

BID SELECTION/ AWARD OF CONTRACT DOCUMENTATION

PURPOSE: This guidance is to help subrecipient agency understand the selection documentation necessary to meet Federal Transit Administration (FTA) requirements for contract award using FTA grant funds. These documents are required by DMT prior to DMT approval.

DMT REVIEW

As part of the contract award process FTA requires that all qualifying bids are reviewed and selection is based on the criterion stated in the Invitation for Bid (IFB) or Request for Proposal (RFP). After a selection is made by the evaluation committee the following documentation should be submitted to the Division of Mass Transportation (DMT) for approval to ensure FTA compliance:

1. Method of bid advertisement;
2. Bid tabulation;
3. Scoring results;
4. Bid summary and analysis;
5. Negotiation results and Best and Final Offer (BAFO), if applicable;
6. Name of the final selection; and
7. Draft vendor contract agreement, unless it was included in the RFP.

The FTA Best Practices Procurement Manual (BPPM) and the current FTA Procurement Circular include sections discussing the process of bid evaluation, selection and award. DMT has provided links to the FTA website for subrecipient reference. Please note the links are not maintained by Caltrans:

- http://www.fta.dot.gov/12831_6188.html#5_4_1
- http://www.fta.dot.gov/legislation_law/12349_8641.html

The evaluation of an IFB will primarily focus on lowest cost after determining the bid is responsive and the contractor is responsible. A responsive bid is one that conforms exactly to the material requirements in the bid solicitation. After determining the responsiveness of bids the agency then determines if the bidders are responsible. Responsibilities may include technical and financial capabilities, integrity, experience, performance and delivery. In addition to these factors, bidders must certify they have not been debarred or suspended from contracting with the federal government. The subrecipient agency can verify if a bidder has been debarred by checking the Excluded Parties List System at, <http://www.epa.gov/ogd/sdd/espl.htm>.

The use of RFP process to procure goods and/or services differs from the IFB process mainly because price is not the only determining factor in making a final selection. The RFP process allows for consideration of technical factors other than price and may include discussion with bidders, negotiation of contract price and other contract terms, and revision of proposal before final selection (Best and Final Offer). Evaluation of proposals should be based on the established evaluation criterion stated in the RFP and contract award is based on the proposal that represents the best value to the agency.

BID SELECTION/ AWARD OF CONTRACT DOCUMENTATION

Procedures:

All documentation needs to be formalized either on agency letterhead or a printable document with the agency name in the header. Each piece of documentation should also identify the purpose of the RFP, the Standard Agreement number (SA), and type of documentation. The following seven points discuss or give samples for each of the types of documentation needed by DMT to approve the RFP bid review and selection and the final award of contract. The samples from the next several pages provide templates that may be used for documentation submission, however, if your agency has comparable ways of documenting bid review and selection you may submit those documents to DMT for review. The agency and firms listed in the samples are fictional and for example purposes only, any similarity to actual firms is purely coincidental.

Supporting Documentation:

1. **Method of bid advertisement:** A description of the methods used to make the solicitation available to the public. This may include newspaper advertisements, websites, trade journals, etc. Please be aware that some jurisdictions have local advertising requirements.
2. **Bid tabulation:** All bids or proposals should be date stamped. Bids or proposals received after the specified closing date and time should not be considered unless it is the only one received. Documentation should lists *all* the firms that submitted a bid or proposal to the agency for consideration. The agency may find that not all of the submitted proposals meet requirements stated by the agency or the firm may not have been able to demonstrate that it is responsive or responsible. Although the submission from all firms should be included in this list, the agency can make the determination, due to clearly identifiable bidder deficiencies, not to evaluate all IFB or RFP submissions. Example of a List of Bidders for an RFP is provided below:

