

<i>VENDOR SELECTION – INVITATION FOR BIDS</i>	POLICY	
	Document Number:	FRS-PL-030
	Version Number:	6

1.0 Purpose:

To establish the authority within VTA to select vendors using the Invitation for Bids process (IFB).

2.0 Scope:

This Policy applies to all VTA departments and all vendors participating in the established VTA procurement process.

3.0 Responsibilities:

It is the responsibility of the Purchasing and Materials Manager to draft and obtain approval of this Policy to assure organizational understanding and compliance with this Policy.

4.0 Policy:

It is the policy of VTA that when commodities, construction services and certain other services are to be procured and price is the sole criteria for selection, a formal IFB process will be used.

4.1 The IFB process is to be used for commodities, construction or other services when:

- A complete, precise and realistic specification or purchase description is available.
- Two or more responsible bidders are willing and able to compete effectively for the business.
- The procurement generally lends itself to a firm fixed price contract.
- The successful bidder can be selected on the basis of price and those price-related factors listed in the solicitation including but not limited to, transportation costs, life cycle costs and discounts expected to be taken. Apart from responsibility determinations discussed in the associated Procedure FRS-PR-030, contractor selection may not be determined on the basis of other factors whose costs cannot be measured at the time of award.
- Discussions with one or more bidders after bids have been submitted are expected to be unnecessary as award of the contract will be made based on price and price-related factors alone.

4.2 The following procurement procedures will be discussed in greater detail in Procedure FRS-PR-030 but in general the IFB process will have the following requirements:

- The IFB will be publicly advertised;
- Bids will be solicited from an adequate number of suppliers;

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- The IFB will include specifications or pertinent drawings or attachments that describe the commodity or service sought in sufficient detail that a prospective bidder will be able to submit a proper bid;
- For construction contracts above \$100,000 the following are minimum bonding requirements:
 - Bid Guarantee Bond 5%
 - Payment Bond 100%
 - Performance Bond:
 - Contracts under \$1 million 50%
 - Contracts of \$1 million to \$5 million 40%
 - Contracts over \$5 million \$2.5 million

Bonding requirements shall conform to California Civil Code Sec. 9550.

- Bidders must be allowed sufficient time to prepare bids before the date of bid opening;
- All bids must be publicly opened at the time and place prescribed in the IFB;
- A firm fixed price contract is usually awarded in writing to the lowest responsive and responsible bidder, but a fixed price incentive contract or inclusion of an economic price adjustment provision can sometimes be appropriate. When specified in the bidding documents, factors such as transportation costs and life cycle costs affect the determination of the lowest bid; payment discounts are used to determine the low bid only when prior experience indicates that such discounts are typically taken;
- Any or all bids may be rejected if there is a sound, documented business reason.

5.0 Definitions:

N/A.

6.0 Summary of Changes:




No change in overall VTA Policy. This update is to designate the California Civil Code as the basis for Bonding requirements in Sec.4.2.

7.0 Approval Information:

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
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1/20/15
Date Signed

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