



Bidding System

Competitive Bidding

Competitive bidding is a formal process consisting of procedures that may also be referred to as competitive sealed bidding, or more simply as sealed bidding or formal bidding. Competitive bidding is the preferred method of procurement. The request for bids contains the purchase description or specifications covering the item(s), work and/or services needed, the terms and conditions for the proposed bid contract, the time and place for opening bids and other provisions, as necessary. The advertisement for bids; and description in the request for bids of item(s), work and/or services needed, and specific terms and conditions must be done in a manner that accomplishes the primary purposes of competitive bidding - stimulate competition and obtain the lowest practical price for the work, service and/or item(s) needed.

The purpose and intent of competitive bidding is to help public schools secure the best work and materials at the lowest practical prices by stimulating competition. If a district advertises purchasing needs relating to large expenditures, purchasing in large quantities will probably result in lower costs either per unit item or in the aggregate.

If a district receives two or more bids from responsible bidders that are identical, in nature and amount, as the lowest and best bids, it shall select only one bidder from the identical bids. If only one of the bidders submitting identical bids is a resident of a district, that bidder shall be selected. If two or more such bidders are residents of a district, one shall be selected by the casting of lots. In all other cases, one of the identical bids shall be selected by the casting of lots.

Bidding Procedures

Any goods or services with an aggregate cost exceeding **\$25,000.00** must be procured using one of two formal advertisement methods. The nature of the goods/services needed generally specifies the method used. The sealed bid method is generally used to obtain goods and services where precise requirements can be easily specified. The competitive negotiation method is generally used to obtain services that cannot be specifically defined. Both methods solicit written responses via public invitation (advertising). Exceptions include:

1. Professional Services - architect, physician, certified public accountant, attorney, surveyor, engineer, or state certified real estate appraiser. TEC §44.031f
2. Sole Source Goods - items covered by a patent, copyright, or monopoly; films, books, manuscripts; utility services; and captive replacement or component parts for equipment repair. TEC §44.031j



3. Emergency repair or replacement of school equipment that has been damaged or destroyed with the approval of the President or Board of Trustees. TEC §44.031h

Awarding contracts shall be made in based on:

1. Costs (50%)
 - a. Purchase price
 - b. Long term costs (service, supplies, maintenance, etc.)
2. Product or services (30%)
 - a. Quality
 - b. Extent to which the good or service meets district needs
3. Vendor (10%)
 - a. Reputation
 - b. Financial Status
 - c. Past relationship with the District
4. Historically Under Utilized Business (HUB) (10%)

District officials and employees cannot accept anything of value from a vendor, such as personal gifts or gratuities, which may be construed to have been given to influence the purchasing process.

Bid and RFP Guidelines

1. Bid and proposal openings shall be conducted in a district office.
2. A bidder may withdraw a bid due to a material mistake in the bid. (Common Law)
3. Bids may not be changed for the purpose of correcting errors after they have been opened.
4. The Board of Trustees has the right to reject any and all bids.
5. Contract Length
 - a) Contracts obligate current District revenue only for the year in which they are awarded.
 - b) Multi-year agreements are permissible if they contain:



- (1) The right of the Board to terminate the contract at the end of each budget, or
- (2) An appropriate funding-out clause to allow termination should funds become unavailable to pay for the contract.

6. Tie Bids

- a) If the district receives two or more low bids that are identical, the selection of the winner shall be by the casting of lots.
- b) If only one of the bidders submitting identical bids is a resident of the District, that vendor will receive the award.

7. Non-resident bidders must underbid resident bidders by not less than an amount (percentage) by which a resident vendor would be required to underbid in the nonresident bidder's state (reciprocity).

8. Inter-local Agreements between school districts, other local governments and state agencies for the purchase of goods and services satisfies the requirement that contracts be preceded by a competitive pricing mechanism.

9. Texas General Services Commission may provide and the district may use state contract prices and vendors to satisfy the requirement that contracts be preceded by a competitive pricing mechanism.

10. Purchasing Cooperatives

- a) Cooperatives may be established by school districts, regional education service centers, county departments of education, and other local governments to pool goods and services needs in order to obtain optimal pricing.
- b) The Board of Trustees must approve a contract with the governmental unit operating the cooperative designating a person to act for the district in all matters pertaining to the cooperative.
- c) The governmental unit operating the cooperative may collect fees from the participating districts or governments to cover the cost of operating the cooperative. LGC 271.102



11. Food Service purchases for personal property exceeding \$50,000 must utilize a bid, proposal, state or federal contract, cooperative purchasing agreement, or interlocal purchasing arrangement due to federal school lunch program requirements.