	1	2	3	4	5
1	County Serve Transit Provider				
2	Dispatch Software RFP # 2-2013				
3	5311 SA: 123456				
4	<i>BID TABULATION</i>				
5		Rec'd by Closing Date	Responsive	Responsible	Within Competitive Range
6	Auto Locate Inc.	YES	YES	NO	NO
7	AVL Systems Inc.	YES	YES	YES	YES
8	Best TransPods Inc.	YES	YES	YES	YES
9	Map Trax Co.	NO- late			NO
10	Service Tracker LLC.	YES	NO	YES	NO
11	Vehicle Detective LLC.	YES	YES	YES	YES

BID SELECTION/ AWARD OF CONTRACT DOCUMENTATION

Discussion

On this List of Bidders matrix we can easily identify key information. The agency name, purpose of the RFP and agency's RFP identification number, the grant program and Standard Agreement number, and the type of documentation is stated in lines 1 through 4. Column 1, lines 6 through 11 list all bidders. Line 5 identifies the factors that determine if a bid or proposal should be considered for possible award or the next stage of evaluation.

This matrix easily identifies 3 of the 6 firms will move on to the next round of evaluation. The reasoning for the 3 firms that will not move forward is clearly indicated.

3. Scoring results: After all bids are evaluated in an IFB, the responsive and responsible bidder whose cost is overall the lowest shall be awarded the contract. The RFP process should include documentation of the rankings of each proposal based on the evaluation criteria identified in the RFP. The following sample matrix specifies the scoring criteria listed in the RFP. All qualifying firms must be scored against the RFP scoring criterion. A common scoring trap is scoring firms against one another. Agencies must avoid this. Using a matrix can help to keep the scoring on point with the scoring criterion in the RFP. It may be most useful for each panel member to use their own scoring sheet.

	1	2	3	4	5
1	County Serve Transit Provider				
2	Dispatch Software RFP # 2-2013				
3	5311 SA: 123456				
4	<i>SUMMARY SCORING MATRIX</i>				
5			Responsive and Responsible Bidders		
6	Scoring Criteria (RFP pg. 21)	MAX PTS	AVL Systems Inc.	Best TransPods Inc.	Vehicle Detective LLC.
7	Cost	40	20	35	40
8	Compatibility	25	20	20	5
9	Technical Support	20	20	15	20
10	Understating Agency Needs	10	10	5	10
11	References	5	5	5	5
12	TOTAL	100	75	80	80
13	POINT RANK		2	1	1

Discussion

The matrix above is a summary scoring matrix. The scores of each panel member assigned to each firm have been averaged together providing an overall score. The agency name, purpose of the RFP and Standard Agreement number, RFP tracking number and the type of documentation is stated in lines 1 through 4. The RFP stated scoring criteria is listed in column 1. Maximum point for criterion is in column 2. The bidders that moved from the initial evaluation are stated in line 6, column 3

BID SELECTION/ AWARD OF CONTRACT DOCUMENTATION

through 5. Line 12 gives the total point values for columns 2 through 5. Line 13 ranks each bidder based on their score.

The summary scoring matrix clearly documents each firm's score based on the RFP scoring criterion. Looking at line 13, point rank, on the matrix we can see that two firms, Best TransPods Inc. and Vehicle Detective LLC. Were both ranked 1 giving them a score of 80 points. So long as each firm is honestly scored against the RFP scoring criterion multiple firms may have the same point rank.

In addition to the scoring, a narrative should be included to explain how the scores were derived, detailing the significant strengths, weaknesses, and deficiencies in the proposal.

4. Bid summary and analysis: The bid summary and analysis is where an agency considers each firm's strong and weak points based on the scores received and documents how the selection for contract award is made. This may be done with a narrative discussing the agencies method of selection. The narrative should be thorough, putting to page the deliberation that occurred in selecting a firm.

Discussion

At this stage an agency may analyze each firm against one another. In the dispatch software scenario County Serve Transit Provider has two bidding firms ranked 1, and one ranked 2. Based on the scoring categories and the rank points AVL Systems Inc. may no longer be considered because in every instance a competing firm either equaled or outranked them.

