

Overview of the Procurement Bidding Process Procurement Services



MONTCLAIR
STATE UNIVERSITY

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Bidding: Key Definitions & Notes

(Part 1)

Bidding Process: A formal procedure initiated by the University that seeks to solicit, evaluate, and award contracts through open competition with qualified suppliers to provide goods and/or services for an established scope of work under specified terms and conditions.

Key Features & Benefits:

- Transparency: Offering a clear description of the scope of work, deliverables, milestones, and terms and conditions.
- Competition: Process is an open invitation to the public, providing equal opportunity for participation.
- Cost Efficiency: Multiple vendors seeking the same contract encourages more advantageous pricing.
- Objectivity: Bids are evaluated using pre-determined and clear rules and standards.
- Accountability: Awards are documented and subject to review.

Bidding: Key Definitions & Notes

(Part 2)

Bid: A formal offer made by a supplier (*in response to the bidding process*) stating the price and other terms at which the required goods and/or services will be provided to the University.

Key Points:

- Evaluation: Bids are evaluated by an evaluation committee; or award may default to the lowest responsive offer for construction projects.
- Binding: If accepted by the University, the offer is binding during the validity period (generally 90 days from date of submission).
- Responsiveness: Bids are deemed responsive or non-responsive based on minimum submission requirements.

Bidding Process: Benefits for the Department

Key Benefits & Advantages to Issuing Your Own Bid:

- Cost Savings: The potential for cost savings is increased when suppliers are competing against each other for business (as opposed to directly requesting a quote from a single supplier).
- Higher Quality Outcomes: Competition helps ensure bidders offer better services and products without increased costs.
- Increased Supplier Pool: Departments may receive competitive bids from more bidders for consideration, including the potential for new suppliers with innovative solutions.
- Administrative Efficiency: All compliance forms are received during the bidding process by Procurement Services, reducing the need for the department to reach to obtain supplier documentation.
- Peace of Mind: The bidding process is managed by Procurement Services, and we aim to ensure a successful bidding process resulting in an awarded supplier that is advantageous to the department.

When Public Bidding is Required

A Publicly Advertised Bidding Process May Be Required for purchases where the total value of the goods and/or services (*over the full term of the contract*) exceeds the applicable Bid Threshold.

Bid Thresholds: There are two distinct Bid Thresholds detailed within the table below:

General Goods & Services (Purchases that are <u>not</u> subject to the New Jersey Prevailing Wage Act)	Public Works Projects (Purchases that <u>are</u> subject to the New Jersey Prevailing Wage Act)
Bid Threshold: \$119,800	Bid Threshold: \$42,600

Purchases that exceed the applicable Bid Threshold may be procured through alternative approved methods, such as:

- Waiver of Advertising if it meets one of the [Exemptions By Statute to Publicly Advertised Bids](#)
- [Cooperative Contract](#)

Requesting a Public or Invite-Only Bidding Process (Part 1)

For Procurement Services to begin a public or non-public (*invite-only*) bidding process, the Requestor must log into **Workday Strategic Sourcing (WSS)** (*access to WSS can be added to your standard Workday menu for ease of navigation*).

Once logged into WSS, the home page will display a “**Business Purchases**” table, listing the types of requests available for selection. For purposes of initiating the bidding process, one of the following two sourcing options must be chosen:

- **Goods & Services Sourcing:** This business purchase will be utilized to procure all goods and services that are not under a construction project. Generally, all Requestors will select this option to start the public bidding process. This option shall also be selected for non-public (*invite-only*) projects that will be managed directly by Procurement Services.
- **Construction Sourcing:** This business purchase will be utilized for all construction projects and shall only be selected by Requestors within the Department of Capital Planning & Project Management (CPPM).

Requesting a Public or Invite-Only Bidding Process (Part 2)

Once the applicable Business Purchase type is selected, the Requestor is required to complete the Intake/Project Details form by entering information within the necessary fields. This data is necessary for Procurement Services to initiate the bidding process.

