

751—5.2(8D) Methods of obtaining bids or proposals used by the commission. The commission shall obtain bids or proposals by one of the following methods. If more than one method is applicable to the purchase of a particular item, the commission shall choose the method of bidding to be utilized. For any method used, the commission may provide notice of the solicitation electronically and vendors may submit proposals electronically unless the bidding documents provide otherwise.

5.2(1) Formal invitations to bid.

a. A formal invitation to bid may be required for any item if cost is the major criterion for selection. Other criteria may also be used, provided that the commission describes the criteria in the bid documents. The commission shall prepare a written invitation-to-bid form and shall transmit the form either by mail, electronically, or digitally to selected vendors in the business of providing the goods or services sought by the commission.

b. The invitation to bid shall contain the due date and time of the bid opening, a complete description of the item needed, and any other necessary or proper items. The price quoted by the vendors shall remain binding throughout the applicable time period.

5.2(2) Informal selection process.

a. The commission may use an informal selection process when permitted by rule 5.1(8D). An informal selection process is a streamlined competitive bidding process in which the commission makes an effort to contact at least three prospective vendors to solicit bids or proposals to provide the goods or services sought by the commission. Informal bids or proposals may be obtained by the commission through use of a written bid form faxed or mailed to selected vendors, email, posting a notice on the commission's website and inviting bids or proposals electronically or over the telephone.

b. Written informal bids and proposals shall be opened as received, and informal telephone bids shall be recorded as received. If a bid is received over the telephone, a telephone bid form shall be used to record the bid received. If a bid is received by email, the email shall be printed or stored in a secure electronic format so that the bid can be retrieved and read in machine-readable form. The information contained in the email shall be recorded on a form similar to the telephone bid form. If an informal bid is received by fax, the information on the fax shall be recorded on a form similar to the form used for telephone bids.

5.2(3) Formal requests for proposals.

a. Whenever a requirement exists for an item and cost may not be the sole criterion for selection and rule 5.1(8D) requires the commission to conduct a formal competitive selection process, the commission shall issue a formal request for proposal. The purpose of a request for proposal is to provide the vendor with sufficient information about the commission's requirements and goals to allow the vendor to propose a solution to the commission's requirements.

b. The terms quoted by the vendor shall remain binding throughout the applicable time frame.

c. The commission may request best and final offers as part of the request-for-proposal process.

5.2(4) Auctions and reverse auctions.

a. The commission may purchase items at auction when the auction is conducted electronically, digitally or otherwise. For any single item, the commission may spend up to the maximum amount permitted by Iowa Code section 8D.11 as amended by 2007 Iowa Acts, House File 851, section 2, to acquire the item. However, the commission shall not make a bid for any item for which the bid price at the auction exceeds the reasonable market price of an item. The commission shall perform a market analysis prior to the auction to determine the market price for items available by auction. The commission shall retain the market analysis with any other documentation for the purchase of the item at the auction.

b. The commission may purchase items using a reverse auction. A reverse auction is a price negotiation technique using secure Internet-based technology. This technique involves posting a requirement on an Internet site accessible by the public that allows vendors to post bids publicly. The buyer offers to purchase a product or service for a maximum amount (reserve price), and then the sellers or suppliers bid down the purchase price the buyer will actually pay for fulfillment. Vendors are able to see the current bids (but not the identity of the bidders) and post new or revised bids that are lower, thus increasing competition. When the commission conducts a reverse auction, the following requirements shall be met:

- (1) The invitation to bid or the request for proposals shall provide notification of the intent to use the reverse auction process and provide instructions for participating in that process. The bidding documents shall also provide notification that a bidder's consent to disclosure of the bidder's bid price as part of the auction process is required in order to participate.
- (2) The commission shall determine the specifications and requirements of the items to be acquired.
- (3) The commission shall identify and provide notice to potential vendors concerning the proposed acquisition.
- (4) The commission shall establish prequalification requirements to be met by a vendor in order to be eligible to participate in the reverse auction. The prequalification requirements shall be included in the bidding documents.
- (5) Prior to conducting a reverse auction, the commission shall establish a threshold amount, which shall be the maximum amount that the commission is willing to pay for the items to be acquired.
- (6) Evaluation factors other than price shall be clearly listed and explained. The commission may direct bidders to supply technical proposals or other information in order to evaluate other factors and to use the reverse auction only as a price negotiation tool.
- (7) The commission shall set the time of the auction.
- (8) The commission shall establish minimum bid decrements.
- (9) The commission shall establish the currency for the offering of bids.
- (10) The commission shall establish the language for the bids.
- (11) The commission may purchase additional quantities of the item if there are additional funds left at the end of the auction. The commission shall purchase additional quantities from the successful vendor.