COMPETITIVE BIDDING REQUIREMENTS

The Purchasing Department is responsible for overseeing the competitive bidding process and maintaining its integrity. The bidding process introduces the element of competition directly into the procurement process. As a state agency, the University applies the principles of competitive bidding and economical procurement practices to all purchases and contracts made on its behalf. This policy is promulgated in the Illinois Procurement Code (30 ILCS 500/).

The University derives its authority for competitive bidding from the Board of Trustees. All bidding is done in the name of the Board for Trustees. The University procurement policies follow the current State of Illinois Procurement Code and the Procurement Rules of the Chief Procurement Officer for Public Institutions of Higher Education. http://www.procure.stateuniv.state.il.us/dsp_procurerules.cfm

The bidding process is a joint effort of the Using Department that expresses a need and develops the draft specifications; the Purchasing Department who formalizes the draft specifications, prepares the solicitation package and ultimately places the order; and potential vendors who are invited to submit bids or proposals.

It is important that the Using Department notify Purchasing of any upcoming procurements that require a formal bidding process with as much advanced notice as possible as the procurement process may take between 60 to 120 days depending on the complexity of the project.

The Bidding Process

There are various types of competitive solicitations. The Chief Procurement Officer of Higher Education has set the bid limits for individual procurements of supplies, services, professional and artistic services, and procurement of construction. Future adjustments may be based upon increases to the Consumer Price Index as provided in the Higher Education Procurement Rules (44 Ill. Admin. 4).

Effective 8/9/2017, the bid limits requiring a competitive process are as follows:

Supplies or Services (including equipment): $100,000 and above

Construction: $100,000 and above

Professional and Artistic Services: $100,000 and above

“Stringing” or segmenting a purchase in order to circumvent the competitive bidding process is not allowable. Further, any prospective purchase under the established threshold may be competitively bid if it is deemed that this action will result in lower costs to the University.

Types of Solicitations

Competitive Sealed Bidding, also known as an Invitation for Bid (IFB), is typically used when the material or service to be procured meets the following conditions: the specification standard of quality and performance is widely accepted and is not based on comparative evaluation; and the contract is of a fixed-price nature, and is awarded to the lowest responsive and responsible bidder.
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Competitive Sealed Proposals, also known as a Request for Proposal (RFP), is used when it is determined that competitive sealed bidding is not practical and there are many negotiable options available. It is typically used for the procurement of professional and artistic or technical services, and when oral or written discussions may be required to clarify technical and price aspects of the proposals. The award may be based upon comparative evaluation in which case detailed criteria outlining the basis for award must be on file prior to the distribution of the RFP to insure objectivity.

The RFP is usually comprised of two parts; a technical proposal request and a pricing proposal request. A committee, which may include members of the requesting department, is usually formed to prepare the specification and evaluate the technical proposal.

Specifications

The first step in the bidding process is the preparation of specifications for the product or service requested. The development, selection, and use of a particular type of specifications are dependent on the situation, time, information available and needs of the user.

There are several types of specifications:

- Performance specifications communicate what a product is supposed to do, rather than how it is to be built. These would include the operating parameters required to perform a specific function.

- Design specifications employ dimensional and other physical requirements and concentrate how a product is made, rather than what it should do. These would include dimensions, tolerances, drawings, and specific construction processes.

- “Brand name or equal” is used when a specification mentions a manufacturer’s brand name or model number. Brand names may only be used to describe a standard of quality or performance, and may not be used to limit or restrict competition. The term “or equal” must be used when referencing brand names except when an acceptable justification is provided as to why the specific brand is the only one that can be procured due to compatibility with existing systems or equipment (i.e. parts for equipment, maintenance & support for software.)

- Scope of Work for services is used for the procurement of professional and artistic or other services. Service related specifications should clearly state the specific tasks to be performed; qualifications and experience of the vendor; performance milestones; time limitations; a definition of the final project deliverables; and payment schedule.

It is the responsibility of the requisitioner to provide Purchasing with full and complete specifications for the products or services they are requesting for purchase. Information including description and product number, quantity and units of measure, cost estimate, drawings, design specifications, desired delivery dates, delivery information, and any other appropriate evaluation criteria are to be provided to the Purchasing Department for incorporation into the solicitation document. The requisitioner may recommend vendors who can supply the products or services. Additionally, vendors may register their companies to be placed
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on the University bidders’ list. Purchasing will prepare the final solicitation document for advertisement.

