Part 514 - Sealed Bidding

Subpart 514.2 - Solicitation of Bids

514.201 Preparation of invitations for bids.

514.201-1 Uniform contract format.

514.201-2 Part I—The Schedule.

514.201-6 Solicitation provisions.

514.201-7 [Reserved]

514.202 General rules for solicitation of bids.

514.202-4 Bid samples.

514.202-5 Descriptive literature.

514.203-1 Transmittal to prospective bidders.

514.270 Aggregate awards.

514.270-1 Definition.

514.270-2 Justification for use.

514.270-3 Evaluation factors for award.

514.270-4 Grouping line items for aggregate award.

514.270-5 Evaluation methodologies for aggregate awards.

514.270-6 Guidelines for using the weight factors method.

514.270-7 Guidelines for using the price list method.

Subpart 514.3 - Submission of Bids

514.302 Bid Submission.

514.303 Modification or withdrawal of bids.

514.304 Late bids, late modifications of bids, or late withdrawal of bids.

514.370 Copies of bids required.

Subpart 514.4 - Opening of Bids and Award of Contract

514.401 Receipt and safeguarding of bids.

514.402 Opening of bids.

514.402-1 Unclassified bids.

514.402-70 Preferred practices for conducting bid openings.

514.403 Recording of bids.

514.404 Rejection of bids.

514.404-1 Cancellation of invitations after opening.

514.404-2 Rejection of individual bids.

514.407 Mistakes in bids.

514.407-3 Other mistakes disclosed before award.

514.407-4 Mistakes after award.

514.408 Award.

514.408-6 Equal low bids.

514.408-70 Forms for recommending award(s).

Parent topic: General Services Administration Acquisition Manual

Subpart 514.2 - Solicitation of Bids

514.201 Preparation of invitations for bids.

514.201-1 Uniform contract format.

Include the following notice in each solicitation:

“The information collection requirements contained in this solicitation/contract, are either required by regulation or approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned OMB Control No.3090-0163.”

514.201-2 Part I—The Schedule.

(a) When using Standard Form 33, Solicitation, Offer and Award, include the following cautionary notice:

“Notice to Bidders—Use Item 13 of the Standard Form 33, Solicitation, Offer and Award, to offer prompt payment discounts. The Prompt Payment clause of this solicitation sets forth payment terms. Do not insert any statement in Item 13 that requires payment sooner than the time stipulated in the Prompt Payment clause (See FAR 52.232-25, 52.232-26, or 52.232-27, as applicable). EXAMPLE: If you insert “NET 20” in Item 13, GSA will reject your bid as nonresponsive because the entry contradicts the 30 day payment terms specified in the Prompt Payment clause.”

(b) When using other authorized forms (e.g., Standard Form 1447, Solicitation/Contract; Standard Form 1449, Solicitation/Contract/Order for Commercial Products and Commercial Services), include the notice in paragraph (a) of this section. Change the reference to the form number, form title, and item number accordingly.

514.201-6 Solicitation provisions.

Insert the provision at 552.214-70, “All or None” Bids, in invitations for bids when reserving the right to evaluate and make an award on an all or none basis.

514.201-7 [Reserved]

514.202 General rules for solicitation of bids.

514.202-4 Bid samples.

(a) *Requirements for samples in invitations for bids* **.**

(1)When bid samples are required, the contracting officer shall require bidders to submit samples produced by the manufacturer whose products will be supplied under the contract.

(2)The FAR limits use of bid samples to cases where the contracting officer cannot describe some characteristics of a product adequately in the specification or purchase description. This usually applies to subjective characteristics. The contracting officer may determine that there is a need to examine objective characteristics of bid samples to determine the responsiveness of a bid. The contracting officer should base the determination on past experience or other valid considerations. In the solicitation, separately list “Subjective Characteristics” and “Objective Characteristics.”

(3) Insert the provision at 552.214-72, Bid Sample Requirements, in invitations for bids if bid samples are required. This provision may be modified to fit the circumstances of a procurement.

