Chapter 4

Competitive Solicitations

Table of Contents

[Chapter 4 4](#_Toc60661534)

[Competitive Solicitations 4](#_Toc60661535)

[Overview 4](#_Toc60661536)

[Introduction 4](#_Toc60661537)

[Section A 5](#_Toc60661538)

[The Basics of Competition 5](#_Toc60661539)

[Overview 5](#_Toc60661540)

[Introduction 5](#_Toc60661541)

[Topic 1 – General Requirements 5](#_Toc60661542)

[4.A1.0 Procurement standards 5](#_Toc60661543)

[4.A1.1 Supplier treatment 5](#_Toc60661544)

[4.A1.2 Per Transaction Thresholds 5](#_Toc60661545)

[4.A1.3 Confidentiality of Information 6](#_Toc60661546)

[4.A1.5 Supplier Recrimination Will Not Be Tolerated 7](#_Toc60661547)

[4.A1.7 Mailing List 8](#_Toc60661548)

[Topic 2 – Advertising Requirements 10](#_Toc60661549)

[4.A2.0 California State Contracts Register 10](#_Toc60661550)

[4.A2.2 Publish Date vs. Solicitation Release Date 10](#_Toc60661551)

[4.A2.3 Publish Date vs. Bid or Proposal Due Date 10](#_Toc60661552)

[4.A2.4 SB/DVBE Option 10](#_Toc60661553)

[4.A2.5 Contract Advertising Exemption 11](#_Toc60661554)

[4.A2.6 Additional Exemptions by Statute or Policy 11](#_Toc60661555)

[Section B 12](#_Toc60661556)

[The Solicitation 12](#_Toc60661557)

[Overview 12](#_Toc60661558)

[Introduction 12](#_Toc60661559)

[Topic 1 – Solicitation Approaches 13](#_Toc60661560)

[4.B1.1 Phone Quotes 13](#_Toc60661561)

[4.B1.2 Written Solicitations 14](#_Toc60661562)

[4.B1.3 Supplier Signatures 14](#_Toc60661563)

[Topic 2 – Developing the Competitive Solicitation 15](#_Toc60661564)

[4.B2.0 Solicitations Should Be Clear, Concise and Consistent 15](#_Toc60661565)

[4.B2.1 Avoid Writing Restrictive Requirements 15](#_Toc60661566)

[4.B2.4 Faxing Bid Responses 16](#_Toc60661567)

[4.B2.5 Acceptance of Fax bids 17](#_Toc60661568)

[4.B2.6 Seal FAX bid immediately 17](#_Toc60661569)

[4.B2.8 DVBE Participation Program Requirement for Competitive Solicitations 17](#_Toc60661570)

[4.B2.9 DVBE Incentive for Competitive Solicitations 18](#_Toc60661571)

[4.B2.10 SB Participation 18](#_Toc60661572)

[4.B2.11 Obtaining Samples 18](#_Toc60661573)

[4.B2.12 Clarifications or Changes to a Solicitation (Addenda) 18](#_Toc60661574)

[Topic 3 – Request for Quotation for IT Solicitations 21](#_Toc60661575)

[4.B3.0 Request for Quote (RFQ) – IT Specific 21](#_Toc60661576)

[Topic 4 – Invitation for Bid for IT Solicitations 24](#_Toc60661577)

[4.B4.3 Allows for Phased Approach 25](#_Toc60661578)

[4.B4.5 Evaluation and Selection Team Procedures 26](#_Toc60661579)

[4.B4.6 Evaluation and Selection Report 26](#_Toc60661580)

[Topic 5 – Request for Proposal for IT Solicitations 27](#_Toc60661581)

[4.B5.1 Elements of the RFP Solicitation 27](#_Toc60661582)

[4.B5.2 Phased Approach 27](#_Toc60661583)

[4.B5.3 Changes to RFP Rules and Requirements 28](#_Toc60661584)

[4.B5.4 Documentation of Project Information Pertinent to Creation of an RFP 28](#_Toc60661585)

[4.B5.5 Availability of Pertinent RFP Project Information 28](#_Toc60661586)

[4.B5.7 Contract Award 29](#_Toc60661587)

[4.B5.8 Evaluation and Selection Team Procedures 29](#_Toc60661588)

[4.B5.9 Evaluation and Selection Report 29](#_Toc60661589)

[Topic 6 - Hybrid RFP Procurement Process 30](#_Toc60661590)

[4.B6.0 Hybrid RFP Procurement Process 30](#_Toc60661591)

[4.B6.1 Accelerated RFP 30](#_Toc60661592)

[4.B6.3 Multiple Proposal Stages 31](#_Toc60661593)

[4.B6.4 Contact DGS/PD to Start 32](#_Toc60661594)

[Topic 7 – SB/DVBE Option 33](#_Toc60661595)

[4.B7.0 SB/DVBE Option 33](#_Toc60661596)

[4.B7.1 SB/DVBE Option Acquisition Method Solicitation Requirements 33](#_Toc60661597)

[Topic 8 – Bidder Instructions and Required Contract Language 34](#_Toc60661598)

[4.B8.1 General Provisions 34](#_Toc60661599)

[4.B8.2 Required Clauses for Transactions Less than $5,000 and Supplier’s Written Acceptance 34](#_Toc60661600)

[Section C 37](#_Toc60661601)

[Rules for Achieving Competition 37](#_Toc60661602)

[Overview 37](#_Toc60661603)

[Introduction 37](#_Toc60661604)

[Topic 1 – Dollar Thresholds 37](#_Toc60661605)

[4.C1.2 IT Goods and Services Transactions Valued from $100,000.01 to $1,000,000 37](#_Toc60661606)

[Topic 3 – Limit to Brand or Trade Name Contracts 40](#_Toc60661607)

[4.C3.0 LTB contracting 40](#_Toc60661608)

[4.C3.1 $25,000.00 LTB contract purchasing authority dollar threshold 40](#_Toc60661609)

[4.C3.2 Acquisitions requiring LTB 40](#_Toc60661610)

[4.C3.3 LTB contract process 40](#_Toc60661611)

[4.C3.5 LTB Statement documents 43](#_Toc60661612)

[4.C3.6 Signature authority 43](#_Toc60661613)

[4.C3.7 File documentation list recommended 43](#_Toc60661614)

[Section D 44](#_Toc60661615)

[Supplier Selection 44](#_Toc60661616)

[Overview 44](#_Toc60661617)

[Introduction 44](#_Toc60661618)

[Topic 1 – Supplier Selection Basics 44](#_Toc60661619)

[4.D1.0 Evaluator’s Responsibility 44](#_Toc60661620)

[4.D1.1 Bid/Quote Evaluations for Phone Quotes and RFQs 44](#_Toc60661621)

[4.D1.3 Evaluation Criteria Revisions 45](#_Toc60661622)

[4.D1.5 Negotiation 45](#_Toc60661623)

[4.D1.6 Public Record 45](#_Toc60661624)

[4.D1.7 Bid Response/Award Availability 45](#_Toc60661625)

[Topic 2 – Determining Responsive Bid and Responsible Bidder 47](#_Toc60661626)

[4.D2.0 Responsive and Responsible Definition 47](#_Toc60661627)

[4.D2.1 Determining Effective Competition 47](#_Toc60661628)

[4.D2.2 No Responsive Bids Received from Responsible Bidders 47](#_Toc60661629)

[4.D2.3 Multiple Bids Received, Only One Responsive Bid from Responsible Bidder 47](#_Toc60661630)

[4.D2.4 Non-participation Due to Concerns with Bid Specifications 48](#_Toc60661631)

[Topic 3 – Ineligible Businesses 49](#_Toc60661632)

[4.D3.0 Authority 49](#_Toc60661633)

[4.D3.1 Ineligible Businesses 49](#_Toc60661634)

[4.D3.2 CalRecycle Website 49](#_Toc60661635)

[4.D3.3 Check for Ineligible Businesses 49](#_Toc60661636)

[4.D3.4 Document the File 49](#_Toc60661637)

[4.D3.6 Credit card purchases 50](#_Toc60661638)

[Topic 4 – Material Deviations 51](#_Toc60661639)

[4.D4.0 Wording That Indicates a Requirement or Condition 51](#_Toc60661640)

[4.D4.1 Wording That Indicates Desirable Attributes and Conditions 51](#_Toc60661641)

[4.D4.2 State Options 51](#_Toc60661642)

[4.D4.3 Determining Responsiveness 51](#_Toc60661643)

[4.D4.4 Waiving Mandatory Requirements is Prohibited 51](#_Toc60661644)

[4.D4.5 Examples of Deviation Types 52](#_Toc60661645)

[Topic 5 – Evaluation and Award 53](#_Toc60661646)

[4.D5.0 Bid Submissions 53](#_Toc60661647)

[4.D5.1 Submission of Fax Bids 53](#_Toc60661648)

[4.D5.2 Procurement Summary Document 53](#_Toc60661649)

[4.D5.3 Intent to Award 54](#_Toc60661650)

[4.D5.4 Sample Language for Letter of Intent to Award 54](#_Toc60661651)

[Topic 6 – Evaluation and Award Specific to IT Value Effective Evaluations 56](#_Toc60661652)

[4.D6.1 Two-envelope evaluation procedure 56](#_Toc60661653)

[4.D6.2 Purpose of the Cost Proposal Certificate 56](#_Toc60661654)

[4.D6.3 Sample Language for Cost Proposal Certificate 57](#_Toc60661655)

## Chapter 4

### Competitive Solicitations

## Overview

### Introduction

This chapter describes the requirements relative to conducting competitive solicitations for Information Technology (IT) goods and services. Discussion points include supplier treatment, advertising requirements, acquisition methodologies, and developing solicitations. Also included are descriptions of evaluation and selection methods and using the Small Business (SB)/Disabled Veterans Business Enterprise (DVBE) Option for acquiring goods and/or services.

Chapter 4 only addresses those solicitation methods for competitive bids.

This chapter does not address non-IT service competitive solicitations. See State Contracting Manual (SCM), Vol. 1 for acquisitions of non-IT services outside of the Leveraged Procurement Agreement (LPA) framework. Competitive solicitations for non-IT goods are also not addressed. See SCM, Vol. 2 for acquisitions of non-IT goods.

# Section A

# The Basics of Competition

## Overview

### Introduction

Competition is one of the basic tenets in State procurement and contracting. The nature of effective competition varies with the goods and services being acquired. Depending upon decisions made during the planning phase, the procurement may be informal or formal; the selected competition method may be a phone call or a written solicitation document, distributed by fax, electronic mail or regular mail, depending on the procurement value. Unless otherwise provided by law, procurement activities must be conducted in an open and fair environment that promotes competition among prospective suppliers.

The competitive solicitation approaches described in this chapter are applicable to acquisitions of IT goods and services including telecommunications.