Business Enterprise Program (BEP)

It is the policy of the State of Illinois to promote and encourage the continuing economic development of minority-owned and women-owned businesses and businesses owned by persons with disabilities (30 ILCS 575). The State also encourages participation in the State’s procurement process as both prime and subcontractors.

The Chief Procurement Officer has mandated that an aspirational BEP goal of no less than 20% be included in all IFB and RFP solicitations unless the University provides to the SPO written documentation showing how the University determined a lesser goal is justified.

Advertisement of Procurements

Illinois State procurement law mandates that Invitation for Bids and Request for Proposals be advertised for a minimum of 14 calendar days on the Illinois Higher Education Procurement Bulletin (Bulletin) https://www.procure.stateuniv.state.il.us/dsp_index.cfm.

Contract Award

The formal “Opening” is a public opening conducted by the Purchasing Department. After the bids or proposals have been read aloud, the Purchasing Department conducts a preliminary review and then forwards the bids or proposals to the Using department for evaluation. After the evaluation is completed, the Using Department will submit a Recommendation of Award (ROA) memo to Purchasing who will review the evaluation documentation and ROA, publish the award information to the Bulletin, and prepare the contract for execution.

All awards posted on the Bulletin are subject to approval by the State Purchasing Officer (SPO) and a 14-day review by the Procurement Policy Board (PPB). Typically, if sufficient award information is posted to the Bulletin, the PPB will waive the 14-day review period and the contract can be executed upon waiver.

Other Types of Sourcing Methods:

Architectural/Engineering/Land Surveying (QBS)

Construction-related professional services subject to the Architectural, Engineering and Land Surveying Qualifications Based Selection Act [30 ILCS 535] are exempt from the Procurement Code. QBS type professional services of $25,000 or greater require procurement through a competitive selection process.
Sole Source or Sole Economically Feasible Source

A sole source or sole economically feasible source procurement is permissible when a requirement above the bid limit is available from only a single supplier or when only one supplier is deemed economically feasible. A requirement for a particular proprietary item or service does not justify a sole source procurement if there is more than one potential vendor authorized to provide that item or service. If the requisitioning department believes that it has a sole source procurement, a Sole Source Justification form (fillable PDF) along with the requisition must be submitted to Purchasing.

Sole source procurements for which the total cost equals or exceeds the bid limit requiring a competitive selection process, must be published on the Bulletin for a minimum of 14 calendar days. A public hearing will be held if an interested party requests an opportunity to testify for or against the sole source determination. If no interested party challenges the sole source determination, an award recommendation will be submitted to the Chief Procurement Officer for approval. If a challenge is submitted and supported, the sole source request will be denied and a competitive bid or proposal may be solicited.

Sole source procurements posted on the Bulletin are subject to approval by the State Purchasing Officer and a 14-day review by the Procurement Policy Board (PPB). Typically, if sufficient justification is posted, the PPB will waive this 14-day review period and the contract can be executed upon waiver.

Emergency Procurements

Emergency procurements may be made when an emergency condition arises and the need cannot be met through normal procurement methods. Emergency procurements shall be made with as much competition as practicable under the circumstances. The term of the emergency purchase shall be limited to ninety (90) calendar days. An Emergency Statement including the basis for the emergency and the reasons for the selection of a particular vendor must be published to the Bulletin no later than five (5) calendar days after the contract is awarded.

A statutory emergency condition exists:

1) When there exists a threat to public health or public safety;
2) When an immediate expenditure is needed for repairs to University property in order to protect against further loss or damage to University property;
3) To prevent or minimize serious disruption in critical University services that affect health, safety, or collection of substantial State revenues; or
4) To ensure the integrity of University records.

Quick Purchase:

The quick purchase emergency method of source selection is allowed in certain situations, including, but not limited to:

1) protecting the health and safety of any person;
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2) items are available on the spot market or at discounted prices for a limited time so that good business judgment mandates a "quick purchase" immediately to take advantage of the availability and price;
3) rare items, such as articles of historical value or art collections, are available for a limited time;
4) the opportunity to obtain entertainment, speakers and athletic and other events or performances (not exempt under Section 1-13 of the Code) is available for a limited time;
5) immediate action is necessary to avoid lapsing or loss of federal or donated funds.

An emergency purchase can be extended for a term longer than ninety days with the approval of the State Purchasing Officer. Prior to the execution of the contract extension, a notice publication to the Bulletin is required in addition to a public hearing. The Chief Procurement Officer will review the justification for the emergency contract extension and shall make the final determination of the length of the extension.