(b) *Handling bid samples*.

(1)Samples from accepted bids must be retained for the period of contract performance. If there are no outstanding claims regarding the contract, the contracting officer may authorize disposal of the samples at the end of the contract term following the bidder’s instructions.

(2)If the contracting officer anticipates a claim regarding the contract, the contracting officer shall require that the bid samples be retained until the claim is resolved.

(3)The contracting officer shall require that samples from unsuccessful bids be retained until award. After award, these samples may be disposed of following the bidder’s instructions.

514.202-5 Descriptive literature.

Requirements for Invitations for bids. When using brand name or equal purchase descriptions, the provision at FAR 52.211-6 satisfies the requirement for descriptive literature.

514.203-1 Transmittal to prospective bidders.

Prospective bidders, as used in FAR 14.203-1, include both the following:

(a) The incumbent contractor, except when its written response to the notice of contract action under FAR subpart 5.2 states a negative interest.

(b) Bidders that responded to recent solicitations for the same or similar items.

514.270 Aggregate awards.

514.270-1 Definition.

"Aggregate award" means an arrangement whereby two or more separately priced line items are combined for award to that bidder whose bid will result in the lowest overall cost to the Government for the line items as a group. The individual price for each item does not have to be the lowest bid received. (See also the definition of a "line item" in FAR 2.101 .)

514.270-2 Justification for use.

(a) GSA usually solicits prices and reserves the right to make award for individual line items. In some cases it serves GSA's best interest to combine two or more line items for an aggregate award. Such cases include when:

(1) Users desire uniformity of design, style, and finish, (*e.g.*,suites of household furniture).

(2) The articles will be assembled and used as a unit, and different manufacturers' components may not be interchangeable.

(3) Users have high demand for certain articles, but demand for related articles is insufficient to attract competitive bids (*e.g.*.,various sizes of socket wrenches).

(4) Awarding the low-demand articles in conjunction with the high-demand articles may encourage competition.

(5) One location (delivery point) has a large requirement, and another location has a requirement too small to individually attract competitive bids.

(6) Awarding and administering numerous small contracts for similar articles or services is impractical.

(b) Before deciding to combine items for aggregate award, the contracting officer should consider the following factors:

(1) The capability of bidders to furnish the types and quantities of supplies or services in the

aggregate.

(2) How grouping delivery points will affect bidders.

(3) Which combinations will accurately project the lowest overall cost to the Government.

(c) The contracting officer should not use an aggregate award if it will significantly restrict the number of eligible bidders.

514.270-3 Evaluation factors for award.

The solicitation should clearly state the basis for evaluating bids for aggregate award, require bidders to submit a price on each item within the group or a percentage to be added or subtracted from a list price, and advise bidders that failure to submit prices as required within a group makes a bid ineligible for award for that group.

514.270-4 Grouping line items for aggregate award.

(a) *Supplies and services*. This subsection applies to acquisitions of supplies and services.

(b) Effect on competition. Provide for full and open competition when grouping items for award. Grouping items for award may preclude a significant number of firms from bidding. This occurs if firms are unable to provide all the types or quantities of supplies or services, or make deliveries to the various delivery points included in the prospective aggregate group.

(c) Grouping different articles. Include only related articles in an aggregate group. Related articles are those normally manufactured or produced by a majority of prospective bidders. Grouping unrelated articles often restricts competition unnecessarily.

(d) Grouping geographic locations or delivery points. Consider the following guidelines before deciding to group different geographic locations or delivery points:

(1) A delivery point may have sufficient requirements so that individual shipments involve economic production runs and carload or truckload quantities. In this case, list it as a separate line item.

(2) The types of bidders (i.e.,small or large firms, manufacturers or distributors, etc.) who responded to previous solicitations can provide important information. For example, if previous bidders are distributors with franchises in certain territories, grouping different territories could tend to restrict competition.