## Topic 1 – General Requirements

### 4.A1.0 Procurement standards

Departments granted purchasing authority to conduct competitive procurements for IT goods will do so in a manner that promotes open, fair and equal competition among prospective suppliers.

### 4.A1.1 Supplier treatment

Buyers conducting competitive procurements shall provide qualified suppliers with a fair opportunity to participate in the competitive solicitation process, stimulating competition in a manner conducive to sound State fiscal practices emphasizing the elimination of favoritism, fraud, and corruption in awarding contracts.

### 4.A1.2 Per Transaction Thresholds

Competitive procurements conducted under purchasing authority for IT goods and services may not exceed the dollar thresholds as authorized by DGS/PD to the individual department. Dollar thresholds exclude sales and use tax, finance charges, postage and handling.

Shipping charges are included in the dollar threshold limits in the evaluation when the freight terms are FOB Origin, Freight Collect or FOB Destination, Freight Prepaid/Add.

When a transaction exceeds or is expected to exceed a department’s approved authority threshold, the department must prepare and submit a Purchase Estimate (STD.66) or a memo, if the transaction is for IT services, to DGS/PD for processing.

Departments that have applied for increased purchasing authority during their annual renewal may use a Request for One-Time Procurement to Increase Purchasing Authority Information Technology form to request increased authority to conduct a single competitive solicitation under PAMS oversight.

For more information on purchasing authority, see Chapter 1.

### 4.A1.3 Confidentiality of Information

The general premise for confidentiality is that during the development and management of the competitive solicitation and throughout the evaluation and up to award process all information must remain confidential and secured.

When there is a public bid opening, the price bid becomes public. In some cases, such as the Alternative Protest Process (APP), final bids are made public when the intent to award is published (see Chapter 7 of this manual for information on the APP). In these cases, the contents of all bids, proposals, draft bids, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a bidder’s proposal or bid shall be held in the strictest confidence **until** the notice of intent to award is issued.

A bid marked “Confidential” or “Proprietary” may be rejected, which does not keep that document from being released as part of the public record following issuance of the notice of intent to award for formal bids or award of informal bids. In order to prevent the release of documents marked “confidential” or “proprietary,” it is the bidder’s responsibility to obtain a court order that directs the State not to release the document.

Any disclosure of confidential information by the bidder during the procurement process is a basis for rejecting the bidder’s proposal and finding the bidder ineligible. Any disclosure of confidential information by a State employee during the procurement process is a basis for disciplinary action, including dismissal from State employment, as provided by Government Code (GC) section 19570 et seq. Total confidentiality during the procurement process is vital to preserve the integrity of the process. It cannot be over emphasized.

**4.A1.4 Who Should Sign Confidentiality Statements**

In addition to the buyer, competitive solicitations can involve a team that may be internal and/or external to the department, in the solicitation development, evaluation, and selection process, as well as other personnel on a “need to know” basis. All of these personnel must sign confidentiality statements. The signed statements must be retained within the procurement file.

A confidentiality statement should include statements that the person signing the confidentiality statement:

* Certifies that he/she has no personal or financial interest and no present or past employment or activity which would be incompatible with my participation in any activity related to the planning or procurement processes for the project or procurement
* Agrees that no gift, benefit, gratuity or consideration will be accepted, or a personal or financial interest in a party who is bidding/proposing, or associated with a bidder/proposer initiated on a project or procurement
* Certifies that all information concerning the planning, processes, development or procedures of the project or procurement will be kept confidential and secure
* Certifies that no copy or disclosure of information will be made to any other party who has not signed a copy of this confidentiality agreement with the exception of DGS/O L S and oversight agencies
* Understands that the information to be kept confidential includes, but is not limited to, specifications, administrative requirements, and terms and conditions, and includes concepts and discussions as well as written or electronic materials
* Understands that if he/she leaves the project or procurement before it ends, that all project or procurement information must still be kept confidential
* Agrees that any instructions provided by the project or procurement relating to the confidentiality of Project information will be followed
* Fully understand that any unauthorized disclosure I make may be a basis for civil or criminal penalties and/or disciplinary action (including dismissal for State employees)
* Agrees to immediately advise the buyer in the event that he/she either learns or has reason to believe that any person who has access to confidential project or procurement information has or intends to disclose that information in violation of this agreement
* Agrees to follow any instructions provided by the Project relating to the confidentiality of Project information.

The person signing the confidentiality statement should also provide the following information:

* Date
* Signature
* Printed Name
* Title
* Organization
* Telephone Number
* Fax Number

Click here for [sample confidentiality statement](https://www.dgs.ca.gov/-/media/73485667EC3A486CA8ED0119CB5B9E68.ashx).

### 4.A1.5 Supplier Recrimination Will Not Be Tolerated

Departments shall not condone recriminations against suppliers who request information regarding a bid response or who request information regarding specifications required in any contract.

**4.A1.6 File Documentation for Competitive Solicitations**

Click here to access the recommended [file documentation](https://www.dgs.ca.gov/-/media/DA08C511FBAA4390A7CB7BF04BDC6B68.ashx) list for IT goods competitive solicitations.

Click here to access the recommended [file documentation](https://www.dgs.ca.gov/-/media/9EC3611F92DA4080A03621DC4F2B2334.ashx) list for IT services competitive solicitations.

### 4.A1.7 Mailing List

Mailing lists may be established using a variety of means to locate potential suppliers. The selection of suppliers should be varied to broaden the supplier base and increase competition. Certified SB’s and certified DVBEs should be solicited whenever possible. Resources available to identify and/or establish lists are:

* Phone books
* Internet search
* Local trade unions
* Chamber of commerce
* Industry listings
* LPA databases
* Certified SB and DVBE firms database
* Recommendations from customers

**Note:** Since advertising is required for IT goods exceeding $100,000 and IT services solicitations that exceed $5,000, mailing lists are generally used for informal solicitations below those dollar levels. However, mailing lists may be used in addition to advertising.

#### 4.A1.8 Request for Interest

A Request for Interest may be used to separate those suppliers who intend to participate in an upcoming solicitation from those who have no interest in participating.

##### 4.A1.9 Purpose of the Request for Interest

The Request for Interest establishes the mailing list to be used when distributing a solicitation. Buyers should keep track of the suppliers who respond and when ready and to the extent possible, mail the solicitation to them. The Request for Interest and the mailing list become part of and must be retained in the procurement file.

##### 4.A1.10 Request for Interest Components

The Request for Interest should:

* Be short, concise and to the point,
* Include the solicitation number and title,
* Include a general description of the equipment or services to be solicited,
* Include estimated quantities, features, general time frames, any pertinent geographic information, buyer’s name and telephone number, etc.
* Not provide or ask for any cost information as such information could create an unfair bidding environment,
* Provide space for interested bidders to provide contact name, address, telephone number and submittal date, and
* Include where and how to submit the response to the Request for Interest.

##### 4.A1.11 Request for Information

A Request for Information may also be used to survey the marketplace to understand what products or services may be available and to approximate the dollars that may be needed for a procurement**.**

## Topic 2 – Advertising Requirements

### 4.A2.0 California State Contracts Register

The California State Contracts Register (CSCR) was established to maximize competition through advertising State purchasing and contracting opportunities. See GC sections 14825 et seq.

Click here to access the [California State Contracts Register web page](https://caleprocure.ca.gov/pages/Events-BS3/event-search.aspx).

**4.A2.1 When advertising is required**

Solicitations must be advertised in the CSCR. A copy of the published advertisement must be included within the procurement file. The following describes the requirements for advertisements. Advertising is required if the purchase is classified as follows:

* IT goods in excess of $100,000
* IT services in excess of $10,000.00
	+ - * IT goods and services in excess of $10,000.00 on the service portion only

### 4.A2.2 Publish Date vs. Solicitation Release Date

Solicitations shall not be released prior to publication in the CSCR and must be released after or simultaneously with the contract advertisement publication.

**Note**: It usually takes at least two days for the CSCR to post solicitations after they are downloaded. The solicitation will be released simultaneous to the posting of the contract advertisement, if the solicitation document is attached and submitted with the contract advertisement.

### 4.A2.3 Publish Date vs. Bid or Proposal Due Date

Bid opportunities must be advertised for at least 10 working days prior to the bid due date per GC 14827.2. Agencies shall not release an Invitation for Bid (IFB) or Request for Proposal (RFP) prior to publication in the CSCR.

* Departments with IT delegated purchasing authority requesting a shorter timeframe must submit written justification, signed by their purchasing authority contact over the day-to-day purchasing activities, to the CSCR staff.
	+ - * DGS/PD IT buyers requesting non-reportable shorter timeframe must submit written justification, signed by the One-Time Acquisitions Manager, to the CSCR staff. Contact the STPD at the CDT regarding reportable IT projects justification.

### 4.A2.4 SB/DVBE Option

GC section 14838.5(a) eliminates the advertising requirement for transactions valued from $5,000.01 to $249,999.99 awarded to a certified SB or a certified DVBE when conducting a SB/DVBE Option solicitation. See Section B, Topic 7, of this chapter for additional information.

### 4.A2.5 Contract Advertising Exemption

An exemption from advertising in the CSCR may be obtained if a Contract Advertising Exemption Request (STD.821) is submitted to DGS/PD for review and approval. This form is used when a competitive solicitation is:

* Requested to be exempted from advertising or,
* Neither feasible nor possible.

When a competitive solicitation for IT services will be conducted, but an advertising exemption is being requested, a written statement must be submitted with the STD.821 that explains:

* Why an exemption is being requested,
* Provides supporting information such as why the services cannot be advertised, and
* Includes a list of the contractors that will be solicited.

A Non-Competitively Bid (NCB) contract justification is not required.

An NCB contract justification must be submitted with the STD.821 when a competitive solicitation for IT services will not be conducted and the department is requesting an advertising exemption. See Chapter 5 of this manual for information on Non-Competitively Bid Contracts.

Click here to access the [STD.821](https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std821.pdf).

### 4.A2.6 Additional Exemptions by Statute or Policy

There are types and/or categories of purchases that may be awarded without advertising or competitive bidding as a result of being exempt by statute or policy. Transactions that are exempt from both advertising and competitive bidding either by statute or policy do not require an NCB contract justification and/or a STD. 821. A statement must be documented in the procurement file to identify the basis of the exemption.

For a list of these types and/or categories of purchases and examples of documenting an exempted transaction see Chapter 5 of this manual.

# Section B

# The Solicitation

## Overview

### Introduction

The section contains information on the solicitation documents and the procurement process, and includes the solicitation and purchase document requirements. It provides guidance to ensure suppliers submit responsive bids and that the procurement is successful.