The Intake/Project Details form allows you to upload documents using the drag-and-drop methodology, or by selecting files directly from your computer.

Requestors should attach the following documents for the selected sourcing type:

- **Goods & Services Sourcing:** Scope of Work, Pricing Sheet, and any other related material to be made part of the project.
- **Construction Sourcing:** Specifications, Drawings, and any other related material to be made part of the project.

Drafting a Bid is a Collaborative Effort

Drafting a bid is a collaborative effort between Procurement Services and the Requestor (end-users) to ensure compliance, clarity, alignment with University needs, and sufficiency of documents prior to advertisement.

After review of the submitted documents through the Intake/Project Details form, Procurement Services will offer the following support to help create the bidding document:

- Advise on procurement strategy.
- Review the scope of work to ensure all deliverables, timelines and performance expectations are enforceable under the contract .
- Ensure all language is structured to promote fair competition, transparency and consistency.
- Verify that all requirements are clear and measurable.
- Determine practical and meaningful pricing categories for Bidders.
- Review the Pricing Model to ensure it corresponds with the scope of work and captures all cost components.

Bidding Process: Overview & Events

(Part 1)

- **Issuance**: Upon receiving the Intake/Project Details and all required documents in a finalized form, Procurement Services will issue the bidding opportunity within WSS. Notifications may also be submitted directly (*by Procurement Services*) to suppliers that are recommended or otherwise determined to be potentially advantageous to the University.
- **Pre-Bid Meeting (Site Visit)**: Prior to submission, potential suppliers may be provided the option to visit the University to view site conditions, verify requirements, identify potential issues, ensure compliance with specifications, reduce change orders, and clarify the scope of work, etc.
- **Questions & Answers (Addendum Process)**: After a bid is made available, the University accepts project-related questions through the specified time and date. The University will work with end users to determine the answers to the questions. As a result, Procurement Services will issue an Addendum containing the information. The intent of this process is to allow potential suppliers to clarify the scope of work, or other terms and conditions of the bidding documents.
- **Bid Opening**: Refers to the specified date and time Proposals are due from any supplier. Proposals must be received on time within WSS, as the portal locks the functionality to submit items after the deadline.

Bidding Process: Overview & Events

(Part 2)

- **Procurement Review**: After Proposals are due, the bids will be reviewed by Procurement Services for mandatory submission requirements (such as forms or technical information).
- **Evaluation**: Proposals meeting the mandatory submission requirements for *General Goods & Services (non-construction)*, will be assessed by an Evaluation Committee based on price and pre-determined criteria established within the bid. Proposals meeting the mandatory submission requirements for *Construction* may either be assessed by an Evaluation Committee based on price and pre-determined criteria established within the bid, or awarded to the lowest responsive bidder.
- **Recommendation to Award (RTA)**: This internal document is a formal written determination of the recommended supplier(s) for contract award. The RTA also provides justification, details the outcome of the evaluation process, and increases transparency for selection. The RTA must be signed by the Evaluation Committee, and other administrative personnel as stated therein.
- **Notice of Intent to Award**: After the RTA has been completed and fully executed, Procurement Services will issue the Notice of Intent to Award, detailing which Vendor(s) the University seeks to engage and enter into a contract with.
- **Contract**: The Contract(s) will be prepared by Procurement Services and monitored throughout its duration.

Scope of Work: Definition & Importance

Scope of Work Defined:

A Statement of Work (SOW) is the formal bidding language that defines the work (tasks, services, and deliverables) that a supplier must perform under the contract.

The Importance of an Effective Scope of Work:

The Scope of Work (SOW) is a foundational element of the University's procurement process for public bidding and quotation solicitations. The SOW defines the specific tasks, deliverables, and standards required from a supplier, and serves as the blueprint for project execution. A well-crafted and successful SOW ensures transparency, reduces ambiguity, and promotes fair competition by clearly communicating the University's expectations to all potential suppliers. The SOW also serves as the basis for evaluating proposals, managing performance, and resolving disputes. Overall, a comprehensive and accurate SOW is essential to achieving project goals on time and to ensuring the supplier provides all services or goods in a manner advantageous to the University.