(3) Transportation costs can affect competition and pricing. They may constitute a significant portion of the total delivered cost. Obtain the advice and assistance of transportation specialists before grouping geographic locations or delivery points. Depending upon the supplies being acquired:

(i) Grouping widespread geographic locations or delivery points may reduce competition or result in higher prices. It can cause the loss of “area pricing” advantages provided by a supplier with a single production point.

(ii) Conversely, for many small commercial products(hand tools, locks), manufacturers may quote

the same price for delivery anywhere in the U.S.

(iii) Tariff boundaries can also affect how manufacturers price deliveries to different areas.

514.270-5 Evaluation methodologies for aggregate awards.

(a) *Definite quantity contracts without options*. For definite quantity contracts without options, the evaluated bid price is the total bid price, as adjusted for any price-related factors identified in the solicitation. This reflects the actual cost to the Government and will identify the most advantageous bid.

(b) *Indefinite quantity contracts, requirements contracts, and options*. Indefinite quantity and requirements contracts use estimated quantities. Options involve the probability of whether and when the options will be exercised. These situations may result in unbalanced bids (see FAR 15.404-1(g)), leading to inaccurate evaluation of the projected cost and award to other than the most advantageous bid. To avoid unbalanced bids, GSA has two preferred methods for evaluating bids for aggregate awards: weight factors and price list.

(1) *Weight factors method*. Assign a weight to each item in a group. The weight is based on the portion of quantities that item represents. To evaluate bids, multiply each unit price by its weight factor, then total the results.

(2) *Price list method*. Establish prices for bidders to use as a base for preparing their bids. Prepare a list that identifies a base price for each item in a group. Bidders bid a percentage factor to add to or subtract from the base price.

514.270-6 Guidelines for using the weight factors method.

(a) Use the weight factors method when there are reliable estimates for the quantities needed in an acquisition. Reliable estimates of quantities form the foundation for:

(1) Accurate evaluation of the projected cost of each bid.

(2) An appropriate determination of which bid is most advantageous to the Government for the aggregate group.

(b) Assign a weight factor to each item in a group. Develop the weight factor by calculating the portion of the total quantity in a defined group that each item represents.

(c) To evaluate bid prices, first multiply the price bid for each item (unit price X quantity) by its weight factor. Then, add the subtotals together to project the cost for the aggregate group.

(d) Estimated quantities may be reduced to smaller numbers by a common denominator. This may help facilitate the computations involved in evaluating bids.

(e) Consider all price-related factors identified in the solicitation. Award to the responsive and responsible bidder with the lowest evaluated overall cost to the Government for the aggregate group. This represents the most advantageous bid.

514.270-7 Guidelines for using the price list method.

(a) *General*. The price list method helps avoid unbalanced bidding when making aggregate awards, but lack accurate estimates of anticipated quantities. This method establishes base prices for bidders to use in preparing their bids.

(b) *Solicitation requirements*. When using the price list method, in the solicitation:

(1) Include the price list.

(2) Include an estimate of requirements.

(3) Require the bidder to express its price as "net" or as a percentage added to or subtracted from the list prices for each group. Require the bidder to quote only one percentage factor for each group. This means that the bidder provides one percentage factor that applies to every item in a group; not a separate percentage for each item. "Net" indicates the bidder chooses to submit the list prices as its bid.

(4) Identify the percentage factor in (3) above as a price-related evaluation factor.

(c) *Developing list prices*. Price lists may be developed using one or more of the following sources:

(1) Industry published prices.

(2) Industry surveys.

(3) Government cost estimates based on knowledge of the supplies or services and previous contract prices.

(d) *First time use for an product or service*. The first time the contracting officer uses list prices for a product or service, give prospective bidders an opportunity to review the proposed list. Also provide information on how GSA will use the list prices. This information may be provided in a draft solicitation.