## Topic 1 – Solicitation Approaches

**4.B1.0 Informal vs. Formal**

Solicitations are documents used to request quotes, bids, or proposals from suppliers and are characterized as either informal or formal. Informal solicitations are generally straightforward or uncomplicated and usually of lower dollar value and may be conducted using Request for Quotations (RFQ) or Invitation for Bids (IFB), depending on the degree of specific language needed. Formal solicitations are more complicated, higher in risk and usually of higher dollar value and may be conducted using the IFB or Request for Proposal (RFP), depending on the degree of specific language needed.

The risk assessment process is completed in the planning stage of the procurement. Risk evaluation guidelines and financial protection measures for formal solicitations valued more than $1,000,000 are established in info block 4.B2.13. It is important to re-evaluate risk and revise the risk assessment plan, as warranted, during the procurement process in case conditions change.

The following provides the dollar thresholds for distinguishing between informal and formal IT goods and services solicitations:

* Informal Solicitation: $1,000,000 or less
* Formal Solicitation: More than $1,000,000

**Warning:** IT goods and services informal solicitations valued from $100,000.01 to $1,000,000 require specific solicitation language for protest and award procedures. See Topic 3 of this section for additional information.

### 4.B1.1 Phone Quotes

Informal solicitations valued less than $50,000 may be conducted by phone. This solicitation method requires preparation of a “script” or narrative of the quote requirements so that each bidder is informed equally and quotes can be evaluated fairly. The “script” must include referring bidders to the PD web page to read the current bidder instructions and applicable general provisions associated with the purchase. The quotes received over the phone are documented using the recommended Bid/Quote Worksheet. Both the script and the bid/quote worksheet must be retained in the procurement file.

**Note:** Phone quotes would not be an acceptable method for conducting solicitations if the service portion (set-up, installation, etc.) of the purchase exceeds $4,999.99 or more for IT goods or over $50,000 in all cases and services because of the advertising requirements described in Section A of this chapter.

Click here to access the Bid/Quote Worksheet.

### 4.B1.2 Written Solicitations

Informal solicitations may be conducted using written solicitation formats. There are instances where an informal solicitation must be written such as:

* Any solicitation that is advertised in the CSCR.
* Any IT service transaction that exceeds $4,999.99.
* Any IT goods transaction valued at $100,000.01 to $500,000
* Any IT goods and services transaction where the service portion exceeds $4,999.99.
* Any IT goods and services transaction valued at greater than $50,000.

**Note:** All formal solicitations must be written and posted on the CSCR.

Written solicitations may be distributed by fax, mail, electronically or by other means such as a supplier picking up the solicitation in person. It is recommended that whatever delivery method is used, the activity is documented in the procurement file.

See examples of RFQ, IFB, and RFP found in this chapter. Also refer to Section A, Topic 1, of this chapter for file documentation requirements.

### 4.B1.3 Supplier Signatures

For any written solicitation, supplier quote and/or bid responses regardless of dollar value; solicitation format or delivery method (i.e., fax, electronically, mailed or delivered in person) must include the signature of an authorized supplier representative of the bidder.

“Faxed” signatures are acceptable for solicitation as allowed by the pertinent delivery method. Faxing would not apply in a formal IT value-effective solicitation response that requires separate volumes for administrative/technical and cost (which must be separately sealed until the administrative and technical requirements are evaluated).

For phone quote solicitations, supplier signatures are not required; however, the supplier representative name providing the quote must be documented in the procurement file.

## Topic 2 – Developing the Competitive Solicitation

### 4.B2.0 Solicitations Should Be Clear, Concise and Consistent

All solicitations regardless of format (phone quote, RFQ, IFB, RFP) must clearly state the needs or business requirements of the department in order for a supplier to weigh the risks and price the purchase.

Concise, logical wording in precise terms, stating the supplier’s obligations as well as those of the department should be used. Use clear, simple English as much as possible.

The words “shall” and “must” identify mandatory requirements within a solicitation. The words “should” and “may” identify optional requirements sometimes referred to as desirable requirements.

### 4.B2.1 Avoid Writing Restrictive Requirements

Requirements restricting the bidding to a single supplier may not be included in competitive solicitations. Avoid restrictive requirements by:

* Including only essential requirements
* Avoiding restrictive or impractical requirements such as those that are nonessential or obsolete
* Carefully checking delivery requirements to ensure the turnaround time from supplier’s receipt of order to delivery is not too restrictive or limiting
* Defining requirements to promote and encourage bidders to bid standard items or standard service where possible
* Not specifying a particular brand name, product or a feature of a product that is peculiar to one manufacturer, except for reference purposes
* Not dictating detailed design solutions prematurely
	+ - * Allowing sufficient time from the solicitation mail date to the bid due date or first key action date to provide suppliers time to review and consider the requirements, prepare a response, and mail the response back

**4.B2.2 Common Elements of Written Solicitations**

All written solicitations must contain the following elements:

* The date and time suppliers’ responses are due
* Space for the signature of an authorized supplier representative that can bind the company contractually
* Information on how the bid responses are to be submitted (i.e., sealed envelope with the solicitation number and due date and time on the outside of the sealed package
* Any attachments which are included and are required to be returned by bidders such as:
* Preference program forms (i.e., Target Area Contract Preference Act (TACPA)
* DVBE participation program forms
* Post-Consumer Content Form
* Administrative requirements, as applicable
* Technical requirements, as applicable
* Cost forms or clear indication of cost placement in the solicitation
* Evaluation information (basis for award)

The IFB model referenced in Section B, Topics 4-5, of this chapter may be modified and used to suit departments’ needs.

**4.B2.3 Key Action Dates for IT Solicitations**

Most IFBs and all RFP written IT solicitations are phased approaches, leading to final bid submittal and always include key action dates. Key action dates provide suppliers with a schedule for required actions during the solicitation process.

Examples of key action dates include:

* Intent to Bid letters
* Last day to submit questions for clarifications of IFB or RFP
* Last day to protest requirements
* Technical Proposal or Conceptual Proposal submittal due date (RFP only)
* Draft bid due date
* Final bid due date

The interval between each key action date must provide enough time to establish a sufficient supplier pool and provide suppliers with sufficient opportunity to act or respond.

### 4.B2.4 Faxing Bid Responses

The following paragraph must be included in all written IT competitive solicitations when suppliers are allowed to fax their bids:

“Facsimile machine bids will be considered only if they are sent to (insert office fax number) for solicitations originating from the (department office location). Bids sent to any other (department unit name) fax number will not be considered. To be considered, all pages of the faxed bid that are received prior to the bid opening time specified in the bid will be considered “the complete bid”. Please be advised that there is a heavy demand placed on the fax machine receiving bids. The State assumes no responsibility if a supplier cannot transmit their bid via fax or if the entire bid is not received prior to the bid opening time.”

**Note:** Faxing is not allowed for IT solicitations that:

* Use the IFB (when services are included that must be evaluated for value-effectiveness)
* Use the RFP format and require cost to be separately sealed
	+ Are valued over $500,000 and being evaluated for low net cost

### 4.B2.5 Acceptance of Fax bids

Fax bids will only be accepted when:

1. The solicitation specifically states they will be allowed;
2. Received on the fax machine designated by phone number in the solicitation document); and,
3. Completely received prior to the bid opening time indicated on the solicitation.
	1. The internal clock of the receiving fax machine will be the time by which the official time of receipt will be determined.
	2. Fax bids will be determined to be complete only when they:
		1. Contain all information necessary to evaluate the bid and
		2. Meet all requirements of the solicitation.

### 4.B2.6 Seal FAX bid immediately

The Fax bid will be sealed immediately upon receipt and remain sealed until bid opening. The State will not assume responsibility for a bidder’s inability to fully transmit their Fax bid. The bidder assumes full responsibility for timely transmission and receipt by the State prior to the bid opening time. Inability to transmit a bid because of usage and/or possible mechanical problems of the receiving fax machine (which can be unpredictable) will not relieve a bidder of this responsibility.

**4.B2.7 Preference Programs**

The TACPA business participation program requirement must be included in competitive solicitations with an estimated dollar value of $100,000 and over

It is strongly recommended that the solicitation language and preference forms be included in all IT competitive solicitations valued at $85,000 and greater. If the low responsive bid received from a responsible supplier is $100,000 or more, and the preference requirements were not included in the solicitation, the solicitation must be canceled and re-issued. For more information on preference programs, see Chapter 3 of this manual.

### 4.B2.8 DVBE Participation Program Requirement for Competitive Solicitations

Unless a solicitation is exempt, state departments must include DVBE participation language in solicitations pursuant to the DVBE Participation Program requirements identified in Chapter 3.

Whenever the DVBE Participation Program language is not included in a solicitation pursuant to an approved DVBE Exemption Request (STD 816), the department must note within the solicitation that the DVBE Participation Program requirement has been exempted.

California Code of Regulations (CCR) Section 1896.70 exempts the DVBE Participation Program language requirement from applying to solicitations when the SB/DVBE Option Acquisition Method is used.

### 4.B2.9 DVBE Incentive for Competitive Solicitations

Pursuant to the DVBE Incentive requirements identified in Chapter 3, unless a solicitation is exempt, the DVBE Incentive applies to all competitive solicitations regardless of format (RFQ, IFB, RFP or phone quotes), delivery method or dollar threshold.

### 4.B2.10 SB Participation

Every effort must be made to seek out and include certified small businesses in procurement efforts and to include the 5% SB preference and NS subcontractor preference in all solicitations, except when soliciting California certified SBs and DVBEs under the SB/DVBE Option. See Chapter 2, Topics 2 and 4, of this manual for additional information on SB participation and how to apply these preferences in evaluations.

### 4.B2.11 Obtaining Samples

The practice of obtaining samples from suppliers prior to contract award is not recommended, unless it is a requirement of the solicitation process. If items are needed for review prior to award for demonstration or pre-purchase testing, the solicitation must so state and be noted with the information that the State is not obligated for the cost of the items or for their return. Extreme caution should be taken to ensure that the solicitation response does not contain terms or conditions that would result in the automatic purchase of the item(s) being tested.

### 4.B2.12 Clarifications or Changes to a Solicitation (Addenda)

Clarifications or changes to a solicitation must be transmitted to all participating bidders by an addendum. An addendum documents all changes or revisions to the solicitation and shall include at a minimum the following information:

* Addendum number, (must be numbered consecutively), solicitation title and solicitation number
* Indication of where the revision or change is occurring in the solicitation. This may include deleting and inserting changed solicitation pages.
* Revised or unchanged quote/bid opening date;

A solicitation may be modified prior to quote/bid response due date. The addendum may be accomplished verbally (for phone quotes only) or written to coincide with the original solicitation format.

**Example:**

If a RFQ solicitation is conducted by phone, then the modification may also be conducted by phone. The addenda information must be documented as part of a phone script and must become part of the procurement file.

**Incorrect example:**

An addendum to a written solicitation cannot be conducted by phone. If the solicitation was released in written format, then any addendum to the solicitation must be in writing.

