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TO: ALL PROSPECTIVE BIDDERS, CONTRACT VENDORS

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STATE CONTRACT PROCUREMENT ADMINISTRATOR

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SUBJECT: FREQUENTLY ASKED QUESTIONS - SUPPLIERS

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KEY INFORMATION

Business owners will find that the State of Delaware offers many opportunities for vendor and suppliers to provide goods and services. The State is not able to operate effectively without the goods and services of private businesses. Through your participation in an open competitive procurement process, the government and the taxpayer benefit from improved quality at lower prices.

This guide is provided for general information purposes only. Nothing contained herein shall be construed to amend, modify, override, or nullify any state statute, regulation, rule, policy, procedure or document used in the procurement process.

Additional questions may be asked by submitting a ticket through Request Contracting Help.

A. VENDOR RESOURCES

1. What resources are there for me to learn about and be more successful in selling to the State?

Visit the Resources Tab, at mymarketplace.delaware.gov for a complete list of tools, resources and additional contact information.

B. PROCUREMENT PATH

1. What is a below threshold procurement?

The Purchasing and Contracting Advisory Council established thresholds that trigger formal bidding procedures in the areas of Materiel and Non-Professional Services, Public Works, and Professional Services. State agencies are only required to use the formal bidding procedures when a purchase is made in an amount that exceeds the threshold limit. Please refer to the following site to review the contract thresholds: Small Purchase Procedures and Thresholds

2. Who is responsible for purchasing in Delaware state government?

Each agency will provide for their own purchasing responsibilities. The <u>Procurement Unit Contact List</u> contains contact information of the person(s) responsible for procuring goods and services for their agency. Included in the list are contacts for Municipalities, Fire Companies, School Districts, and State Agencies.

3. What is an Invitation to Bid (ITB)?

An Invitation to Bid (referred to as ITB) is an invitation for suppliers, through a bidding process, to submit a proposal on a specific product or service on State contracts. If not stated otherwise, the supplier with the lowest bid is awarded the contract, provided that they meet the minimum criteria for the bid. Details of the ITB process can be found in Title 29, Chapter 69, (specifically § 6923) "Competitive Sealed Bidding", Sub-Section (e) of the Delaware Code.

4. What is a Request for Proposal (RFP)?

A Request for Proposal (referred to as RFP) is an invitation for suppliers, through a bidding process, to submit a proposal on a specific product or service. An RFP typically involves more than the price. Other requested information may include basic corporate information and history, financial information (can the company deliver without risk of bankruptcy), technical capability (used on major procurements of services, where the item has not previously been made or where the requirement could be met by varying technical means), product information such as stock availability and estimated completion period, and customer references that can be checked to determine a company's suitability. An RFP's often includes specifications of the item, project or service for which a proposal is requested. The more detailed the specifications, the better the chances that the proposal provided will be accurate.

The proposals are used to evaluate the suitability as a supplier, vendor, or institutional partner. Discussions may be held on the proposals (often to clarify technical capabilities or to note errors in a proposal). In some instances, all or only selected bidders may be invited to participate in subsequent bids, or may be asked to submit their best technical and financial proposal, commonly referred to as a Best and Final Offer (BAFO). Details of the RFP process can be found in Title 29, Chapter 69, (specifically § 6924) "Competitive Sealed Bidding", Sub-Section (e) of the Delaware Code.

5. What is included in professional services?

As identified in Delaware Code, 29 Del. C. § 6902 (19):

"Professional services" means services which generally require specialized education, training or knowledge and involve intellectual skills. Examples of professional services include, but are not limited to, engineering, environmental engineering, environmental monitoring, land surveying, landscape architecture, geology, architectural, archaeologists, architectural historians, historians, educational consultants, management, medical, teaching, planning, computer information management, financial, accounting, auditing, construction management and arbitration services. Professional services subject to the provisions of § 2507 of this title or which require compliance with Delaware Supreme Court Rule 52 or a substantially similar rule of another state shall not be included in this definition and shall not be subject to this chapter.