(e) *Balanced prices*. Ensure that the list prices for the grouped items bear a reasonable and balanced relationship to one another. Prices may be used from previous awards made using the weight factors method to develop price lists. Review those prices first to ensure they did not result from unbalanced bidding.

(f) *Evaluation and award*. Consider all price-related factors identified in the solicitation. Award to the responsive and responsible bidder whose percentage factor produces the most favorable price to the Government. This represents the most advantageous bid.

(g) *Example*. The following illustrates a bidding schedule arrangement for a group of items for aggregate award under the price list method:

(h) *Special considerations for contracts for store stock items*. Show estimated quantities only if estimates of demand for each item within a group can be derived from Government records or verified contractor sales reports. Use only current estimates. If the Government's needs cannot be estimated, the solicitation may include past orders. (See CG Decision, B-209037, 82-2 CPD para 323 (1982).)

(i) *Special considerations for repair and alteration contracts*. In the solicitation:

(1) List the estimated quantities for work to be performed during both normal working hours and outside of normal working hours.

(2) State the percent of work anticipated to be performed during normal working hours.

(3) List the unit prices for work to be performed during both normal working hours and outside of normal working hours.

(4) Define “normal” in terms of hours and days of the week.

(5) Advise bidders of the previous year’s total expenditures or portions of that total attributable to the listed items.

(6) If providing quantity estimates, state that the estimates are for information only and do not constitute guarantees or commitments to order items under the contract.

(7) Solicit two percentage factors for the line item unit prices listed: one for the unit prices for work performed during normal working hours and the second for the unit prices for work performed outside of normal working hours.

(8) When the solicitation further groups unit prices by trade or business category, multiple percentages may be required.

(9) For the evaluated bid price, add together (i) and (ii):

(i) The percentage of work performed during normal work hours multiplied by the total estimate adjusted by the bidder’s percentage factor for that portion of the work, plus

(ii) The percentage of work performed during other than normal working hours multiplied by the total estimate adjusted by the bidder’s percentage factor for that portion of the work.

(10) Consider other price-related factors identified in the solicitation. Make award to the responsible and responsive bidder submitting the lowest overall evaluated bid price for the aggregate group. This represents the most advantageous bid.

Drills, Twist, High Speed, under Federal Specification (no. and date)_ and Amendment (no. and date), Wiregauge sizes, straight shank, short length, Type C

Item No.	National Stock Number	Drill Size	Est. Quantity	Unit	List Price
Group1 (Items 1 through 5)					
1	5133-00-189-9246	1	2,800	Pkg	$11.16
2	5133-00-189-9247	2	2,400	Pkg	$11.16
3	5133-00-189-9248	3	2,800	Pkg	$10.44

Drills, Twist, High Speed, under Federal Specification (no. and date)_ and Amendment (no. and date), Wiregauge sizes, straight shank, short length, Type C

Item No.	National Stock Number	Drill Size	Est. Quantity	Unit	List Price
4	5133-00-189-9249	4	1,600	Pkg	$10.80
5	5133-00-189-9250	5	2,000	Pkg	$10.80

The bid on each item above is the list price shown minus/plus percent. (Bidder, insert “net” or a single percentage amount in the blank space and cross out minus or plus, as appropriate.)

Subpart 514.3 - Submission of Bids

514.302 Bid Submission.

GSA contracting officers shall not consider telegraphic bids communicated by telephone.

514.303 Modification or withdrawal of bids.

(a) A telegraphic modification or withdrawal of a bid by telephone under the circumstances in FAR 14.303(a) shall not be considered.

(b) The receipt required by FAR 14.303(b) for withdrawal of a bid in person should read:

I am a bona fide agent for or representative of _____ (*Bidder’s name and address*). I am authorized to withdraw the bid on IFB No. _____scheduled for opening on_____, and acknowledge receipt of the unopened bid.

_____

Name and telephone no.