**Note**: An addendum to a solicitation shall be issued a minimum of five days prior to the final bid due date to allow prospective bidders sufficient time to prepare their bids. Otherwise the due date must be extended in the addendum.

In addition to communicating in writing to all suppliers that have expressed an intent to bid, addenda for RFPs must be posted in a public location.

**4.B2.13 Risk Guidelines**

Risk guidelines and financial protection measures to protect the best interests of the State are to be applied to all information technology (IT) goods and services solicitations valued more than $1,000,000. Solicitations valued $1,000,000 or less may comply with the risk evaluation guidelines and financial protection measures.

Please note that a withhold of not less than 10% is still required, until final delivery and acceptance of the goods or services, for any contract that provides for progress payments in a contract for IT goods or services to be manufactured or performed by a contractor especially for the State and not suitable for sale to others in the ordinary course of the contractor’s business.

Click here to access the [risk evaluation guidelines and financial protection measures.](https://www.dgs.ca.gov/-/media/6EE39B76CED44AFCA9CE4F2B0211F9EF.ashx)

Departments are to submit documentation of each risk analysis and the rationale for the selection of appropriate risk protection to the Department of General Services, Procurement Division (DGS-PD) Deputy Director or his designee for written approval. Should a department determine that the risk protection methods identified in the guidelines do not meet the needs of a particular transaction, DGS-PD must be contacted.

**4.B2.14 Cloud Computing Considerations**

Additional considerations must be addressed when acquiring Cloud Computing services. Guidance has been developed to assist with identifying the special requirements and service level expectations. You can access the Cloud Computing Contract Checklist for (SaaS) document [here](https://www.youtube.com/watch?v=a3e9e7wq2dI&list=PLaCRb19DMOL0r9QqJ6i_jdT4AYRPtSdkk&index=4).

For tools and helpful information, refer to the [DGS/PD Cloud Computing webpage.](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Cloud-Computing-Policy)

## Topic 3 – Request for Quotation for IT Solicitations

### 4.B3.0 Request for Quote (RFQ) – IT Specific

The most common written solicitation format used to conduct informal IT competitive solicitations is the Request for Quotation (RFQ). The RFQ is a straightforward procurement format that identifies what is needed or requests a proposed solution and tends to be low in risk.

**Note**: Invitation for Bids (IFBs) may also be used for informal IT competitive solicitations that tend to be higher in risk.

When using the RFQ format for IT solicitations over $100,000, the language specified below for protest and contract award must be used. When the RFQ is used that includes protest and 5‑day intent language in the solicitation, the Bidder’s Instructions must be modified to delete conflicting language.

Following is the required language for IT RFQs that exceed $100,000:

* ***Award of Contract*** *Award of contract, if made, will be in accordance with the RFQ information on Evaluation to a responsible bidder whose bid complies with all the requirements of the RFQ documents and an addenda thereto, except for such immaterial defects as may be waived by the State. Award, if made, will be made within forty-five (45) days after the scheduled date for Contract Award as specified in the RFQ; however, a bidder may extend the offer beyond 45 days in the event of a delay of contract award.

The State reserves the right to determine the successful bidder(s) either on the basis of individual items or on the basis of all items included in its RFQ, unless otherwise expressly provided in the State’s RFQ. Unless the bidder specifies otherwise in its bid, the State may accept any item or group of items of any bid. The State reserves the right to modify or cancel in whole or in part it’s RFQ.

Written notification of the State’s intent to award will be made to all bidders. If a bidder, having submitted a bid, can show that its bid, instead of the bid selected by the State, should be selected for contract award, the bidder will be allowed five (5) working days to submit a Notice of Intent to Protest, according to the instructions contained in the paragraph titled “Protests” of this RFQ.*
	+ - * ***Protests*** *Any bidder’s issues regarding solicitation requirements must be resolved (or attempts to resolve them must have been made) before a protest may be submitted according to the procedure below. These issues will first be resolved by the contact for the solicitation or if they result in a protest, the protest will be submitted to DGS Procurement Division Deputy Director to hear and resolve issues and whose decision will be final.

			If a bidder has submitted a bid which it believes to be responsive to the requirements of the RFQ and to be the bid that should have been selected according to the evaluation procedures in the solicitation and the bidder believes the State has incorrectly selected another bidder for award, the bidder may submit a protest of the selection as described below. Protests regarding selection of the “successful vendor” will be heard and resolved by the Victim Compensation and Government Claims Board whose decision will be final.

			All protests of award must be made in writing, signed by an individual authorized to bind the bidder contractually and financially, and contain a statement of the reason(s) for protest; citing the law, rule, regulation or procedure on which the protest is based. The protester must provide facts and evidence to support the claim. Protests must be mailed or delivered to:* ***Street and Mailing Address:*** *Deputy Director
			 Procurement Division
			 707 Third Street, Second Floor South
			 West Sacramento, CA 95605
			 Facsimile No.: (916) 375-4611

			All protests to the RFQ or protests concerning the evaluation, recommendation, or other aspects of the selection process must be received by the DGS Procurement Division Deputy Director as promptly as possible, but not later than the date indicated in the Notification of Intent to Award. Certified or registered mail must be used unless delivered in person, in which case the protester should obtain a receipt of delivery.*

**4.B3.1 RFQ Solicitation Formats**

Click here to access the [RFQ for IT Services solicitation format](https://www.dgs.ca.gov/-/media/BC8D41D1334B4205B87590171E32B26D.ashx).

**Note:** When conducting a RFQ solicitation that has both goods and services use the RFQ Goods solicitation format.

Click here for the [RFQ Goods solicitation format](https://www.dgs.ca.gov/-/media/1C7FF1B66179482184B4CF91C161C1D4.ashx).

**4.B3.2 Required Language**

The following solicitation language must be considered and addressed as applicable in a solicitation using the RFQ format:

* Identify Bidder Instructions and applicable General Provisions for the solicitation. See Section B, Topic 8, of this chapter
* Identify requirements of faxing bid responses. See Section B, Topic 2, of this chapter.
* Include language addressing the socioeconomic and environmental programs as applicable (SB, TACPA, etc. See Chapter 2, of this manual for information on these programs.)
	+ - * Identify the requirements for protest and contract award when using the RFQ format for IT $1,000,000 or less. Refer to the above information contained in information block 3.B3.0.

**4.B3.3 Elements of the RFQ Solicitation**

* [Click](#_Request_for_Quotation) here for [IT Goods](https://www.dgs.ca.gov/-/media/711A9FA9E6CD46D7AB3E7851BDF1ACD6.ashx)
* Click here for [IT Services](https://www.dgs.ca.gov/-/media/1B61CC8D414149A7AA68D7E9457A4D70.ashx)
	+ - * Click here for [IT Goods and Services](https://www.dgs.ca.gov/-/media/A0F4B2BDF7C34C238C18F977207F0BBA.ashx)

## Topic 4 – Invitation for Bid for IT Solicitations

**4.B4.0 Invitation for Bid (IFB)**

The Invitation for Bid (IFB) is a written acquisition method used to solicit bid responses for IT goods alone or for IT goods and services where suppliers are asked to provide a bid to the State’s known and detailed*,* clearrequirement. An IFB can be used for informal and formal solicitations identified in the IFB formats below. Formal IFBs are more complex solicitations of a higher dollar value more than $1,000,000 and are higher in risk.

The risk assessment process is completed in the planning stage of the procurement. Risk evaluation guidelines and financial protection measures for formal solicitations valued more than $1,000,000 are established in 4.B2.13. It is important to re-evaluate risk and revise the risk assessment plan, as warranted, during the procurement process in case conditions change.

**Note**: Increased dollar threshold levels for informal and leveraged procurement agreements solicitations are NOT automatic for those departments without a current approved $1,000,000 delegation authority dollar threshold. Departments must apply for DGS approval to obtain a competitive purchasing authority increase to the $1,000,000-dollar threshold.

In contrast, a Request for Proposal (RFP) would be used when the State’s requirements are written in general terms describing a problem to be solved or a goal to be achieved.

RFQs are used for informal procurements ($1,000,000 or less)

**4.B4.1 Two IFB Formats**

There are two IFB formats available for IT purchases. The characteristics of the purchase will determine which format best suits the purchasing activity. The following bullets below describe the elements to consider in determining which IFB format to use.

* If the purchase is for **IT goods only** (i.e., Hardware and/or Software containing straightforward requirements, considered to be a low risk purchase, or less complex purchase) and the evaluation selection criteria is low net cost meeting all other bid specifications, then the solicitation will be developed using:
* IFB for IT goods only format that includes Contract Award and Protest language
	+ Eliminating the need to include Section II – Rules Governing Competition as well as the remaining solicitation sections (ten total) of a formal IFB solicitation for more complex purchases.
* Bidder Instructions (GSPD-451) see Note below
* IT General Provisions

Click here to access the [IFB for IT Goods Only format](https://www.dgs.ca.gov/-/media/AE07AAD4CB8844708850490731421F31.ashx).

1. If the purchase is for **IT goods and services** (i.e., Hardware, Software, Services, then the solicitation will be developed using the:

 Formal IFB solicitation format, including all ten sections of a solicitation. \*

 Section II – Rules Governing Competition replaces the Bidder Instructions (GSOP-451)

 IT General Provisions

\*Bidder Instructions In lieu of Section II – Rules Governing Competition may be used if the procurement is straight-forward, and evaluation and selection is based on lowest net cost meeting all other bid specification. In such cases, there may be only one step.

**Note**: High risk purchases such as large scale integration projects are usually conducted using the RFP format.

**4.B4.2 Questions**

* Click here for  [IT Services](https://www.dgs.ca.gov/-/media/711A9FA9E6CD46D7AB3E7851BDF1ACD6.ashx)
* Click here for [IT Goods and Services](https://www.dgs.ca.gov/-/media/711A9FA9E6CD46D7AB3E7851BDF1ACD6.ashx)

### 4.B4.3 Allows for Phased Approach

The IFB solicitation format using the multi-step procurement procedure is more structured than the RFQ and allows requirements be organized by type such as administrative/technical specifications, evaluation methodology, bid preparation instructions and includes contract language.

This IFB format also allows phases to the procurement effort by establishing dates for suppliers to provide specified required documents, such as Intent to Bid letter, Draft Bid, and Final Bid. The IFB specifies the State’s minimum acceptable functional, technical, and contractual requirements.

When using this IFB format the evaluation and selection team procedures (see 4.B4.5 below) results will be documented using an Evaluation and Selection Report (see 3.B.4.6).

**4.B4.4 Contract Award**

The evaluation criteria governing contract award may be based on the highest evaluated points for value effective evaluations that include services or may be based on lowest cost if the IFB is for goods alone.

