

How to Purchase at the City of Springfield – Formal Competitive Process in 2 Pages

Products/Services \$15,000 or More – RFPs, IFBs

When is Purchasing required to use a Formal Competitive Process to purchase what you need?

City Ordinance requires that Purchasing use a Formal Competitive Bid Process for any product or service that is expected to **cost \$15,000 or more and is not covered by an existing contract**. Use the 3-point checklist below:

- ☐ There is **not** an active existing master agreement that covers the product or service I need.
- ☐ The procurement does **not** qualify as sole source, an emergency contract, joint purchase agreement or professional service agreement.
- ☐ This product or service **is** expected to cost \$15,000 or more in a given fiscal year (FY).

If **all** boxes are checked, the Formal Competitive Process is appropriate. Purchases that are defined as a Professional Service and are \$25,000 or more will also require City Council approval.

What steps does the Formal Competitive Process include?

The Formal Competitive Bid Process is one of two ways (along with the Informal Competitive Process) that Purchasing helps departments obtain the “best value” for equipment, supplies, and services. The Formal Competitive Procurement Process involves Purchasing issuing an Invitation for Bid (IFB), Request for Proposal (RFP), Request for Information (RFI) or Request for Qualifications (RFQ) and is required when purchasing products or services equal to or greater than \$15,000. The process consists of 5 stages:

STAGE	LENGTH	PURPOSE
I. Prepare solicitation	2 weeks or more (depends on dept. and complexity of the procurement)	Department drafts description, specifications, and budget line for product or service to be purchased, and identifies a prospective list of vendors and the appropriate competitive process. Purchase goes through the in-department approval chain.
II. Solicitation Review	1-2 weeks	Purchasing reviews materials produced by the department in stage one, helps department fill in remaining gaps, and develops the bid book. Department forms an evaluation team and reviews the bid book.
III. Solicitation Open	1-2 months	Promote the solicitation such that the right vendors pursue opportunities with the City and submit timely, well-written bids.
IV. Evaluation	4-6 weeks	Evaluation team scores and ranks bids, writes up their selection and justification. Purchasing notifies vendors of the award.
V. Award and Contract Drafting	4-6 weeks	Document bid award, hold protest period, finalize contract, and process purchase order.

The process always begins with the department identifying the budget, purpose and specifications of the product or service. It concludes with a purchase order (PO) approved by the City council, along with a contract (if necessary). Collectively, the process can take **up to 8 months**. Considering each stage can take time

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and require cross-departmental collaboration, a key piece of advice is to **start a requisition as soon as you know what you need and as early in the Fiscal Year (which starts on March 1) as possible.**

Who is involved in the Formal Competitive Process?

Many people! Most of the process is led by four parties: the Department (you), Purchasing, Vendors, and Legal.

ACTOR	INVOLVED STAGES	RESPONSIBILITIES
Department	I, II and IV	<ul style="list-style-type: none">• Adequately identifies and budgets for the product or service they need• Drafts description and specifications for the good or service needed• Identifies a list of vendors to notify of the bid opportunity• Reviews and evaluates bids, writes up justification
Purchasing Agent	II-IV	<ul style="list-style-type: none">• Determines and executes the appropriate competitive process and solicitation format• Reviews and helps complete the solicitation following proper due diligence with accurate specifications, description, and requirements.• Communicates with vendors to solicit responses and/or clarify specifications. Conducts pre-bid or pre-proposal meetings• Supports departments in evaluating bids
Vendors	III, V	<ul style="list-style-type: none">• Submits bids and ask questions to clarify scope of work and vision of success. For awardee, provides appropriate paperwork and signatures to finalize PO and/or contract.
Legal	V	<ul style="list-style-type: none">• Minimizes risk and ensure that written agreements are valid and enforceable.

As a Department, your primary responsibility is at the start of the process: Preparing a solicitation of product/service you wish to obtain: what does “success” look like, what characteristics must be present in a winning bid, identifying relevant vendors and what budget line will pay for the item.

Is the Formal Competitive Process the same for any product \$15,000 or more? Do all solicitations look the same?

No! While the overall process is similar, there are **two kinds of solicitations** within the Formal Competitive Bid Process: **Invitation for Bids (IFBs)** and **Request for Proposals (RFPs)**. In general, IFBs take less time, but are better suited for products or goods where you know the required specifications in advance and evaluating primarily on price (e.g., vehicles, piping). RFPs, meanwhile, are better for services where qualitative factors are critical – training, licenses, methodology, and experience (e.g., financial audits, consulting) because characteristics other than price can be evaluated. It is the originating department’s job, in conjunction with the Purchasing Agent, to determine the appropriate competitive process to obtain the product/service based on the requisition.

Do I have to go through this process to buy anything \$15,000 or more? Can I ever waive the Formal Competitive Bid Process?

Purchasing can only waive the Formal Competitive Process if you can demonstrate that your department need (as outlined in the requisition) can only be fulfilled by one specific source (**Sole Source**), if the procurement is a **Joint Purchase**, **Professional Service**, or an emergency (**Emergency Procurement**). [This document](#) describes the qualifying criteria and processes to follow for exempt procurements.