State of Oklahoma
Office of Management and Enterprise Services
Division of Capital Assets Management
Construction and Properties

Standard Procedures for Obtaining Bids on Projects Under the Statutory Amount

These procedures have been developed for state agencies who wish to obtain written quotes for small projects for Award by Construction and Properties, as authorized by 61 O.S. §103 (B) & 61 O.S. §208 (C). The purpose of these procedures is to provide clarification and guidance regarding the necessary steps to obtain bids and standardize the documentation forwarded to Construction and Properties for contract award.

1. **General.** Pursuant to the Public Competitive Bidding Act of 1974 [61 O.S. §103 (B)], projects under the statutory amount mandated therein, (currently $50,000) may be awarded to the lowest responsible bidder by receipt of written bids. Public advertising is not required. The procedures and suggestions contained herein are provided for the purpose of assisting State Agencies with the solicitation process; providing compliance with sound procurement principles; standardization of the process across State government; and increasing efficiency and expediency in the total acquisition process.

2. **Structure of the Acquisition Process.** As with any public purchasing procedure, the acquisition is broken down into the following:

   - The Solicitation
   - The Contract Award
   - Contract Management

   This document will address both the role of the purchasing agency and that of Construction and Properties.

3. **The Solicitation.** The Invitation to Bid will have the following components:

   - Solicitation Cover Sheet
     - Agency Solicitation Number (Agency assigns and references in the Contract)
     - Project Name
     - Date and Time Bids Due
     - Method of Response
     - Agency Contact Information
   - Statement of Work (SOW) and Technical Specifications
     - This document briefly discusses special requirements for trade work – mechanical, electrical, plumbing or roofing. Include any issues that affect risk management, licenses, compliance with codes, etc… CAP is available for consultation to finalize SOW.
   - Bid Form
   - Statutory Bid Affidavits
   - Agreement Between Owner and Contractor Sample
   - Invoice Affidavit for Construction
   - Scope of Work (SOW) (scope, schedule, special requirements, specifications, drawings, etc.)

   The intent is to execute a clear and fair bidding process as well as clearly define what it is the Agency requires.

   A.) Agency sends the Solicitation to prospective vendors as follows.

   After identifying at least three suitable bidders, transmit the Invitation to Bid to the identified bid pool concurrently. In order to avoid bid protests, do not solicit additional bidders after receiving bids. The Invitation to Bid may include provisions for a pre-bid walk through of the project site.

   Solicitations may be transmitted to the bidders and responses received back to the agency, by mail, fax or email. When using email, set your email client to 'return receipt requested' in order to ensure that the bid request was received by the recipient.

   If all of the bids exceed the expected prices, or the bidders cannot perform within the required time frame, the Agency should evaluate the scope of work, schedule or other proposed requirements and look for modifications that can be made to appropriately adjust the work to the Agency's constraints. After notifying the bidders that all bids are rejected, identify additional bidders and/or modify the SOW requirement and re-solicit to both the original and new bidders.

   While the bid period is open, it is acceptable to answer questions that the individual bidders may have. The questions should be documented. If a particular question results in the Agency's desire to modify the requirements or SOW, an addendum should be sent to all bidders to clarify, change the requirement and extend the bid deadline if necessary.

   The contract and conditions of the contract are included in the standard documents provided by CAP for the Agency's use. The SOW or specifications should not contain legal Conditions of the Contract, such as an Audit-Records clause, State's authority to terminate the contract, etc. These contract provisions are contained in the standard contract, the statutes or CAP's Administrative Rules. Do not reference provisions of the Central Purchasing Act as such provisions do not apply and often contradict the procurement authority of Title 61.

It is acceptable for the SOW to include Special Provisions that pertain to the Agency's unique requirements, such as a drug-free work place, special security requirements, client confidentiality, special work hours or any legal requirements that accompany the funding.