If the IFB evaluation criteria is based upon a value effective methodology, then cost is required to be submitted in a separately sealed envelope and requires the technical and administrative evaluation to occur prior to opening the cost envelope. Cost envelopes will not be opened for bid responses containing material deviations. See Section C, of this chapter for a discussion regarding evaluation of deviations and the handling of cost envelopes.

The IFB contract award process is determined by the evaluation criteria. For the:

* Lowest net cost meeting all other bid specifications criteria, the contract award, if made, will be to the responsible bidder submitting a responsive bid that is the lowest cost after application of any preference requirements (SB/DVBE, TACPA, recycle, etc.) or discounts, if applicable.
	+ - * Value effective criteria, then the contract award if made, will be the responsible bidder submitting a responsive bid that scores the highest points in accordance with the evaluation methodology as described in the solicitation.

### 4.B4.5 Evaluation and Selection Team Procedures

When using the IFB phased approach format for IT procurements the Evaluation and Selection Team procedures provided in the link below must be used. This document provides information on how the IFB evaluation procedure is to be carried out. The document may be modified to fit the particular solicitation and includes templates of letters and transmittal documents to bidders including the Intent to Award letter.

### 4.B4.6 Evaluation and Selection Report

When using the IFB format for IT procurements an Evaluation and Selection Report provided in the link below must be used to document the evaluation and selection process used for contract award. An Evaluation and Selection Report must be completed for all IFBs for IT including telecommunication goods and services.

## Topic 5 – Request for Proposal for IT Solicitations

**4.B5.0 Request for Proposal (RFP**)

The Request for Proposal (RFP) is a written solicitation document required for IT goods and services acquisitions more than $1,000,000. The RFP format is structured like the IFB to allow organization of requirements by type such as administrative/technical specifications, evaluation methodology, bid preparation instructions and contract language.

The RFP states the solicitation requirements or specifications in a more general nature describing the problem to be solved or the goal to be achieved. Suppliers “propose” a business solution to the State’s described needs, free of any precise imposed mix of hardware, software, etc.

The risk assessment process is completed during the planning stage of the procurement. Risk evaluation guidelines and financial protection measures for formal solicitations valued more than $1,000,000 are established in 4.B2.13. It is important to re-evaluate risk and revise the risk assessment plan, as warranted, during the procurement process in case conditions change.

**Note**: In contrast, an IFB is for IT goods alone or for IT goods and services where suppliers are asked to provide a bid to the State’s known and detailed*,* clearrequirement.

### 4.B5.1 Elements of the RFP Solicitation

* Click here for  [IT Services](https://www.dgs.ca.gov/-/media/711A9FA9E6CD46D7AB3E7851BDF1ACD6.ashx)
	+ - * Click here for [IT Goods and Services](https://www.dgs.ca.gov/-/media/711A9FA9E6CD46D7AB3E7851BDF1ACD6.ashx)

### 4.B5.2 Phased Approach

A RFP allows phases to the procurement effort by establishing dates for suppliers to provide specified required documents, such as Intent to Bid letter, Conceptual Proposal, Detailed Technical Proposal, Draft Bid, and Final Bid. The RFP requires cost to be submitted in a separately sealed envelope and requires technical and administrative evaluation to occur prior to opening the cost envelope. Cost envelopes will not be opened for bid responses containing material deviations. See Section D, Topic 5, of this chapter for a discussion regarding evaluation deviations and handling of cost envelopes.

**Note**: For value effective acquisitions the results of the administrative and technical score shall be made available before the cost proposal opening (see PCC 12102.2 (a)(2); for the rule on solicitations under the Alternative Protest Process, see Chapter 7, Topic 3, of this manual or PCC 12125 et seq.

### 4.B5.3 Changes to RFP Rules and Requirements

Any changes to RFP rules and requirements are to be communicated in writing to all vendors/suppliers who have expressed intent to bid. In addition, these changes must be posted in a public location. This is pursuant to Public Contract Code (PCC) section 12104.5.

### 4.B5.4 Documentation of Project Information Pertinent to Creation of an RFP

If the following information is not already identified and documented in the Feasibility Study Report (FSR) beginning January 1, 2007, pursuant to PCC section 12103.5, departments shall identify and document the following for IT purchases conducted using the RFP approach in an Information Technology Procurement Plan (ITPP) before the RFP is released.

* Legislative mandate, State business, or operational reason for the IT procurement
* Existing business processes currently used to accomplish the legislative mandate, State business, or operational reason.
* Most important priorities for the IT project to accomplish
* What current technology is being used and how it is being used
* If the data used in a proposed IT system comes from multiple sources, the existing business processes or technical systems that produce and maintain the source data to ensure interoperability
	+ - * How the new IT project leverages existing technology investments while accomplishing its business objectives

### 4.B5.5 Availability of Pertinent RFP Project Information

To ensure prospective bidders have access to FSR’s and Special Project Reports (SPR) related to IT projects/procurements during the procurement process, departments shall post the related FSR or SPR with the RFP Bid Package to the California State Contracts Register (CSCR). If the IT project/procurement is to be conducted by DGS/PD, the department for which the IT project/procurement is being conducted shall ensure that the most current approved FSR/SPR is provided to DGS/PD.

Information on an FSR/SPR that could impact the department or the State’s security shall be censored on the copy placed on the CSCR.

**Note**: If there is no related FSR or SPR, a statement indicating this shall be included in the RFP.

**4.B5.6 DGS/Office of Legal Services (O L S) Review of RFPs**

**-**Effective January 1, 2011, pursuant to PCC section 12104(c) all IT RFPs shall be reviewed by the California Department of Technology (CDT) and DGS prior to release to the public.

Upon request of any department or as deemed necessary by DGS/PD, DGS’ Office of Legal Services (O L S) will review RFP documents.  In these cases,

RFPs shall be submitted to DGS/O L S a minimum of 10 work days prior to anticipated release of the RFP to allow DGS/O L S sufficient time for review and information exchange with the department as needed in the review process. However, for complex RFPs, departments are strongly encouraged to submit the RFP well in advance of the planned release date to allow sufficient time for review and to correct any problems.

### 4.B5.7 Contract Award

The evaluation criteria governing contract award is based on value-effective factors that includes cost. These factors are weighted; generally, the administrative and technical requirements equal 50 percent (50%) and cost equals 50 percent (50%).

If a weighting other than 50/50 is chosen, it must be approved by DGS/PD before the solicitation is released. All factors for evaluation must be detailed in the evaluation section of the RFP.

Contract award if made, will be to the responsive/responsible supplier who scores the highest points in accordance with the evaluation methodology as described in the solicitation document. Contact DGS/PD for advice on preparation of value effective acquisition methodologies.

### 4.B5.8 Evaluation and Selection Team Procedures

The Evaluation and Selection Team Procedures provided in the link below must be used when using the RFP format for IT procurements. This document provides information on how an RFP evaluation procedure is to be carried out. The document may be modified to fit the particular solicitation.

Click here to access the [Evaluation and Selection Team Procedure document](https://www.dgs.ca.gov/-/media/5FED90413B644E1592718BEB7E936BF6.ashx).

### 4.B5.9 Evaluation and Selection Report

When using the RFP format for IT procurements an Evaluation and Selection Report (format provided in the link below) must be used to document the evaluation and selection process used for contract award. An Evaluation and Selection Report must be completed for RFPs for IT (including telecommunication goods and services).

## Topic 6 - Hybrid RFP Procurement Process

### 4.B6.0 Hybrid RFP Procurement Process

While the preceding techniques are appropriate for most acquisitions, some business problems offer unique challenges where the use of different procurement techniques, within a competitive framework, may better meet the State's needs. As warranted, and generally only for the most complex, risk sensitive IT procurements, DGS will consider using an RFP procurement process that includes a mixture of techniques from the traditional ten section RFP process and some or all of the following elements:

* Accelerated RFP development sessions
* Solution based requirements
* Multiple proposal stages

For the targeted projects, the techniques will 1) maximize the State’s ability to obtain the best value solution, 2) ensure that all participants are in agreement as to the activities necessary to successfully deliver the solution, and 3) reduce processing time for some projects when supported by customer departments.

**NOTE:** Due to the complexity of the RFP procurement process, only DGS/PD has the authority to conduct such procurements.

### 4.B6.1 Accelerated RFP

The accelerated RFP may be considered for any formal RFP procurement that includes a critically constrained timeframe in which to complete the procurement and may include some or all of the following elements:

* Accelerated RFP development sessions where representatives from the Department, DGS/PD, DGS/O LS and the CDT are committed to meet for consecutive days to write the RFP requirements and evaluation criteria.
* Smaller procurement teams
* Parallel reviews of the solicitation documents (the Department, DGS and the CDT representatives).
* Request for Information (RFI) required prior to the development of the solicitation document to enable the bidder to determine merit of participating, and whether funding levels are appropriate. The RFI is also used by the department to determine what is available in the marketplace, and if their requirements can be met by the bidder community.
* Expanded use of Confidential Discussions during the solicitation process, prior to submission of Final Proposals.
* Phased implementation and progress payments
* Use of Alternative Protest Process

**4.B6.2 Solution Based Requirements**

Solution based requirements (PCC Section 12103-5(d)) may be considered for any formal RFP procurement, and describe, in general terms, the State’s problem to be solved or a goal to be achieved, as opposed to a known, detailed and clear requirement used in the IFB. The State outlines the business problem and describes the results that are required and the bidders propose business solutions.

Confidential discussions, that are iterative in nature, are conducted throughout the solicitation process to encourage dialogue between the State and bidders. This is critical to ensure that the State’s business requirements and goals are clearly stipulated in the procurement document and the contractor is qualified and capable of meeting the requirements prior to entering into a contract.

### 4.B6.3 Multiple Proposal Stages

The multiple proposal stages approach is used for only the most complex and risk sensitive IT procurements. It will generally include most elements of the accelerated process and solution based requirements outlined above, and the following 2 stage process:

* Stage 1 is the contractor pre-qualification that results in separate contracts for 1) the proposal submittal stage and 2) the solution implementation stage.
* Two or more contractors are pre-qualified in Stage 1
* Contract language for Stage 1 contracts is standard, and not negotiable. Contract language for Stage 2 contracts can be negotiable.
* A contractor’s Stage 1 and 2 contracts are separate documents, but part of an overall single procurement.
* Contractors may be paid for both Stage 1 and Stage 2 deliverables

The multiple proposal stages approach is conducted under PCC 6611 and provides for negotiations for which only DGS has authority, instead of PCC 12100. For information regarding PCC 6611, refer to Chapter 2.

PCC 10365.5, with specified exceptions, prohibits any person, firm, or subsidiary thereof who has been awarded a consulting services contract from submitting a bid for, or being awarded a contract for, the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract. PCC 10430 provides that this prohibition does not apply to incidental advice or suggestions made outside of the scope of a consulting services contract with regard to certain contracts for the acquisition of information technology goods and services, as specified.