Scope of Work: Primary Steps

Below are the primary steps in creating a scope of work:

Step 1: Become Knowledgeable of the Project Requirements and Historical Context

Conduct preliminary research to fully understand the project, meet with University stakeholders to understand needs, and review existing documentation such as prior contracts.

Step 2: Purpose & Background

State the purpose, intent, expectations, and outcomes of the contract, provide essential background information for suppliers to better understand the project, and explain how the work supports the mission of the University.

Step 3: Scope of Work Requirements

Detail all tasks, services, deliverables, timelines, performance standards, training, reporting, etc., required by the supplier.

Step 4: Technical Proposal

Include all submittals or credentials the supplier must provide to be successfully evaluated.

Scope of Work: Important Considerations

Review the SOW for completeness and consistency. An incomplete SOW can result in gaps in operational needs and/or missed deliverables, often leading to additional costs from contract amendments. It is important that the End-User fully understands all requirements to meet the University's needs and explicitly defines them in the SOW. The End-User should not assume that non-defined tasks are understood to be completed by the supplier.

Use measurable and specific language. The End-User should define the SOW in a way that is objectively measurable, monitorable, and enforceable. Avoid using language such as, “as directed” or “to be determined.” The supplier should be able to clearly understand the scope of work.

The SOW must be written to encourage fair and open competition. The University cannot mandate (*except in very limited pre-approved circumstances*) that a supplier must use a specified brand name. However, the SOW may list a brand name as a basis of design (*to help potential suppliers understand the project in context*), so long as the language allows for equivalents. Additionally, all specifications and requirements should be objective, non-restrictive, and impartial, not favoring any supplier or manufacturer. Overall, all qualified suppliers should have the same opportunity to compete equally.

Scope of Work: Pricing Model

Pricing model should be presented in a meaningful and sensible manner. The pricing model should accomplish the following:

- Directly correspond to the scope of work, ensuring that there is a relationship between the proposed costs and the services and/or goods to be provided.
- Be structured in a way that allows proposals to be evaluated on an equal basis (suppliers should not be submitting their own pricing sheets).
- Capture all cost components (materials, labor, equipment, services, etc.) to successfully complete the full scope of work. Ensure that nothing is omitted that could, after contract award, later cause disputes over pricing or lead to change orders.

Overall, creating an effective scope of work is necessary for a successful bidding process and ongoing services provided by the supplier. For more detailed guidance on how to create an effective scope of work, as well as additional important considerations, please view the “[Creating an Effective Scope of Work](#)” guide.

Frequently Asked Bidding Questions

Question	Response
Does Procurement Services oversee the entire Bidding process?	Yes, Procurement Services oversees the entire Bidding process, from the Sourcing Intake, through Contract execution, and ensures that the Contract terms and conditions are being upheld throughout the full term. However, it is the end-user's responsibility to remain engaged and participate in each bid event as required.
Once I complete the bid request (Intake/Project Details form), how long will the Bidding process take?	The process duration will vary based upon the time it takes to review the bidding documents and finalize the formal advertisement items in collaboration with the Requestor (end-users). However, the time a bid is advertised is generally 3 to 4 weeks.
Can the scope of work be modified once a bid is advertised?	Yes, the scope of work, and other components of a bid may be modified after advertisement. All modifications will be formally described in an Addendum. Based on the specific modifications, other documents may also require an update, such as the Pricing sheet.
What if all Proposals exceed my project budget?	Procurement Services may commence with a Best and Final Offer (BAFO) process, inviting one (1) one, some, or all suppliers to submit modified pricing. If the BAFO process does not result in more advantageous pricing within budget, then the University may cancel the RFP process, and rebid with a refined scope of work with the intent to lower costs.
May I directly communicate with Vendors during the bidding process?	No. Suppliers may only contact Procurement Services and are not to contact any other University department or individual regarding a bid. A Proposal may be rejected from consideration if there is communication between the end-user and potential supplier.

Questions?