

**Office of Operations
2015 Fall Conference
December 8-9**

Partners In Excellence

Incidental Invitation for Bids

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Agenda

- Introductions
- IFB Fundamentals
- IFB Incidents
- Wrap-Up Questions



IFB

- exact requirements & specifications
- award based upon lowest price
- must be used for commodities
- may be used for the purchase of services and technologies



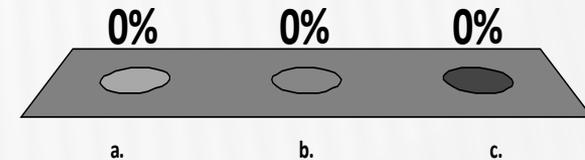
Incident # 1

Your agency received 4 bids as a result of an IFB issued for a Class 8 heavy duty truck. After reviewing the bids, your technical staff determined the vendor who submitted the lowest bid must be rejected because he failed to meet several specifications and didn't include the Gross Vehicle Weight Rating. You do not recall seeing the weight specification in the IFB and upon questioning the technical staff, they confirm this requirement was not noted in the IFB but the other 3 responsive bidders included it.



What would you do?

- a. Award to the lowest bidder
- b. Award to the 2nd lowest vendor
- c. Rebid the opportunity with the weight requirement noted in the new IFB



Incident # 2

You are drafting an IFB for a 5-year routine maintenance contract for small air conditioning units. In addition to routine maintenance, there may be instances where the winning vendor will be called for emergency repairs. You draft the method of award to read as follows:

“Award will be made to the responsive & responsible vendor submitting the lowest grand total for routine maintenance for years 1 thru 5 plus the lowest hourly rate for emergency repairs”

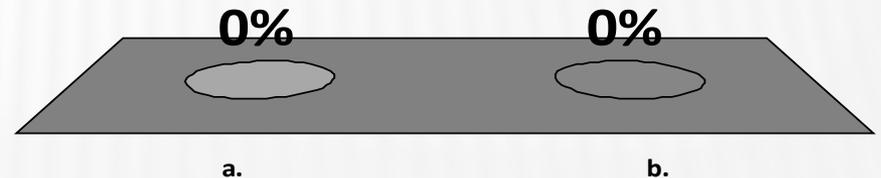


True or False?

This language is sufficient to ensure bids are reflective of your agency's need.

a. True

b. False



Sample Bid Calculation

	Vendor A	Vendor B
5-year routine maintenance	\$1,500,000.00	\$1,505,000.00
hourly rate for emergency repairs	\$125.00/hr	\$95.00/hr
Grand Total	\$1,500,125.00	\$1,505,095.00



Revised Sample Bid Calculation

	Vendor A	Vendor B
5-year routine maintenance	\$1,500,000.00	\$1,505,000.00
5-year emergency repairs (40 hours per year)	\$125.00/hr	\$95.00/hr
Grand Total	\$1,525,000.00	\$1,524,000.00



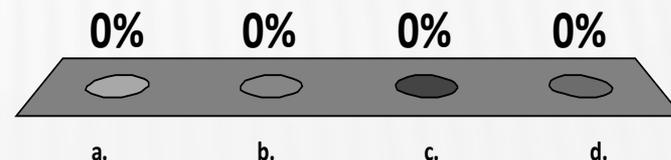
Incident # 3

Your agency released an IFB for tire repair & roadside services for Regions 1, 2 & 3. The award will be made by region to the lowest responsive and responsible bidder. One bid was received for each region. What action is needed to establish reasonableness of price?



What would you do?

- a. No further action is needed.
Vendors know the industry and must have submitted competitive rates.
- b. Compare the bids to that of the recently expired contract.
- c. Compare each bid to the others bids received under the current solicitation.
- d. Both B & C



Incident # 4

Your agency has executed a 3-year contract with 2 one-year renewal options. There was no mention of the renewal terms in either the Contract Reporter or the IFB.



What would you do?

- a. Proceed with the renewal terms as specified in the contract
- b. Execute an amendment to the contract removing the renewal options
- c. Issue a revised Contract Reporter ad
- d. Issue an addendum to the IFB to include the renewal option



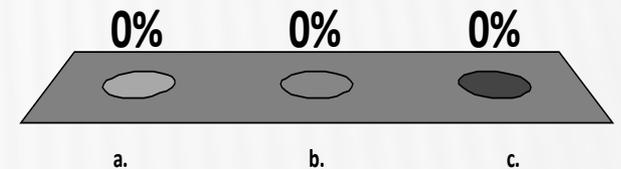
Incident # 5

Your agency needs to purchase the same services for another 5 years. The contract expired 1 year ago and the State owes the vendor payment. Your agency knows the current market environment has not changed in the past 5 years and that less than a handful of vendors can provide this type of service.



What would you do?