Per PCC 10430, also exempt from this authorization are contracts that are part of a single competitive procurement conducted in more than one stage for information technology goods or services, when the Director of DGS and the Director of CDT determine that there is no conflict of interest, as specified, and that it is in the best interest of the state to utilize this procurement method. DGS is required to annually post a report on its website describing each determination, as specified, and to provide notice to the Joint Legislative Budget Committee within 30 days of the posting of the report.

### 4.B6.4 Contact DGS/PD to Start

Departments that wish to partner with DGS to use any of the elements of the hybrid RFP processes, including use of a multiple proposal stages approach, are encouraged to contact DGS/PD early to discuss their requirements. Techniques such as these require advanced planning and a focused commitment by all parties involved.

EXECUTIVE SPONSORSHIP AND COMMITMENT IS CRUCIAL TO THE SUCCESS OF THESE PROCUREMENT APPROACHES. RESOURCES MUST BE FULLY DEDICATED BY BOTH THE DEPARTMENT AND DGS/PD. THE ACCELERATED RFP DEVELOPMENT APPROACH REQUIRES 30-60 BUSINESS DAYS OF ATTENDANCE OF THE CORE PROJECT TEAM TO DEVELOP THE RFP AND SUBJECT MATTER EXPERTS MUST BE AVAILABLE TO ANSWER QUESTIONS AND DEVELOP REQUIREMENTS. THE MULTIPLE PROPOSAL STAGES APPROACH REQUIRES WEEKS OR MONTHS OF NEGOTIATIONS AND IS RESOURCE DEPENDENT.

Once a collaborative decision has been made to go forward, the Department is required to submit a written request to DGS/PD that minimally includes the following:

* Problem(s) to be solved
* Reasons why a hybrid procurement approach may be appropriate
* Description of the RFP procurement model in the Acquisitions Methodology Steps section of the Information Technology Procurement Plan (ITPP), in addition to all other ITPP requirements such as market research, risk management (bonds/payment holdback), and contract management approach. See SAM 4819.31.

In addition, when utilizing the multiple proposal stages approach, the following is required:

* Approval letter from the CDT and DGS/PD to utilize the Hybrid RFP procurement process(es). This is in addition to the CDT approval of the FSR/SPR.

A letter requesting DGS to release the solicitation under Public Contract Code (PCC) 6611. DGS/PD will review the request and either approve or deny the request.

**NOTE:** Due to the complexity of the hybrid processes, only DGS/PD has the authority to conduct such procurements.

## Topic 7 – SB/DVBE Option

### 4.B7.0 SB/DVBE Option

The SB/DVBE Option is allowed by GC section 14838.5 (a) and (b). When using the SB/DVBE Option, contracts may be awarded for IT goods or services valued from $5,000.01 to $249,999.99 to a certified SB, including microbusiness or a DVBE, as long as price quotations are obtained from two or more certified SB/MBs or two or more DVBEs.

### 4.B7.1 SB/DVBE Option Acquisition Method Solicitation Requirements

Competitive solicitations using the SB/DVBE Option Acquisition Method are to be conducted as follows:

* Create the solicitation (verbal or written)
* Release the solicitation only to California certified SB or DVBEs
* Verify SB or DVBE certification status through the OSDS Internet site
* Contract award may be made upon receipt of responsive price quotations from at least two (2) responsible California certified SB or DVBEs and award must be made based upon the solicitation format used.

The procurement file must be documented to support the contract award and the action taken, and include copies of SB or DVBE certification printed from the OSDS search database

## Topic 8 – Bidder Instructions and Required Contract Language

**4.B8.0 Bidder Instructions**

Bidder Instructions (GSPD-451) describe to potential bidders how to provide a responsive bid. The Bidder Instructions must be included or incorporated by reference in all competitive solicitations (written or verbal) for IT goods and services, except when conducting IT solicitations more than $1,000,000 for which evaluation is being based on value effective.

Most IT solicitations more than $1,000,000 use DGS/PD developed IFB/RFP Section II, Rules Governing Competition, in place of the State’s Bidder Instructions. Other solicitations, where the procurement is straight-forward and the evaluation and selection is based on lowest net cost meeting all other bid specifications may use the Bidder Instructions.

Click here to access the [State’s Bidder Instructions (GSPD-451).](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language)

### 4.B8.1 General Provisions

The State’s General Provisions (GSPD-401IT, as applicable) shall be used or incorporated by reference in all competitive solicitations and purchase documents for IT goods and services (written or verbal) valued in excess of $4,999.99. The General Provisions may be supplemented with additional provisions tailored to a specific solicitation. Except where the General Provisions refer to specifics in the Statement of Work, there are to be absolutely no changes made to the General Provisions without prior approval of DGS/PD.

Click here to access the [State’s General Provisions (GSPD-401IT).](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language)

### 4.B8.2 Required Clauses for Transactions Less than $5,000 and Supplier’s Written Acceptance

The State’s General Provisions should be used on transactions valued less than $5,000.

If an election is made not to include and/or reference the General Provisions, then written confirmation must be obtained before award is made that the supplier will abide by the following required contract provisions:

* Americans with Disabilities Act (ADA)
* Non-Discrimination and Statement of Compliance
* Drug-Free Workplace Certification
* Forced, Convict & Indentured Labor
* National Labor Relations Board Certification
* Sweat Free Code (see the General Provisions)
* Recycling
* Electronic Waste
* Use tax

The procurement file must include this documentation.

**4.B8.3 IT Contract Modules**

You may include additional terms and conditions to meet your specific procurement needs. The Agency Special Provisions, such as facility security requirements or federal funding requirements or a Statement of Work may be attached as applicable to the solicitation.

**4.B8.4 IT Goods and Services Solicitations Exceeding $1,000,000**

All competitive IT goods and services solicitations valued more than $1,000,000 shall use the IFB/RFP solicitation format provided in the link below which includes DGS/PD-developed IFB/RFP Section II, Rules Governing Competition.

Exception:

The State’s Bidder Instructions may be used if the procurement is straight-forward and the evaluation and selection is based on lowest net cost meeting all other bid specifications.

Click here to access the [IFB/RFP solicitation format](https://www.dgs.ca.gov/-/media/5B42E34271524637AC7B066D07BFAB49.ashx).

**Note**: In rare instances, modification of Section II may be deemed necessary. In such an instance, departments must request, justify and obtain DGS/PD approval when requesting the copy of Section II for use in an IFBs/RFPs. Any changes, if approved, will be made by DGS/PD.

**4.B8.5 Review of IT Goods and Services for Solicitations Exceeding $1,000,000**

Per ITPL 11-03, all solicitations (IFB/RFP) for IT goods and services exceeding $1,000,000 must be submitted to CDT for review no later than 45 business days prior to the planned date for release to the public. Review of informal IT solicitations is delegated to the department.

See [ITPL 11-03](https://cdt.ca.gov/technology-letters/) for details.

The CDT review and approval is in addition to and done concurrently with DGS review and approval of procurement documents.

**4.B8.6 Obtaining Seller’s Permit**

A copy of the seller's permit or certification of registration must be obtained on any tangible personal property purchase regardless of the dollar value and regardless of whether it is included either by reference to the PD web page. This requirement does not apply to a credit card purchase of goods of two thousand five hundred dollars ($2,500) or less. The total amount of exemption authorized herein shall not exceed seven thousand five hundred dollars ($7,500) per year for each company from which a state agency is purchasing goods by credit card. See PCC 10295.1 for details.

 Another exception to this requirement is identified in PCC 10295.1 where a department director or his designee makes a written finding that the purchase is necessary to meet a compelling State interest.  A "compelling state interest" includes, but is not limited to, the following:

* Ensuring the provision of essential services
* Ensuring the public health, safety and welfare
* Responding to an emergency, as defined in PCC section 1102

**Note:** In order to support a purchase based upon this exception, the director’s or his/her designee’s written finding must be included in the purchase file documentation.

Seller’s permits or certification of registration or a department’s written exception to this requirement must be retained in the procurement file. It is good practice to verify that the seller’s permit is active by going to the California Department of Tax and Fee Administration (CDTFA) website, print the validation page, and uploading it as part of the purchase file documentation.

Click here to access the [CDTFA website](https://services.cdtfa.ca.gov/boewebservices/verification.jsp).

**4.B8.7 Cloud Computing Special Provisions SaaS**

The State’s Cloud Computing Special Provisions for Software as a Service (SaaS) must be used in addition to the General Provisions (GSPD-401IT), where applicable. These Special Provisions shall be incorporated by reference in all competitive solicitations and purchase documents for Cloud Computing SaaS.

Except where the Cloud Computing SaaS Special Provisions refer to specifics in the Statement of Work, no changes can be made to the Cloud Computing SaaS Special Provisions without prior approval from DGS/PD.

Click here to access the [State’s Cloud Computing SaaS Special Provisions.](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language)

# Section C

# Rules for Achieving Competition

## Overview

### Introduction

This section describes the dollar thresholds and the rules to be used to determine whether competition has been achieved. Also described within this section is how to determine fair and reasonable pricing.

## Topic 1 – Dollar Thresholds

**4.C1.0 (moved 4/18)**

This section has been moved to Chapter 5.

**4.C1.1 IT Goods and Services Transactions Valued from $10,000 to $100,000**

Achieving competition within this dollar range is defined as receiving responsive bids from at least two responsible bidders, if the solicitation is not advertised. See Section A, Topic 2, of this chapter for advertising requirements.

Whenever solicitations are advertised and distributed amongst interested bidders, bidder participation is not controlled, thus the solicitation may result in only one bid response. If the sole bid response is considered responsible and responsive, then the contract may be awarded. If not, then the solicitation must be canceled and re-issued.

### 4.C1.2 IT Goods and Services Transactions Valued from $100,000.01 to $1,000,000

Competitive solicitations conducted for IT goods and services valued in this dollar range are considered “informal” but must:

* Be a written document
* Include a provision for notice of Intent to Award
* Provide language regarding protest procedures
* Be advertised

Note: For RFQs that exceed $100,000 the RFQ Award of Contract and Protests language must be included (see Section B, Topic 3 of this chapter).

Whenever solicitations are advertised (see Section A, Topic 2, of this chapter for advertising requirements) and distributed amongst interested bidders, there is no control over bidder participation, thus the solicitation may result in only one bid response. If the sole bid response is considered responsible and responsive, then the contract may be awarded. If the sole bid response is not considered responsible and responsive then the solicitation must be canceled and re-issued.**Topic 2 –** **(moved 4/18)**

**4.C2.0 (moved 4/18)**

This section has been moved to Chapter 5.

**4.C2.1 (moved 4/18)**

This section has been moved to Chapter 5.