What to do if you cannot find three Bidders: In the event that the Agency cannot obtain three bids, the Agency must document the efforts and reasons thereof. If a bidder declines to furnish a bid, their "no-bid" statement is acceptable and will count as a response. If only a single bidder furnishes a bid, the Agency should document that reasonable efforts have been made. Photocopies of business directories showing contractors in that area are helpful, along with a telephone log of calls made and responses from the companies. If the Agency cannot find any suitable vendors, contact CAP for assistance.

Refer to the following documents and examples:

Bid Solicitation Example
- Solicitation Cover Sheet
- Bid Form
- DCAM/CAP Form A100A, Bid Affidavits
- DCAM/CAP Form A101B, Agreement Between Owner and Contractor for Minor Projects
- DCAM/CAP Form G109, Invoice Affidavit for Construction

The Agency must also attach their bid specification:

- Scope of Work (SOW)

4. The Contract Award

Upon receipt of the bids, check each response to ensure that the required information is present and in order. As bids must be compared 'apples-to-apples', it is not acceptable for a bidder to write in their own conditions or propose an alternate scope of work. However, in some instances, the SOW could be general in nature and the Bid Form could include a proposed solution along with their price.

After tabulating the bids and establishing the lowest responsible bidder, a Requisition package will be sent to CAP for contract award. Please include the following items:

<u>Requisition Package</u>

- CAP form M701 Requisition Checklist
  - Designate your Lowest Responsible Bidder in the vendor box
- Agency funding requisition (normally PeopleSoft) using CAP Term Codes (available on the CAP Home Page)
- Provision for CAP Fee
- Copy of Complete Solicitation packet with any Addenda
- Justification for award if not Lowest Bidder – how did you determine Lowest Responsible?
- Obtain and include the low bidder's insurance certificates (see Contract for requirements)
  - If the bidder is exempt from Worker's Compensation Insurance, they must submit DCAM/CAP Form A312D Statement of Exemption From The Workers' Compensation Act Affidavit, available on CAP's website. No other form will be accepted.
- Include the successful bidder's Bid Affidavit
- Attach copies of the other bid responses
- A cover letter with any additional information or special requirements

Upon receipt, CAP will prepare the Contract and route to the successful bidder for signature. If the Agency wishes to expedite the turnaround, arrangements can be made for the bidder to come into CAP for the signature or Agency can hand-carry. Let CAP know in your cover letter.

The Bid Form, Bid Affidavit, Insurance Certificates and a complete copy of the Solicitation will be attached to the contract.

When signatures have been obtained, the CAP Contracting Officer will cut the PO and issue a Notice to Proceed. Copies of the final contract documents will be returned to the Agency and the Contractor. The Contractor is not to start work until a Notice to Proceed has been issued by CAP.

5. Contract Management and Closeout

- Pre-Construction Meeting

  It is often beneficial to conduct a pre-work meeting with the contractor to establish a schedule, working hours, points of contact and any special notification requirements, such as advance notice when shutting off water or electrical power.

- Progress Inspections and Payments to the Contractor

  The agency representative, acting as the Supervisory Official, should review the work progress. This can be periodic or by way of regularly scheduled progress meetings as identified in the pre-work meeting. If the project duration is more than one

month, inspections should coincide with the contractor's monthly invoice in order to determine if the progress payment is commensurate with the state of completion.

If the Agency agrees with the Contractor's Invoice for Payment, the application should be processed in a timely manner. The Fair Pay for Construction Act requires payment within 30 days for projects that total $25,000 or more. Retainage is not required for projects under the statutory amount and is generally not required. Any provision for retainage must be stated in the bid solicitation.

For projects under the statutory amount, 61 O.S. §1 (C) requires that an Affidavit for Payment accompany each payment request by the Contractor. 61 O.S. §123 requires that the supervisory architect or engineer, or other Supervisory Official (Agency official) provide a written statement verifying that the work has been performed and the payment is due the Contractor. DCAM/CAP G109, Invoice Affidavit for Construction is provided to satisfy these requirements. The Contractor is to complete the first section and submit with their invoice. If the Agency representative (Supervisory Official) agrees with the amount, they complete the second section and submit for payment.