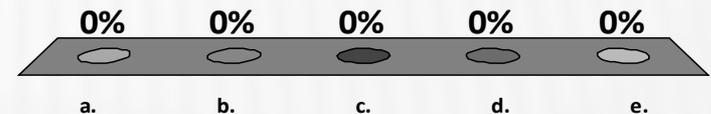
- a. Submit an amendment to extend the contract for another 5 years
- b. Advertise a new solicitation.
- c. Advertise a RFQ (instead of an IFB) to confirm price justification for the incumbent, then award a 5 year contract based on the findings of the RFQ



Incident # 6

Which of the following scenarios would be a correct reason to submit a Contract Reporter Exemption Request?

- a. The contract expired last year and there are no agency personnel available to do a new IFB.
- b. The vendor previously on contract will continue to give a 50% discount if the contract term is extended.
- c. Item is specialized equipment and only the current vendor can supply this commodity.
- d. all of the above
- e. none of the above



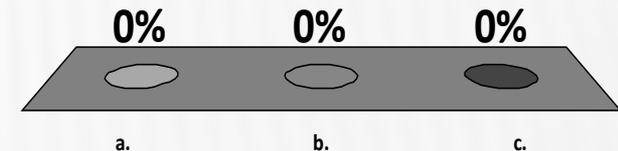
Incident # 7

Your agency is currently advertising the bid. It is 3 days out to the bid opening. During the required 15 days on the Contract Reporter, your host agency or program has realized that the statement of work does not include asbestos abatement in the specifications. The building to be renovated has asbestos.



What would you do?

- a. Proceed with the IFB as-is. Deal with the asbestos abatement later by issuing an amendment to the contract
- b. Re-bid the opportunity by issuing a new solicitation with asbestos abatement included
- c. Issue an addendum to the IFB to include the asbestos abatement with a new pricing page



Incident # 8

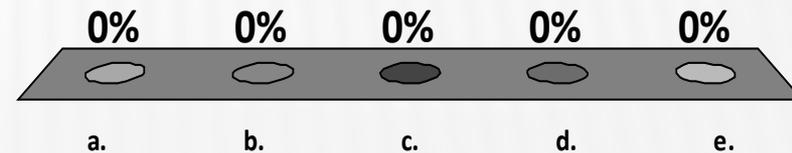
Your agency released an IFB in which commodities were put into 3 Lots. Lots 1 & 2 were awarded by each item in the Lot while Lot 3 was awarded by grand total bid for the Lot. There were 2 bids received for Lot 3. While reviewing the bids you find that Vendor A did not bid on 1 of the 5 items in Lot 3.

Lot 3 (Ice Cream)	Vendor A	Vendor B
popsicles	\$.50	\$1.00
fudge bars	\$.30	\$1.25
strawberry delights	no bid	\$2.50
chocolate delights	\$.50	\$2.50
vanilla (fudge covered)	\$.50	\$2.00
Grand Total Bid For Lot	\$1.80	\$9.25



What would you do?

- a. Ask Vendor A to submit a revised bid with pricing for all LOT 3 items
- b. Award Lot 3 to Vendor B
- c. Rebid Lots 1 , 2, & 3
- d. Award Lots 1 & 2. Rebid Lot 3
- e. **B or D**



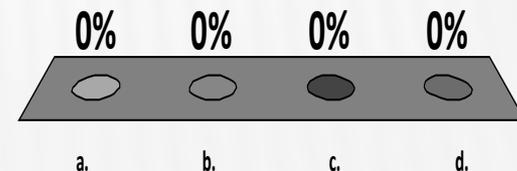
Incident # 9

Your agency is procuring for an item in which the cost is well under your agency's threshold. What is the best way for your agency to purchase this item?



What would you do?

- a. Enter into a contract with the vendor of your choice
- b. Following your agency's procedures, request quotes from 3 different vendors and make the award to the one quoting the lowest price and meeting the minimum requirements
- c. Request quotes from 3 different vendors and award to the one that best meets your agency's needs in regards to form, function & utility
- d. Initiate a formal competitive procurement advertising the opportunity and award the contract to the vendor submitting the lowest bid



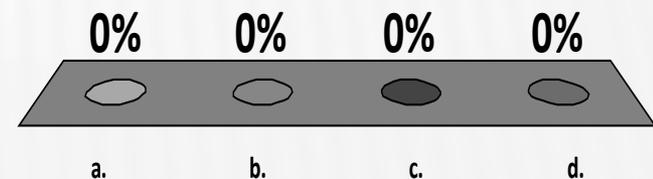
Incident # 10

Your purchasing officer came from another agency where the majority of his work was procuring health services. You've assigned him to purchase complex laboratory instruments. The purchasing officer edits an old RFP to use for the commodity solicitation. He supports this by saying he's heard the lowest price vendor used in the last purchase was slow to deliver and did not provide the required support.



What would you say?

