provided the opportunity to inspect the Pricing Schedule, the Bid Tabulation Sheet and the Bid Bond of the apparent low bidder. Inspection of these documents shall be conducted under the supervision of bid officials and the original bids shall not leave the possession of the bid official. Bid officials shall supervise the inspection of these bid documents under conditions that preclude the possibility of a substitution, addition, deletion or alteration of the bid. The Authority will not permit photocopies of any inspected bid documents. Interested parties may, however, request selected bid documents through a Freedom of Information request.



6.3.2 Late Bids, Late Modifications, and Late Withdrawals

Any bid, request for withdrawal, or request for modification received after the bid due date and time set forth in the IFB is late and shall not be accepted. Such bids shall not be considered for award except as noted below.

A late bid will be considered if it was received prior to the contract award and the Contracting Officer determines that it would have been timely but for the action or inaction of Authority personnel after timely receipt of the bid at the location specified in the solicitation.

A late modification of a successful bid that makes its terms more favorable to the Authority without changing the price will be considered at any time it is received and may be accepted.

A bidder shall be promptly notified if a bid that was not accepted and could not be rejected at the time that it was received, a modification of a bid, or a withdrawal of a bid is received late, and it is clear from available information that it cannot be considered. The bid shall be held unopened, unless opened for identification until after award. In either case, the bid will be retained with unsuccessful bids.

6.3.3 Rejection of Individual Bids

Any bid that fails to conform to the essential requirements of the IFB; contains a condition that affects price, quantity, quality, or delivery of the items offered; or does not conform to the applicable specifications, delivery schedule, or permissible alternatives shall be rejected.

A bid shall be rejected if it is determined that the bidder imposes conditions that limit the bidder's liability to the Authority or limits the Authority's rights under any contract clause. A bid that requires the Authority to determine whether the bidder's product meets applicable specifications shall be rejected.

Any bid may be rejected if the Contracting Officer makes a determination and documents in writing that the price is unreasonable. This includes not only the total price of the bid, but also the prices for individual line items.

Bids received from a prospective contractor that is suspended, debarred, proposed for debarment, or declared ineligible as of the bid opening date shall be rejected unless it is determined that there is a compelling reason to accept the bid. Low bids received from prospective contractors determined to be not responsible shall be rejected.

A bid shall be rejected if the bidder fails to furnish the guarantee in accordance with the IFB requirements.

6.3.4 Bid Evaluation

The Contracting Officer shall determine whether a prospective contractor is responsible and that the prices offered are fair and reasonable before awarding a contract. If only one bid is received, the Contracting Officer may enter into negotiations to determine the fair and reasonable price.

6.3.5 Unbalanced Bids

Unbalanced bids may increase performance risk and may result in payment of unreasonably high prices. A bid is mathematically unbalanced if it is based on prices that are significantly less for some line items and significantly overstated for other line items. A bid is materially unbalanced if it is mathematically unbalanced and if there is reasonable doubt that the bid would result in the lowest overall cost to the Authority even though it is the lowest evaluated bid.



Bids shall be analyzed to determine whether they are unbalanced with respect to prices for separately priced line items. This is particularly important when evaluating the prices for options in relationship to the prices for the basic requirement.

A bid may be rejected if the Contracting Officer determines that the lack of balance poses an unacceptable risk to the Authority.

6.3.6 *'All or None' Qualified Bids*

A bid may be responsive even if the bidder specifies that an award will be accepted only on all or a specified group of the items. Unless the IFB provides otherwise, bidders shall not be permitted to withdraw or modify "all or none" qualifications after bid opening because such qualifications are substantive and affect the rights of other bidders.

6.3.7 *Resolving Tie Bids*

If two or more bidders are equally eligible for award, an award shall be made by a drawing by lot limited to those bidders. If time permits, the bidders involved shall be given an opportunity to attend the drawing. The drawing shall be witnessed by at least three persons, and the contract file shall contain the names and addresses of the witnesses and the person supervising the drawing.

6.3.8 *Minor Informalities or Irregularities in Bids*

A minor informality or irregularity is one that is a matter of form and not of substance or that pertains to some immaterial or inconsequential defect or variation of a bid from the exact requirement of the solicitation. The Contracting Officer shall give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid, or waive the deficiency provided the waiver will not violate the principles of the competitive procurement.

6.3.9 *Mistakes in Bids before Award*

The Contracting Officer shall examine each bid for mistakes. In cases where the Contracting Officer has reason to believe that a bid mistake may have been made, the Contracting Officer shall request from the bidder verification of the bid, calling attention to the suspected mistake.

The Contracting Officer may correct an apparent clerical mistake before award. If the correction is made, the bid shall be corrected to the intended correct bid and may not be withdrawn.

Correction of a bid is limited to a bid that is responsive and shall not be used to permit corrections to make the bid responsive or competitive.

If a bidder alleges a mistake after opening of bids and before award, the Authority may permit correction of the bid if clear and convincing evidence establishes both the existence of the mistake and the bid actually intended. However, correction of the bid will not be permitted if the correction results in displacing one or more lower bids.

If clear and convincing evidence establishes both the existence of the mistake and the bid actually intended, the Authority may allow a bidder to withdraw a bid rather than correct it.

When a bid is corrected or withdrawn, or correction or withdrawal is denied, the Contracting Officer shall prepare a written determination that explains why the action was taken.



6.3.10 Mistakes in Bids after Award

If a mistake in a bid or proposal is not discovered until after award, the Contracting Officer may correct the mistake by contract modification if the Contracting Officer makes a written determination that correcting the mistake would be in the Authority's best interest and that the correction would not change the contract's essential requirements.

In lieu of correcting the mistake, the Contracting Officer may rescind the award, reform the contract to delete the items involved in the mistake or increase the price if the corrected contract price does not exceed that of the next lowest acceptable bid under the original IFB, make no change to the contract, or terminate the contract.

The Contracting Officer shall make the required determinations only on the basis of clear and convincing evidence that a mistake was made mutually or made by the contractor unilaterally but was so apparent that it should have been recognized by the Contracting Officer.

6.4 Contract Award

6.4.1 Basis of Contract Award

Each contract shall be awarded to the responsible bidder that submitted the lowest responsive bid if the bid price is fair and reasonable.

6.4.2 Information to Bidders

The notice of award or contract document may be made available to the public. Unsuccessful bidders shall be notified that their bids were not accepted and any bid guarantee furnished with the unsuccessful bids returned. When award is made to other than a low bidder, the reason for rejection shall be included in the notice to each of the unsuccessful low bidders.