

2.105 Invitation for Bid (For the Procurement of Construction)

An Invitation for Bid (IFB), commonly referred to as competitive bidding, is a procurement method by which vendors submit bids (offers) in response to a publicly posted solicitation. **Only construction services shall be procured via an IFB** (refer to the definition of “construction” in [Policy 2.002 Definitions](#)). Goods and services other than construction shall be procured via an RFQ or RFP (refer to [Policy 2.103 Request for Quotation](#) and [Policy 2.104 Request for Proposal](#), as applicable). The IFB must provide a clear description of the construction services and goods to be procured, the technical specifications of construction, and the applicable contractual terms and conditions. An IFB should be used when the specifications of the construction can be defined and when an award of a contract will be made to the lowest responsive and responsible bidder.

Procurement of construction services by UH projects must involve a UH facilities planning office for contract management and oversight of construction services. For Direct Projects, contact RCUH Procurement regarding contract management and construction oversight requirements.

I. Details of Policy

A. General

The practice of soliciting competitive bids serves to stimulate competition among prospective vendors. The competitive bidding process formally begins when an IFB is issued.

The IFB defines the responsibilities and performance expectations of the vendor, as well as the responsibilities of the Project. At a minimum, the IFB must contain the following:

1. A clear description of the construction services and goods to be procured.
2. The contractual terms and conditions applicable to the procurement.
3. A description of the basis for the award (i.e., lowest price).

B. IFB Process

1. IFB Development

An IFB is a means by which competitive bids are solicited. The IFB is a key document in the procurement process because it contains the terms, general provisions, special provisions, technical scope of work (SOW), and/or specifications and plans to be used by bidders in preparing their bids. It also forms the basis for determining a bidder's responsiveness and for selecting the

successful bidder. Finally, its terms, general provisions, special provisions, and technical SOW and/or specifications and plans are incorporated into the contract itself.

Using the RCUH IFB template, the Project staff shall work closely with the respective UH facilities planning office to develop a draft IFB for UH construction projects and other related services.

2. Issuance of IFB

Once the draft IFB has been reviewed and approved by the Project staff, Principal Investigator (PI), Fiscal Administrator (FA), UH facilities planning office, and RCUH Procurement, the IFB will be formally issued, reviewed, and evaluated by the respective UH facilities planning office.

Bids must be solicited by publicly posting the IFB (e.g., utilizing SuperQUOTE or an equivalent State public posting system, or advertising in a publication of regular circulation). The solicitation must also provide suppliers with sufficient time to submit a bid by the submission date set forth in the IFB.

The length of time the IFB needs to be posted depends on the nature of the work being solicited and the amount of time necessary to obtain an adequate number of bids. If the IFB is advertised, the Project should obtain an affidavit of publication documenting the public advertising of the IFB and should retain the affidavit in its files. The Project can work with the newspaper company in completing this affidavit. If the IFB is being solicited via SuperQUOTE, the RCUH IFB template for SuperQUOTE must be used, and the posting must be made using the RCUH SuperQUOTE buyer profile. Refer to [UH AP 8.281 Construction and Professional Services in Support of Construction](#).

The respective UH facilities planning office shall facilitate opening of the bids for construction services. Any bids received after the submission deadline shall not be considered.

3. Bid Award and Contract Negotiation

- a. *Bid Award:* A firm, fixed-price contract award must be made in writing to the lowest responsive and responsible bidder. The appropriate UH facilities planning office shall review and evaluate construction bid responses and select the lowest responsive and responsible bidder for all construction IFBs. It shall instruct RCUH to enter into a construction contract with the selected bidder (refer to [Policy 2.209 Construction Contracts](#)). A firm, fixed-price contract shall be awarded.

Prior to entering into a contract, RCUH must receive the following:

- i. Valid tax clearance from the Hawaii Department of Taxation and the U.S. Internal Revenue Service, if the award is \$25,000 or more;
- ii. Federal Certifications (Attachments [22](#) and [23](#)) if federal funds are utilized;

- iii. Standards of Conduct Declaration for either UH or Direct Projects (Attachment 4);
 - iv. Performance and Payment Bonds; and
 - v. Certificate(s) of Insurance.
- b. *Non-Responsive Bids*: If a bid is declared non-responsive, the bidder must be notified in writing of such determination. The following are the most common reasons a bid is determined to be non-responsive:
- i. Alteration of the bid form;
 - ii. Failure to respond or bid on all items within the IFB, including options;
 - iii. Failure to acknowledge amendments, addenda, and changes issued by RCUH; and
 - iv. Alteration of the requirements within the IFB.

4. Notice to Proceed

Upon full execution of the contract and receipt by RCUH of the items listed in Section I.B.3.a, above, RCUH shall issue a Notice to Proceed (NTP) to the Contractor. The NTP is the official document authorizing the Contractor to proceed with the agreed-upon work. Only RCUH is authorized to issue a NTP.