## Topic 3 – Limit to Brand or Trade Name Contracts

### 4.C3.0 LTB contracting

LTB contracts are limited by statute in accordance with PCC Sections 12102(b) for IT goods, to the following conditions:

* Emergencies, where immediate acquisition is necessary to prevent or mitigate the loss or impairment of life, health, property, or essential public services.
* The contracting agency and DGS agree that the proposed acquisition of goods which are the only goods that meet the State’s need.

### 4.C3.1 $25,000.00 LTB contract purchasing authority dollar threshold

A department’s LTB contract purchasing authority dollar threshold will be authorized a maximum not to exceed $25,000.00 per transaction excluding sales and use tax, finance charges, postage and handling. Shipping charges are also excluded from the dollar threshold limits unless the shipping charge is included in the evaluation such as F O B Origin, Freight Collected, or F O B Destination.

### 4.C3.2 Acquisitions requiring LTB

An LTB Statement is required for all competitive solicitations (formal and informal) and the SB/DVBE Option when a department believes that a product of a specified brand or trade name is the only product that will properly meet their need.

### 4.C3.3 LTB contract process

The following chart describes the LTB Contract Statement process for IT goods.

Stage

Who

Does What

1

Department

Determines a need to acquire a specified brand or trade name product. Completes an LTB Statement (GSPD-08-001) form, securing approval signatures from the department Procurement and Contracting Officer or next highest-ranking official.

2

Department

Creates the purchase package as follows:

**If the purchase is**

**Then the department**

Within the department’s LTB contract purchasing authority dollar threshold and the department’s approved competitive purchasing authority.

* Retains the approved LTB Statement within the procurement file.
* Conducts a competitive solicitation restricting to brand name or trade name
* Executes the purchase document (STD.65)

Exceeds the department’s LTB contract purchasing authority dollar threshold but is within the department’s approved competitive purchasing authority.

Submits the LTB Statement to DGS/PD for review and approval. Since this purchase is within the department’s approved purchasing authority, once the LTB Statement is approved, DGS/PD will send it back to the department to conduct the procurement.

Exceeds both the department’s LTB contract purchasing authority dollar threshold and the department’s approved competitive purchasing authority.

Submits to DGS/PD for review, approval, and processing, the following:

* LTB Statement.
* Purchase Estimate (STD.66)

Requested by a department without IT goods and services purchasing authority.

Submits the following to DGS/PD for review, approval, and processing:

* LTB Statement.
* Purchase Estimate (STD.66)

Stage

Who

Does What

3

DGS/PD

Processes the transaction as follows:

**If the purchase**

**Then DGS/PD will**

Exceeds the department’s LTB contract purchasing authority dollar threshold but

is within the department’s approved competitive purchasing authority.

* Review and approve or deny the LTB Statement.
* If approved, return LTB Statement to the department for processing.

 Or

* If denied, return LTB Statement to the department advising them to conduct a competitive solicitation not restricting the solicitation to a brand or trade name.

Exceeds both the department’s LTB contract purchasing authority dollar threshold and the department’s approved competitive purchasing authority.

* Review and approve or deny the LTB Statement and Purchase Estimate (STD.66).
* If approved, conduct the appropriate procurement method and execute a purchase document on behalf of the department.

 Or

* If denied, conduct a competitive solicitation not restrictive to trade name or brand and execute a purchase document on behalf of the department or cancel the request if directed by the department.

Requested by a department without IT goods and services purchasing authority.

* Review and approve or deny the LTB Statement and Purchase Estimate (STD.66).
* If approved, conduct the appropriate procurement method and execute a purchase order on behalf of the department.

Or

* If denied, conduct a competitive solicitation without restricting to a specified brand or trade name, and execute a purchase document on behalf of the department or cancel the request if directed by the department

4

Department or DGS/PD

* Executes purchase document upon DGS/PD approval.
* If the LTB Statement is denied, the department may not limit the competitive bidding to the specified brand or trade name. The department will need to conduct a competitive solicitation.

**4.C3.4 LTB Statement**

The LTB Statement (GSPD-08-001) is used for the purchase of IT goods of a particular brand or trade name or other specifications which have the effect of limiting bidding to one specified brand or trade name where a department has determined that for a specific category of IT goods there are unique performance factors necessary to achieve a department’s program objectives.

### 4.C3.5 LTB Statement documents

Departments must use the LTB Statement (GSPD-08-001) when submitting an LTB request to DGS. No substitute format will be accepted.

### 4.C3.6 Signature authority

Buyers executing LTB contract statements must secure their Procurement and Contracting Officer signatures, regardless of whether or not the justification is submitted to DGS/PD for approval.

**Note:** LTB signature approval authority may not be delegated further than the next highest-ranking official. All signatures must be originals.

### 4.C3.7 File documentation list recommended

Click here to access the [file documentation list for LTB contracts](https://www.dgs.ca.gov/-/media/661E762DD63A4756850A9BEA9436823A.ashx). Use of this documentation list is highly recommended.

# Section D

# Supplier Selection

## Overview

### Introduction

This section describes the requirements for impartial and comprehensive evaluation and selection processes, ensuring impartiality and comprehensive evaluation of responses as warranted by the complexity of the transaction.

## Topic 1 – Supplier Selection Basics

### 4.D1.0 Evaluator’s Responsibility

Evaluators are expected to:

* Be unbiased and to evaluate all bids fairly
* Excuse themselves from participating in an evaluation if the evaluator or a family member has a personal involvement with the bidder or firm (see Section A, Topic 1, Sections 3.A1.1 and 3.A1.2 of this chapter)

Example:

Evaluator’s spouse is an employee of the bidder.

### 4.D1.1 Bid/Quote Evaluations for Phone Quotes and RFQs

The Bid/Quote Worksheet should be used to document the bids received resulting from informal phone quotes and RFQs. The worksheet provides a means to easily compile and evaluate the bids received and assists in final selection. This worksheet must be retained in the procurement file.

**Note:** The evaluation and selection process for contract award as outlined below must be used for the RFQ solicitations format for IT transactions exceeding $100,000.

**4.D1.2 IFB/RFP Evaluation Documentation**

Buyers using the IFB or RFP format for IT goods, IT services, or IT goods/services for more than $1,000,000 must use the Evaluation and Selection Team Procedures for contract award provided in the link below.

This document provides information on how the RFP evaluation procedure is to be carried out. The document may be modified to fit the particular solicitation.

This document will also provide a chronology of the events that occurred during the solicitation process such as:

* Date of advertisement,
* Names of bidders responding,
* Date solicitation released, etc. and
* Analysis of all deviations discovered during bid evaluation.

### 4.D1.3 Evaluation Criteria Revisions

Evaluation criteria may not be changed once bids have been submitted.

**4.D1.4 (moved 4/18)**

This section has been moved to Chapter 5.

### 4.D1.5 Negotiation

The Department of General Services (DGS) can use a negotiation process under certain circumstances when procuring or contracting for goods, services, information technology, and telecommunications. See Chapter 2 for more information regarding negotiation.

### 4.D1.6 Public Record

During the evaluation, solicitation and bid information are kept confidential. Once bids are opened, evaluated and awarded, they become public records available to anyone requesting to review the file. Where the solicitation process requires posting a Notice of Intent to Award, procurement documents become public and bidders may request a review of the procurement file after the Notice of Intent to Award is posted. Refer to Public Records Act, GC 6250 for exemptions from disclosure.

**Note**: For value effective acquisitions the results of the administrative and technical score shall be made available before the cost proposal opening (see PCC 12102.2 (a)(2); for the rule on solicitations under the Alternative Protest Process, see Chapter 6, Topic 4, of this manual or 1 CCR [California Code of Regulations] section 1404).

### 4.D1.7 Bid Response/Award Availability

Where notices of intent to award are not used bid response/award information after award is complete shall be made available to any requestor. This information is to be retained in the procurement file and is subject to public inspection.

## Topic 2 – Determining Responsive Bid and Responsible Bidder

### 4.D2.0 Responsive and Responsible Definition

A supplier who is responsible and submits a responsive bid is one who clearly indicates compliance without material deviation from the solicitation’s terms and conditions and who possesses the experience, facilities, reputation, financial resources and other factors existing at the time of contract award.

### 4.D2.1 Determining Effective Competition

Competition requires the act of seeking responses from qualified suppliers consistent with the size and nature of the procurement. To determine that “competition” has been effective, responsive bids must be received from at least two responsible bidders, unless the solicitation is advertised. A response of “no bid” or “no response” is not considered as receiving a bid.

**Note:** Effective competition differs when the acquisition is less than $5,000 and conducted under GC section 14838.5(c) using a fair and reasonable evaluation methodology.

### 4.D2.2 No Responsive Bids Received from Responsible Bidders

When competition results in no responsive bids from responsible bidders, there are three options that may be taken:

Option 1 The solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. In addition, methods to broaden the number of potential suppliers should be considered.

**OR**

Option 2 If a second solicitation would not result in a different outcome, the solicitation may be canceled and procurement made with an NCB, following the procedures outline in Chapter 4 of this manual. To determine which supplier should be selected as the source, the proposed supplier’s bid must be substantially technically compliant/responsive with the specifications and the supplier must be deemed responsible.

**OR**

Option 3 During the multi-step solicitation process, in the event that Final Bid Proposals from all bidders contain material deviations, the buyer may declare the Final Bid Proposals as an additional draft and call for a new final bid proposal in order to continue the bid process. If this occurs, an addendum shall be issued and a confidential discussion should be held with each bidder that submitted a flawed final proposal.

### 4.D2.3 Multiple Bids Received, Only One Responsive Bid from Responsible Bidder

When competition results in only one responsive bid from a responsible bidder even though multiple bids were received, competition may be declared as being achieved if the solicitation was advertised or under the following conditions after carefully considering all factors of the situation (risk, urgency, and impact to the program):

* Non-participation due to the State’s socio-economic requirements. The procurement file must be documented with the reasons why only one responsive bid was received. The information will likely need to be requested from bidders who initially responded to the solicitation announcement.
* Non-participation due to the State’s statutory requirements. If non-participation was due to the State’s statutory requirements, such as DVBE, Small Business, etc., this information shall be incorporated into the documentation. The file must also be documented with the evaluation of other bidders who were determined to be non-responsive or not responsible.

After carefully documenting the rationale, the award may be made.

### 4.D2.4 Non-participation Due to Concerns with Bid Specifications

If there was lack of participation resulting in only one responsive bid received due to concerns with the bid specifications, three options must be considered:

Option 1 If the specification(s) in question are not unnecessarily restrictive, award may be made after documenting the file with the rationale used for determination.

**OR**

Option 2 If the specification(s) in question is determined to be unnecessarily restrictive to one supplier’s product, the solicitation may be cancelled and a new solicitation developed modifying the specification(s) as necessary to facilitate fair competition.

**OR**

Option 3 If the specification(s) and or requirement(s) in question is determined to be unique to one supplier’s product and it is determined that only that product meets the department’s needs, the procurement file must be documented that the solicitation has been determined to be an NCB and then award may be made, following the procedures outlined in Chapter 4 of this manual.

