

 HAWAII HEALTH SYSTEMS CORPORATION "Touching Lives Everyday" Policies and Procedures	Department: Corporate Finance	Policy No.: PUR 0003
	Issued by: Edward Chu Interim CFO	Revision No.: 4
Subject: Corporate Office Competitive Sealed Bid Process (IFB)	Approved by:  Alice M. Hall Interim President & CEO	Effective Date: July 21, 2010
		Supersedes Policy: October 1, 2007 Page: 1 of 2

- I. **PURPOSE:** Invitation for Bids (IFB) is used with a definitive purchase description or a detailed scope of service. A competitive sealed bid process is the fairest, most efficient means to obtain the benefits of the lowest responsive and responsible bidder. This system assures impartiality and transparency by imposing a strict set of guidelines for the procurement officer.
- II. **POLICY:** All goods, services that exceed \$100,000, and construction projects that exceed \$250,000 are subjected to a competitive sealed bid process and will be handled by a Contract Manager, except where a request for proposal or professional services list method is more appropriate, or where an exemption, emergency, or sole source has been approved. HHSC has put in place a blanket exemption to allow the use of a request for proposal process, instead of a sealed bid process. Procurement requests above \$25,000 dollars shall be forwarded by the corporate department director or vice president to the HHSC Contract Management Department for further review and processing and assignment to a Contracts Manager. Additionally, sealed bids are encouraged where practical and prudent below the dollar thresholds.
- III. Emergency, Sole Source, Exemption, Professional Services List, and Sealed Proposal procurement methods will be addressed in separate policies and procedures. These procedures are general guidelines; more detailed questions should be referred to the HHSC Corporate Senior Contract Manager.
- IV. **PROCEDURE:** The following steps and procedures will be followed in preparing a competitive bid:
 - A. Step 1: Preparation of bid

Invitations must describe the requirements clearly, accurately, and completely. Unnecessarily restrictive specifications or requirements that might unduly limit the number of bidders are prohibited. The invitation includes all documents (whether attached or incorporated by reference) furnished to prospective bidders for the purpose of bidding. Where deemed appropriate, a pre-bid conference should be held.

Invitations must be publicized on the State Procurement Office website with sufficient time before public opening of bids to enable prospective bidders to prepare/submit bids. Additional advertising may be utilized to obtain more competition, at the discretion of the contract manager.

B. Step 2: Receipt, Opening, and Recording of Bids Submission of bids

All timely bids shall be opened publicly by the facility procurement officer with at least one witness at the time and place stated in the solicitation for the public opening of bids. The name of the bidder, the bid price, and other pertinent information will be read aloud. The information will be recorded along with the names and addresses of the witnesses.

C. Step 3: Bid Evaluation and Award

After bids are publicly opened, an award shall be made with reasonable promptness to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to HHSC, considering only price and the price-related factors included in the invitation. The resulting contract shall conform to HHSC requirements and forms and shall be included in the IFB.

IV. APPLICABILITY: All HHSC facilities and HHSC Corporate staff. When a regional system board has put into effect procurement policies and procedures, the facilities in that region shall follow the applicable regional policies instead of this policy

V. REFERENCES: HRS 3-122-17, Competitive Sealed Bidding; HRS 323F, Act 175, SLH 2009: Part I, Section 2; Procurement Circular No's . 2009-14, October 14, 2009 and Procurement Circular No. 2009-15, October 15, 2009. Reference to Chapter 103D and implementing regulations does not intend to waive any applicable exemption.