- a. Good job; this way we can give points for support and technical expertise and then the last supplier probably won't win.
- b. I don't want to have to read this whole thing over; just use the last bid document.
- c. A RFP is not the proper procurement method.
- d. Both B and C



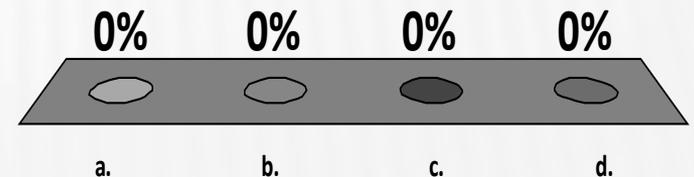
Incident # 11

An agency is preparing a Contract Reporter exemption request for a purchase about to exceed \$50,000. These items are available on OGS contract but the agency uses a single source vendor who provides upgrades and features that are unmatched in efficiency and operation. The agency justifies the request based on the relatively low markup and the proprietary nature of the customization work. Also, the agency wants to continue standardizing their facilities with the same items they've been buying discretionarily.



Before sending in this request to OSC the agency should.....

- a. Provide more support for the price by including comparisons with other suppliers doing similar work
- b. Include more detail on how the agency knows no other vendors can do this customization
- c. Not submit the request; buy the items directly from the centralized contract and advertise the customization
- d. Not submit the request; buy the items from the centralized contract. The customization is within the agency's threshold limit



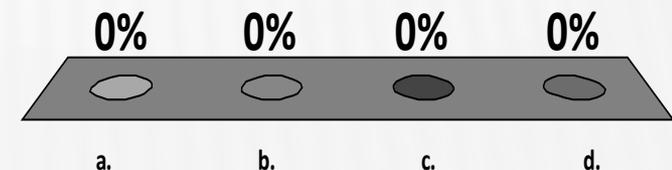
Incident # 12

An agency's heating system maintenance contract includes a small number of time & material hours for repairs. The heating system is nearing the end of its useful life and a major repair has used more hours than anticipated. The agency requests OSC approve an increase to the contract value to cover in case there is another large repair in each of the upcoming years.



What would OSC say?

- a. Justify why you didn't consider the age of the equipment when formulating the requirements for the bid.
- b. Due to the gross underestimation, OSC requires the agency rebid.
- c. Provide the estimate of the system's useful life and whether it would not be prudent to replace it instead of continuing to service it.
- d. All of the above



Incident # 13

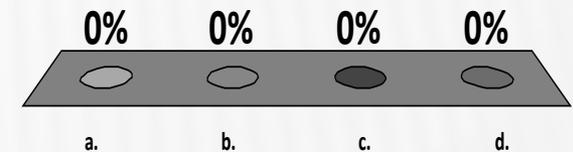
Your agency received the following bids for a psychiatrist before the 10/1/15 bid submission due date.

Vendor Name	Bid Amount	Date & Time Bid Received
Dr. Who	\$298,000.00	9/26/15 @ 10:05 am
Dr. No	\$298,000.00	9/26/15 @ 9:47 am
Dr. Ruth	\$300,000.00	9/30/15 @10:00 am



How would you proceed?

- a. Award to the vendor whose bid was received 1st
- b. Flip a coin to determine the award
- c. Award to both vendors who submitted the lower bids
- d. A or B



Incident # 14

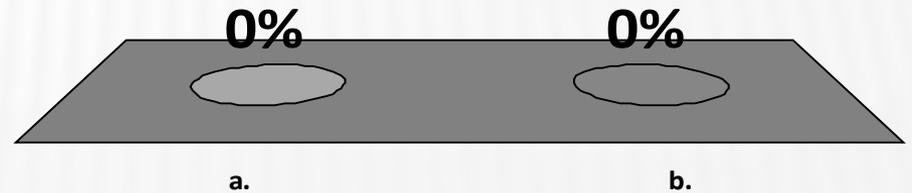
Regarding the qualifications of the vendor, the agency indicates the vendor must have 5 years of experience. The agency receives three bids – two with less than 5 years experience and one with 6 years experience. The vendor with the most experience was the highest bidder. The agency awards to the lowest bidder.



Can the agency deem the lack of experience a minor deviation?

a. Yes

b. No



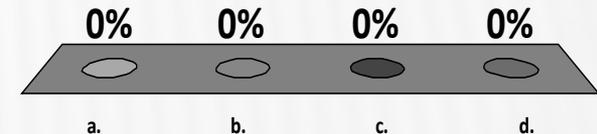
Incident # 15

Your agency has a multiple award contract for specialized nursing services. The contract indicates work assignments are based first on lowest price and second on availability and you keep a ranking of the contractors and their pricing. The contract has been in place for some time, and many assignments are already in process. A new job request has come in from the users at your facility.



What would you do?

- a. Contact all bidders at the same time via group email to keep a record of the fairness of the process. Whoever responds first will be offered the work.
- b. A nurse is about to finish an assignment at the facility. Issue the work to that nurse as the company who placed him was the lowest available at the time of the previous assignment and this nurse is now familiar with your facility and the patients.
- c. Contact the highest ranked/lowest bidder to offer the assignment and if unavailable, contact the second lowest bidder and so on, in order.
- d. Skip any of the highest ranked bidders if those companies have never been able to provide nurses at the contract pricing, and proceed with checking the rest of the list.



Questions???