_____

Date

514.304 Late bids, late modifications of bids, or late withdrawal of bids.

Upon receiving a late bid, the bid custodian records it on the duplicate copy of the list of bidders. The bid custodian then immediately notifies the responsible contracting officer of the bid. The contracting officer must arrange for pick-up or delivery of the bid.

514.370 Copies of bids required.

Require each bidder to submit an original and at least one copy of its bid. This requirement does not apply to bids transmitted and received through an electronic commerce method authorized by the solicitation.

Subpart 514.4 - Opening of Bids and Award of Contract

514.401 Receipt and safeguarding of bids.

(a) The specific location for receipt and safeguarding of bids and modifications shall be identified in the solicitation. Handle bids as follows:

(1) Authorized personnel mark the envelope (or other covering) of each package identified as a bid or modification with a time-stamp or the place, date, and time of receipt. They then deliver the bid by special handling to the bid custodian.

(2) Deposit hand-carried bids into the designated locked bid box, safe, or secured, restricted-access electronic bid box. At least once daily and immediately preceding the time scheduled for bid opening, the bid custodian removes and time stamps the bids. If a bidder hands a bid to the bid custodian or other GSA employee, the custodian or employee time stamps the bid immediately.

(3) When the solicitation authorizes telegraphic or facsimile bids and modifications, the bid custodian seals each in an envelope immediately upon receipt. The custodian labels the envelope with appropriate identification.

(4) For each invitation, the bid custodian prepares a bidders' list. The list shall includes the name and address of all responses, including any bid modifications, received before bid opening time. The list also indicates withdrawn bids.

(5) The bid custodian records each bid and modification delivered before bid opening on the bidders' list on the day of receipt. The custodian stores bids and modifications in a suitable secured cabinet.

(b) At the scheduled bid opening time, the bid custodian delivers all bids received in response to the invitation, with the original and one copy of the bidders' list, to the bid opening official or designee. The bid opening official or designee acknowledges receipt of the bids by signing the copy of the form and returning it to the bid custodian. The original list becomes part of the contract file.

(c) When a regional Small Business Utilization Center (SBUC) is designated to receive bids, the regional SBUC Director may designate an individual(s) working at a Field Office as a bid custodian, provided all the following conditions are met:

(1) The Field Office has adequate space and facilities.

(2) The individual(s) designated as a bid custodian has been trained.

(3) The Field Office has a Small Business Technical Advisor.

(4) The bid custodian(s) must submit monthly reports to the regional SBUC Director. The regional SBUC Director forwards these reports to the Office of Small Business Utilization (E).

514.402 Opening of bids.

514.402-1 Unclassified bids.

(a) *Location of bid openings*. Public bid openings take place in the regional SBUC if the bid custodian is in the regional SBUC. If the bid opening occurs elsewhere, inform the regional SBUC. Give the regional SBUC the invitation number and the location of the bid opening.

(b) *Bid opening officer*.

(1) The contracting officer may appoint a qualified employee of the contracting office as assistant bid opening officer as provided in FAR 14.402-1(b).

(2) The distance between the regional SBUC and the contracting office may make it impracticable for the contracting officer to conduct bid opening. In this case, the contracting officer may request the HCA and the Associate Administrator for Small Business Utilization (E) in Central Office, or the SBUC Director in the Region, to authorize a qualified regional SBUC employee to open, read, and record bids.

(c) Bid openings are open to business representatives, members of the press, and the general public.

514.402-70 Preferred practices for conducting bid openings.

(a) To ensure that bid opening occurs at the exact time specified, verify the accuracy of the timepiece to be used.

(b) For the information of bidders present, provide an audible announcement approximately one minute prior to bid opening.

(c) Announce audibly when the exact time of opening arrives. In the announcement, identify the invitation(s) scheduled for opening.

(d) For construction contracts that provide for bid alternates, announce the amount of funds available for the award before opening bids.

(e) Open the bids in full view of the parties present.

(f) When practicable and feasible, announce the following information from each bid: the bidder’s name, item and unit price bid, and other pertinent information, such as delivery and discount terms.