## Topic 3 – Ineligible Businesses

### 4.D3.0 Authority

Public Resources Code (PRC) section 42290 et seq. is collectively referred to as the “Recycled Content Plastic Trash Bag Law.” The law requires that plastic trash bag manufacturers and wholesalers certify their compliance with the law.

### 4.D3.1 Ineligible Businesses

Manufacturers and wholesalers who are non-compliant with the Plastic Trash Bag Law cannot contract with the State regardless of the product being provided in the contract (i.e. plastic trash bags, janitorial supplies or services, or any other products or services). See Chapter 3 of this volume for additional information.

### 4.D3.2 CalRecycle Website

A listing of compliant and noncompliant trash bag manufacturers and wholesalers is available on the CalRecycle website at [CalRecycle:](http://www.calrecycle.ca.gov/BuyRecycled/TrashBags/ComplyList/) http://www.calrecycle.ca.gov/BuyRecycled/TrashBags/ComplyList/.

### 4.D3.3 Check for Ineligible Businesses

The State cannot solicit offers from, award contracts to, or renew, extend, or modify a current contract or subcontract with a business identified as noncompliant. Check the CalRecycle website for both primes and subcontractors (as applicable):

* When creating mail lists or prior to soliciting bids or requesting offers
* During the evaluation of competitive bids or assessment of offers
* Prior to creation of amendments or other purchase documents.

### 4.D3.4 Document the File

If a supplier or bid is rejected due to ineligibility, the file must be documented identifying the reason with a printout of the CalRecycle web list included in the file.

**4.D3.5 GC 12990 and non-discrimination**

Any employer who wishes to contract with the State for IT goods is subject to the provisions of GC 12990 relating to discrimination in employment. Contractors that do not meet the provisions of GC 12990 are not eligible to contract with the State for IT goods. Ineligible contractors are found in the California Regulatory Notice Register. To access the California Regulatory Notice Register, use this [link](https://www.dgs.ca.gov/-/media/B1554E31CB1A4FB8A45B470C9AC5CB36.ashx).

### 4.D3.6 Credit card purchases

The requirements of GC 12990 do not apply to a credit card purchase of goods of two thousand five hundred dollars ($2,500) or less. The total amount of exemption authorized herein shall not exceed seven thousand five hundred dollars ($7,500) per year for each company from which a state agency is purchasing goods by credit card. It shall be the responsibility of each state agency to monitor the use of this exemption and adhere to these restrictions on these purchases.

## Topic 4 – Material Deviations

### 4.D4.0 Wording That Indicates a Requirement or Condition

The State has established certain requirements with respect to bids to be submitted by prospective contractors. The use of "shall," "must," or "will" (except to indicate simple futurity) in solicitations, indicates a requirement or condition from which a deviation, if not material, may be waived by the State. A deviation from a requirement is material if the deficient response is not in substantial accord with the solicitation requirements, provides an advantage to one bidder over other bidders or has a potentially significant effect on the delivery, quantity or quality of items bid, amount paid to the supplier or on the cost to the State. Material deviations cannot be waived.

### 4.D4.1 Wording That Indicates Desirable Attributes and Conditions

The words "should" or "may" in solicitations indicate desirable attributes or conditions, but are non-mandatory in nature. A deviation from or omission of such a desirable feature, even if material will not in itself cause rejection of the bid.

### 4.D4.2 State Options

The State may reject any or all bids and may waive any immaterial deviation or defect in a bid. The State's waiver of any immaterial deviation or defect shall in no way modify the solicitation documents or excuse the bidder from full compliance with the solicitation specifications if awarded the contract.

### 4.D4.3 Determining Responsiveness

Bid responses should be evaluated by first determining that each response is clearly responsive to the bid requirements. If a response does not appear to be responsive, the following questions will help to determine the materiality of the requirement:

* Is the response in substantial accord with the requirement? If no, the deviation is material.
* Does the response provide the bidder an advantage over other bidders? If yes, the deviation is material.
* Does the response have a potential significant effect on the delivery, quantity, or quality of the items bid? If yes, the deviation is material.
	+ - * Does the response have a potentially significant effect on the amount paid to the supplier or cost to the State? If yes, the deviation is material.

### 4.D4.4 Waiving Mandatory Requirements is Prohibited

Material deviations of mandatory requirements cannot be waived and the bid must be rejected. All such deviations must be thoroughly documented in the procurement file to support the rejection.

### 4.D4.5 Examples of Deviation Types

* ***Immaterial Deviation***: A deviation can be accepted by the State when it is determined to be of such a minor concern that it carries little or no importance, and by accepting it, it doesn’t provide the bidder with any material advantage over other bidders.
Example:
A bidder referenced the wrong page in their supporting technical literature. The bidder directed the evaluator to page 4 and the correct page should have been page 5.
	+ - * ***Material Deviation:*** A deviation in the bid response that cannot be accepted by the State because by accepting it, the response will provide the bidder with an advantage over other bidders either for cost, quantity or quality.
			Example:
			The solicitation required a system that would serve 500 users and the bidder only offered a system that would serve 250 users.

## Topic 5 – Evaluation and Award

### 4.D5.0 Bid Submissions

Generally, bid submissions will be handled as follows:

* Bids will be hand-delivered or sent by mail unless the solicitation stated another method, i.e., fax
* Bids are due by the close of the business day, which is considered 5:00 pm PST on the date indicated unless otherwise stated in the solicitation
* When sealed bids are required, each bid must be:
* Separately sealed inside an envelope
* Received by the closing time and date specified
* Signed on all forms furnished in the solicitation to be considered for award
* Bids must be date and time stamped upon receipt
* Buyers are advised to create a bidder response list recording date and time bids are submitted along with the bidder’s company name, the bidder’s contact person submitting the bid response and the amount quoted
* Bids must be kept in a secured area and remain confidential until bid opening
* Bids submitted after the closing time and date will be considered non-responsive

**Note:** IT solicitations using the value effective evaluation for contract award require a separately sealed cost envelope and require evaluation and scoring of all submissions prior to opening the cost envelope to determine the overall score of the bid responses. Only the cost envelopes of responsive bids are opened. See Topic 6 in this section.

### 4.D5.1 Submission of Fax Bids

Any solicitation that requires a sealed cost submission cannot be faxed. For additional information regarding fax bids, see 4.B2.4 et seq.

### 4.D5.2 Procurement Summary Document

The evaluation process and resulting source selection decision must be documented for every procurement effort and referenced as a procurement summary. The purpose of the procurement summary is to provide a single document that provides the history of those particular procurement transactions by explaining the significant facts, events and decisions leading up to the contract award.

Procurement summary information includes but is not limited to:

* Documenting the offered prices
* Determining that the selected supplier is responsible and the bid is responsive.
* Attaching the Bid/Quote Worksheet or the Evaluation and Selection Report

Click here to access the Bid/Quote Worksheet

Click here to access the Evaluation and Selection Team Procedure document.

### 4.D5.3 Intent to Award

For IT goods or goods and services solicitations exceeding $100,000, all bidders must be notified of an intent to award a contract at least 5 working days prior to award. This notification period may be shorter when the Alternative Protest Process is used – see Chapter 7, of this manual.

### 4.D5.4 Sample Language for Letter of Intent to Award

NOTIFICATION OF INTENT TO AWARD

RFP PAM-001

CLEARINGHOUSE OPERATOR

According to the provisions of RFP ABC-001, the (Department Name) intends to award a contract on (Date) to:

(Supplier Name)

This Notification of Intent to Award should not be considered as a binding commitment by the (Department Name). The last day to protest this award is (Date – 5 days from posting date).

Inquiries should be addressed to (Buyer’s Name), (XXX) XXX-XXXX. Thank you for your continued interest in responding to the needs of the State.

Sincerely,

XXXX XXXXX

Manager (Name of Procurement Officer)

(Section Title)

**4.D5.5 Tie Bids**

In the event of a tie, Departments should allow for a tiebreaker in the solicitation document, indicating how the contract award will be made. Examples of permissible tiebreakers are a coin toss or other similar objective method. Such event must be observed by witnesses and the affected bidders should be invited.

**Note**: In the event of a precise tie between suppliers claiming the incentive, the bid of an SB and the bid of a DVBE that is also a SB, the award shall go to the DVBE that is also an SB. (Reference Chapter 3 and GC section 14838 (f) and 2 CCR section 1896.8(f)).

**Note**: Recycled tire product contracts will be awarded to the bidder whose product has the greatest percentage of recycled tire content if the fitness, quality, and price are equal. (PRC section 42894) "Recycled tire product" means a product with not less than 50 percent of its total content derived from recycled used tires. (PRC section 42890.)

## Topic 6 – Evaluation and Award Specific to IT Value Effective Evaluations

**4.D6.0 Value Effective Acquisitions**

For IT goods and services transactions valued at over $100,000, bids should be evaluated based on a value‑effective methodology, where factors other than cost are of considerable value to the department. Value-effective evaluation methodology is required for all IT goods and services transactions more than $1,000,000, unless the procurement is straight-forward and requirements are known, detailed, and clear such that the evaluation and selection can be based on lowest net cost meeting all other bid specifications.

All specifications must be clearly identified and the points to be scored (or denoted non-scorable) must be clearly identified in the evaluation section. The method for determining the winning bid must be clearly stated.

Example

 “Award may be made to the supplier achieving the highest number of points from amongst the administrative, technical requirements including cost.”

### 4.D6.1 Two-envelope evaluation procedure

Whenever a value-effective evaluation methodology is used to evaluate IT goods and services bids, the following process must be followed:

1. All bidder cost information must be submitted in an envelope separate from the technical and administrative proposals.
2. All bidder responses will be kept sealed and under lock and key until evaluation of all technical and administrative criteria is completed and the results published.
3. The sealed cost proposals for responsive proposals shall then be opened at the time and place designated in the solicitation and the remainder of the evaluation completed.

Evaluators must verify all mathematical calculations.

Example:
Verify that line extensions are computed correctly and when all lines are added together, they total the final bid total.

### 4.D6.2 Purpose of the Cost Proposal Certificate

The Cost Proposal Certificate is the State’s confirmation that all proposals have been maintained sealed and under lock and key until the time cost proposals are opened. This certification is retained within the procurement file and certified by the buyer that the information is correct.

### 4.D6.3 Sample Language for Cost Proposal Certificate

**COST PROPOSAL CERTIFICATION**

**For**

**RFP #\_\_\_\_\_\_\_\_\_\_\_\_**

I certify under penalty of perjury that I have kept the cost proposal, contract containing cost information and any other bid material containing cost information received for the RFP identified above sealed and under lock and key from its receipt on \_\_\_\_(date)\_\_\_\_ to the proposal opening on \_\_\_\_\_\_(date)\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Buyers Name)
(Date)