- Change Orders

  Occasionally, it will be necessary to process a change order due to unforeseen site conditions or Owner requested modifications to the work. The Contractor should prepare a written proposal for the change. If acceptable, the Agency must forward to CAP a copy of the scope change along with a completed DCAM/CAP Form 010A, Change Order Request Form.

  Change Orders for projects under the statutory amount are limited to a net increase of 15% over the original bid amount.

  For service contracts, additional work using time and material unit pricing can be authorized at any time. If the Agency needs to increase the contract amount to cover additional work, submit a completed Form 010A, Change Order Request Form and CAP will increase the PO. Note that service contracts resulting from the three-bid procedure are limited to the Statutory amount ($50,000), including all renewal periods.

- Contract Disputes

  When issues such as non-performance or non-compliance arise, it is important to intervene early by communicating with the contractor. The Agency should endeavor to find out what the problem is, and what is required to correct the issue. This information should be documented with a written memorandum to the contractor.

  If these efforts are unsuccessful or the contractor becomes unresponsive, CAP should be contacted for assistance without further delay.

- Final Inspection and Closeout

  Prior to making the final payment, the work should be reviewed in the presence of the Contractor. Any deficiencies should be noted on a written 'punch list' so the contractor knows exactly what needs to be corrected. The final corrections should be verified with a final inspection. At this time, the Contractor is required to provide any equipment warranties, equipment manuals, shop drawings or other documents that may be required by the Solicitation, and provide a demonstration of any equipment that may be involved in the project. The final pay application is also submitted at this time.

  Once the final Invoice is received, the Agency Representative completes the Supervisory Official's portion of the G109, Invoice Affidavit for Construction and returns a copy to CAP to close out the project.

Please Contact the Construction and Properties Department at (405) 521-2112 with any questions.

State of Oklahoma
Agency Name
Agency Division
Agency Department

SAMPLE
Bid Solicitation Cover Page

This should be considered a **SAMPLE** that requires editing before used to solicit for projects.
Contact Construction and Properties Department if you have question in modifying this SAMPLE to fit your agency's needs.

Date:

Solicitation Information	**Agency Contact Information**
Solicitation Number:	Agency Name:
Project Name:	Contact Name:
Project Address:	Mailing Address:
Project City:	Delivery Address:
Project Zip Code:	Contact City:
	Contact Zip Code
Bids Due (Date):	Contact Phone:
Bids Due (Time)	Contact Fax:
	Contact Email:

The Name of Using Agency is inviting written bids for all labor and materials described by this solicitation.

Bids will be accepted until the Date and Time specified above. Late Bids will not be accepted.

Method of Responding to this Solicitation: Bids will be accepted by mail, fax, email or hand delivered to the Agency Contact specified above.

The requirements of the proposed contract for construction are described within this Solicitation, and the Solicitation will become a part of any resultant Contract. Bidder will perform work in compliance with all applicable codes, standards, ordinances and laws. The issuance of this Solicitation does not guarantee that the State of Oklahoma will enter into a contract and the State reserves the right to reject any and all bids.

In preparing your bid, please review the attached documents and comply with instructions given:

- Bid Form: Submit your Bid using the form provided.
- Statutory Bid Affidavit: Complete this affidavit and return with your Bid.
- Agreement Between Owner and Contractor: This is the contract that will be used.
- Invoice Affidavit for Construction: After contract award, this document must be submitted with the Contractor's Invoice for Payment
- Scope of Work (SOW): Description and Requirements of the proposed construction contract.

[Optional] A pre-bid walk-through will be held [state date, time and location]OR Bidder may contact the Agency Contact listed above to arrange for a site visit.