(g) For bids submitted in multiple copies, one copy remains in the bid opening room for public examination until the bid abstract is substituted. The contracting activity uses the original. For bids submitted in original only, see FAR 14.402-1(c). The contracting activity retains all supplemental financial forms or other information submitted with a bid. Do not provide supplemental information

for public examination.

(h) Forward any negotiable instruments submitted as bid guarantees to the appropriate Finance Office following procedures established by the Chief Financial Officer. After award, cancellation of the solicitation, or rejection of all bids, direct the appropriate Finance Office to refund the amount of the bid guarantee to unsuccessful bidders. The contracting officer may authorize return of a bid guarantee before award when requested by a bidder who is not in contention for the award. Retain other forms of bid guarantees (*e.g.*., bid bonds, letters of credit, corporate and individual sureties, etc.) in the contract file.

(i) Prepare a record of the opening for the contract file. Include the names of persons attending the bid opening and the firms or organizations they represent.

(j) Verify the entries on all copies of a bid. Resolve any suspected mistake(s) following the procedures in FAR 14.407.

(k) Retain the envelopes in which bids and bid modifications are received until all awards are made. After award, retain those with notations concerning abnormal receipt or opening for identification in the solicitation file. The contracting officer may destroy the remainder.

514.403 Recording of bids.

(a) As soon as practicable, make a copy of the abstract of bids and any amendments available for public examination at the location of the bid opening. Make the abstract available for public examination for at least 30 calendar days. Include late bids determined eligible for consideration on the bid abstract or, if necessary, in an amendment.

(b) In abstracts for aggregate awards, record: unit prices, weight factors, totals for each aggregate group, and any other information required for bid evaluation.

(c) For building services, contracting activities in PBS may use GSA Form 3471, Abstract of Offers, instead of the Standard Form 1409, Abstract of Offers.

514.404 Rejection of bids.

514.404-1 Cancellation of invitations after opening.

The HCA, or designee, makes any determinations required by FAR 14.404-1.

514.404-2 Rejection of individual bids.

(a) The contracting officer may use the “Remarks” Item on GSA Form 1535, Recommendation for Award(s), or other appropriate documentation to record findings with respect to rejected bids.

(b) Document any bid rejected for nonresponsiveness, nonresponsibility, ineligibility, or because the bid after evaluation is no longer low. Examples of bids which may no longer be low after evaluation include aggregate bids, “all or none” bids, bids evaluated for freight costs, and bids evaluated using

Buy American differentials.

(c) For sensitive or controversial bid rejections, include all supporting documentation to justify awards. This includes copies of the bid to be rejected and the proposed awardee, statements from or records of conversations with the requisitioning activity, plant facilities and financial responsibility reports, and other relevant correspondence or reports (Certificates of Competency, copies of Congressional correspondence or other high level interest, etc.).

514.407 Mistakes in bids.

514.407-3 Other mistakes disclosed before award.

Delegation of authority by head of the agency. Under FAR 14.407-3(e), contracting directors (see 502.101) are authorized, without power of redelegation, to make:

(a) The determinations regarding corrections and withdrawals under FAR 14.407-3(a), (b), and (c); and

(b) The corollary determinations not to permit withdrawal or correction under FAR 14.407-3(d).

514.407-4 Mistakes after award.

The contracting director and assigned counsel are required to review and approve the contracting officer’s determinations under FAR 14.407-4(b) and (c).

514.408 Award.

514.408-6 Equal low bids.

To determine the status of bidders in a tie-bid situation, use the bidders’ status as of the date the bids were signed.

514.408-70 Forms for recommending award(s).

Contracting activities may use GSA Form l535, Recommendation for Award(s), and GSA Form 1535-A, Recommendation for Award(s), Continuation Sheet, to document proposed awards. One or more awards may be set forth on each form. Contracting activities have the discretion to use other means of documentation that meet their needs for information to support an award recommendation.