C. IFB Contents

1. Introduction and Administrative Overview

An introduction to the IFB provides prospective vendors with general, but important, information pertaining to the procurement. The introduction should contain the following:

- a. *Project Identification*: The name and contact information of the University Project requesting the IFB.
- b. *Brief Description*: A brief description of the services being procured, including an explanation of how the procurement relates to the Project's overall objectives and goals.
- c. *Procurement Procedure*: A brief description of the competitive bidding procedure applicable to the procurement, including the anticipated procurement schedule. The procurement schedule should set forth milestones from the date bids are solicited, to the period of performance of the contract.
- d. *Proprietary Information*: A brief statement requesting vendors to designate those portions of the bids which contain trade secrets or proprietary information that must remain confidential, into a readily and easily separable format from the rest of the IFB to facilitate the disclosure of non-confidential information.

- e. *Davis-Bacon Act*: In accordance with the Davis-Bacon Act, all IFBs for prime construction contracts using federal funds must include a copy of the current prevailing wage determination issued by the U.S. Department of Labor. Wage determinations can be obtained through the U.S. Department of Labor website at <http://www.wdol.gov/>. An award will be contingent upon the acceptance of a wage determination by the successful bidder.

2. Statement of Work and Specifications

Developing specifications is one of the most important elements of the purchasing process. To provide a common basis for bidding, the IFB shall set forth the required scope or technical specifications for the items or services requested. The specifications shall set forth, in detail, all deliverables, applicable milestones, and other pertinent targets.

The statement of work for construction services should set forth the minimum essential characteristics of what is being purchased, including any requirement for fixtures, furniture, and equipment, so that all bidders are provided an accurate description of what is being procured.

3. Bid Requirements and Minimum Qualifications

The IFB shall include a section that sets forth the required elements of a bid to obtain relevant and complete information from each vendor. The required elements of a bid may include, but are not limited, to the following:

- a. *Identification of a Vendor*: The vendor name, name of contact person, contact details, and address of the vendor's principal place of business.
- b. *Business Classification Certification Statement*: The Contractor's certification as a small business and/or small disadvantaged business.
- c. *Price*: The price of the services to be procured, including those for any optional items identified in the IFB.
- d. *Listing of a Joint Contractor and/or Subcontractors*: The name, license number, and classification code of each person or firm to be engaged by the bidder as a joint contractor or subcontractor(s) for performance of the contract.

The IFB shall specify the requisite qualifications of the successful vendor by identifying the minimum necessary experience, background, license(s), or expertise needed to fulfill the SOW and the requested services. The qualifications will vary depending on the services being procured.

4. Basis for Award

The IFB shall specify the criteria that will be applied to determine whether a bidder is responsive and responsible. After bids are reviewed, an award will be made with reasonable promptness to the responsible bidder whose bid, conforming to the IFB, is most advantageous to the Project and RCUH, considering only price and the

price-related factors included in the IFB. A firm, fixed-price contract shall be awarded to the responsive and responsible bidder with the lowest price.

5. Contract Terms and Conditions

The contract terms and conditions contained in an IFB shall be only those terms and conditions developed by the Project, FA, and RCUH, the Attachment 2 General Provisions, either the Attachment 3 Special Provisions (Federal) or Attachment 3 Special Provisions (Non-Federal), and either the Attachment 4 Standards of Conduct Declaration (Direct Projects) or Attachment 4 Standards of Conduct Declaration (UH).

D. Miscellaneous

1. Bid Security

No bid, estimated to total \$50,000 or more, will be considered unless accompanied by a form of bid security. The bid guarantee (security) must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument to serve as assurance that the bidder will, upon acceptance of the bid, execute a construction contract with RCUH. The bid security shall be equivalent to five percent (5%) of the bid price. The original bid security of all bidders must be delivered to RCUH, except for bids submitted through SuperQUOTE.

Additional details regarding bid security can be found in Section 8 of RCUH's contract general terms and conditions.

2. Pre-Bid Conferences

Pre-bid conferences may be conducted to explain the procurement requirements in the IFB. All prospective bidders shall be notified of the pre-bid conference in the IFB. Questions and answers posed at the pre-bid conference shall be provided to all potential bidders promptly after the pre-bid conference.

3. Amendment of IFB

After issuance of an IFB, but before the time for bid opening, a written amendment may be issued to amend the IFB, including any changes to quantity, specifications, schedules, or to correct defective language.

4. Cancellation of IFB

Cancellation of an IFB may be made when such cancellation benefits the Project and RCUH.

II. Relevant Documents

[IFB Template](#)

[IFB Template for SuperQUOTE](#)

[IFB Attachment 2](#)

[IFB Attachment 2 for SuperQUOTE](#)

[IFB Attachment 3 \(Federal\)](#)

[IFB Attachment 3 \(Federal\) for SuperQUOTE](#)

[IFB Attachment 3 \(Non-Federal\)](#)

[IFB Attachment 3 \(Non-Federal\) for SuperQUOTE](#)

[IFB Attachment 4 \(Direct Projects\)](#)

[IFB Attachment 4 \(UH\)](#)

[Attachment 22 Certification Regarding Debarment, Suspension, and Other Responsibility Matters](#)

[Attachment 23 Certification Regarding Payments to Influence Federal Transactions](#)

[Policy 2.002 Definitions](#)

[Policy 2.103 Request for Quotation](#)

[Policy 2.104 Request for Proposal](#)

[Policy 2.209 Construction Contracts](#)

[Policy 2.302 Tax Clearance \(Certificate of Vendor Compliance\)](#)

[UH AP 8.281 Construction and Professional Services in Support of Construction](#)

Date Revised: 9/18/2018