This leaves Best TransPods Inc. and Vehicle Detective LLC. Both received a score of 80 total points and ranked 1. However the point values in the two most important scoring categories are different. Looking at cost Vehicle Detective LLC scored 5 more than Best TransPods Inc.; however, in the compatibility category Best TransPods Inc. scored a significant 15 points higher. In the remaining scoring criterion each firm was fairly comparable.

FTA does not require an agency using the RFP method of procurement to automatically select the lowest price bidder if the agency can demonstrate other factors outweigh the cost. In this scenario, County Serve Transit Provider may have an overwhelming concern with the compatibility issues of Vehicle Detective LLC. The narrative is the best way to document the agency's analysis of each firm and method of selection prior to the bid award.

5. Negotiation results and Best and Final Offer (BAFO): Although negotiations are not required if the RFP clearly stated that contract award can be made without negotiations or BAFO, an agency can conduct negotiations or discussions with firms whose proposal scores fall within the competitive range. The objective of negotiations is to maximize the ability to obtain the best value. The discussions should be based on the requirements and evaluation factors of the RFP and may include cost, price, technical approach, past performance, and other terms and conditions.

After negotiations are complete bidders should be given the opportunity to submit their best and final offers making any changes they wish to make in their technical proposal and price. The

BID SELECTION/ AWARD OF CONTRACT DOCUMENTATION

BAFO shall be evaluated the same manner as the initial offer using the same evaluation criteria in the RFP.

Supporting documentation should include a summary of the negotiation process, the results of such and the outcome of the BAFOs.

6. Name of the final selection: This documentation should be brief. Simply state the name of the selected bidder and highlight the primary reasons for the selection.
7. Draft vendor contract agreement: Unless it was included in the RFP: If an internal standardized agency contract will be used as the final contract, please submit a draft of that contract with the terms and conditions with the selected contractor. The draft contract should also contain a clearly defined contract length with any options and the FTA required contract clauses. If the selected bidder's standardized contract will be used by the agency; DMT recommends having the agency's legal counsel review the contract language to verify your agency's expectations are being met by the terms the bidder has established. DMT will review the draft contract for FTA compliance; however, it is the agency's responsibility to assure that the contract is compliant with all local regulations.

Upon completion of the bid evaluation and selection and prior to contract award submit the applicable documentation to the DMT Procurement Branch for review and approval. Allow 10 business days for DMT to complete its review and send a response to the agency. Questions regarding DMT review and approval process please contact the procurement branch or the grant program liaison.

Documentation:

The procurement file should be documented to support the actions taken. In the case of an IFB where there was adequate competition, no additional documentation is required aside from the bid tabulation sheet which will serve as the test of price reasonableness. In the case of a RFP where there was adequate competition documentation should include the scoring matrix and a narrative summary of the reason for the selection. In either the IFB or RFP process if the bid price differs from the independent cost estimate (ICE) documentation should explain the reasons for the difference, e.g., poor estimate, etc.

When appropriate the following procurement documentation should be maintained in the contract file:

- Purchase request, acquisition planning information, and other pre-solicitation documents;
- Evidence of availability of funds;
- Rationale for the method of procurement (IFB or RFP);
- List of sources solicited;
- Independent cost estimate (ICE);
- Copies of published notices of proposed contract action;
- Copy of the solicitation, all addenda, and all amendments;

BID SELECTION/ AWARD OF CONTRACT DOCUMENTATION

- Liquidated damages determination;
- An abstract of each offer or quote;
- Source selection documentation;
- Determination of contractor responsiveness and responsibility;
- Cost or pricing data;
- Determination that price is fair and reasonable including an analysis of the price or cost for award;
- Notice of award;
- Notice to unsuccessful bidders or offerors and record of any debriefing;
- Record of any protest;
- Bid, Performance, Payment, or other bond documents, and notices to sureties;
- Required insurance documents, if any; and
- Notice to proceed.