If the Bidder has any questions about this Solicitation, please contact the Agency Contact listed above.

This Solicitation and any resulting Contract for Construction is in accordance with 61 O.S. §101- 138, and specifically 61 O.S. §103(B) regarding projects under the statutory amount mandated therein. Any resultant contract will be awarded by the Oklahoma Office of Management and Enterprise Services, Division of Capital Assets Management, Construction and Properties Department.

SAMPLE

State of Oklahoma
Agency Name
Agency Division
Agency Department

SAMPLE
Bid Form

(Standard Procedures for Obtaining Bids on Projects Under the Statutory Amount)

This should be considered a **SAMPLE** that requires editing before used to solicit for projects.
Contact Construction and Properties Department if you have question in modifying this SAMPLE to fit your agency's needs.

To: Agency Name
Division
Address
City-State-Zip

Attn: Agency Contact Name

RE: Solicitation Number XXXXXXXX

From: _____
(Firm Name)

_____
(Address)

_____
(City/State/Zip)

_____ _____
(Telephone No.) *(EIN/TIN Number)*

_____
(Email Address)

1. The undersigned, being familiar with the local conditions affecting the cost of the work, with the Solicitation for Bids and in accordance with the provisions thereof, hereby proposes to furnish all labor, materials and equipment necessary for the sums listed herein.

2. In submitting the bid, it is understood that the right is reserved by the State of Oklahoma to reject any and all bids, and it is agreed that this bid may not be withdrawn for a period of thirty (30) days after the date bids are due. Work is to start within ten (10) days after receipt of WORK ORDER or as otherwise provided for in the Solicitation.

3. By submitting a bid for services, the bidder certifies that they, and any proposed subcontractors, are in compliance with 25 O.S. §1313 and participate in the Status Verification System. The Status Verification System is defined in 25 O.S. §1312 and includes but is not limited to the free Employment Verification Program (E-Verify) available at www.dhs.gov/E-Verify.

4. The bidder also certifies that they are in compliance with the State of Oklahoma Governor's Executive Order 2012-01, filed February 6, 2012 and effective July 1, 2012, that the use of any tobacco product shall be prohibited on any and all properties owned, leased or contracted for use by the State of Oklahoma, including but not limited to all buildings, land and vehicles owned, leased or contracted for use by agencies or instrumentalities of the State of Oklahoma.

5. EDIT BY PREPARER

If awarded a contract, we propose to complete this work within _____ calendar days from the date of receipt of Work Order.

OR

If awarded a Contract, we propose to complete the work in _____ calendar days.

6. Bid Proposal: [EDIT AS APPROPRIATE. USE UNIT PRICING FOR TIME & MATERIALS CONTRACTS]

Base Bid "A": [Insert a brief description]

_____ Dollars

$ _____ (Numbers)

7. Alternates: [EDIT AS APPROPRIATE. USE UNIT PRICING FOR TIME & MATERIALS CONTRACTS]

Alternate No. 1: [Insert a brief description]

_____ Dollars

$ _____ (Numbers)

SAMPLE

Example for unit pricing on service contracts:

8. Price Schedule: Fill out the requested rates and apply that rate to the estimated quantities to establish a comparative basis for contract award. The quantities are estimates only and may not reflect actual contract usage. The State will only assign work based upon need and makes no warranty or guarantee as to any minimum amount that may be authorized under the contract.

[EDIT AS APPROPRIATE. USE UNIT PRICING FOR TIME & MATERIALS CONTRACTS]

Category	Rate		Estimated Quantity	Subtotal Amount (Rate x Est. Qty.)
Journeyman Electrician:		/per hour	200 hours	$
Laborer		/per hour	150 hours	$
Markup for Overhead on Parts	1.	%	$3,000.00	$
Total estimate of contract cost and basis of award:				$

(Bidder Printed Name)

(Bidder Signature)

(Bidder Title)

(Date)

SAMPLE