6. What is a Request for Information (RFI)?

A Request for Information (RFI) is to collect written information about the capabilities of various suppliers. An RFI is primarily used to gather information to help make a decision on what steps to take next. An RFIs is not intended to result in a formal contract but instead to gather information prior to conducting a formal solicitation. are therefore an RFI is seldom the final stage and are instead often used in combination with the following: Request for Proposal (RFP), Invitation to Bid (ITB), and Request for Qualifications (RFQ).

7. What is a Request for Qualifications (RFQ)?

A Request for Qualifications (RFQ) is official notification of needed professional services. The RFQ is issued to solicit statements of interest from consultants qualified to perform work on upcoming projects. A submittal of a qualification statement does not guarantee that the consultant will be contracted to perform any services but only serves notice that the firm desires to be considered.

8. Is the lowest bid always awarded the contract?

No. Only objectively measurable criteria that are set forth in the Invitation to Bid shall be applied in determining the lowest bidder. For an RFP, the agency shall award a contract to the supplier whose proposal is determined, in writing, to be most advantageous to the State, based on the factors set forth in the request for proposals. See Delaware Code Title 29 § 6923 and § 6924.

For Professional Services bids, the agency shall award to the qualified firm that the agency can satisfactorily negotiate a contract as set forth in Delaware Code Title 29 § 6981 and § 6982.

9. Why does the State require all these bonds when a company submits a proposal? Where do I find more information?

Where appropriate, the State will seek to limit the need for or the requirement of bonds to bid for opportunities. However, the State must use all applicable mechanisms, including bonds, to ensure success of its bid solicitations and resulting projects. Prior to requiring a bond, the bidding agency will review its requirements and obligations, including risk associated with the contract, and determine if a bond is required.

Following find descriptions of several types of bonds that may be necessary:

- A Performance Bond is issued to one party of a contract as a guarantee against the failure of the other party to meet obligations specified in the contract.
- A Bid Bond is debt secured by a bidder for a construction job or similar type of bid-based selection process for the purpose of providing a guarantee to the State that the bidder will take on the job if selected. The existence of a bid bond provides the State with assurance that the bidder has the financial means to accept the job for the price quoted in the bid.
- Any Federal construction contract valued at \$100,000 or more requires a Surety Bond as a condition of contract award. Most State and municipal governments have similar requirements as well as private entities; many service contracts and occasionally, supply contracts may require Surety Bonds.
- Who sells Surety Bonds? (Resources):

There are many sources from which a business can obtain a Bond. A list of organizations where more information can be found:

- a) Small Business Administration (SBA) at www.sba.gov/osg or call (202) 205-6540.
- b) National Association of Surety Bond Producers (NASBP) at www.nasbp.org or (202)-686-3700.
- c) The Surety & Fidelity Association of America (SFAA): at www.surety.org or (202 463-0600.
- d) Surety Information Office (SIO) at www.sio.org or (202) 686-7463. This site also offers free publications such as:
 - 1) How to Obtain Surety Bonds;
 - 2) Importance of Surety Bonds in Construction;
 - 3) Surety Bonds Versus Bank Letters of Credit;
 - 4) Surety Companies: What They Are & How to Find Out About Them;
 - 5) Helping Contractors Grow: Surety Bonding for New & Emerging Contractors

C. REGISTERED VENDOR

1. Is there a list of authorized vendors for use by State Agencies and subdivisions?

Government Support Services does not maintain a list of authorized or approved vendors.

D. **BID NOTIFICATIONS**

1. How do I register to receive bid or solicitation notices?

The State of Delaware has a free Vendor Subscription service to notify interested parties of solicitations in specific areas of interest as defined by you, the vendor community. Please take a moment to register for any business area you may wish to receive notification at the following link: Bid Notification Registration. This service complements our central solicitations website, the Bid Solicitation Directory that is a one stop shop for RFP's, ITB's and RFI's for the State of Delaware. Registration will enable you to receive an electronic alert for each solicitation posted of interest to your business at the time of posting. You may select as many areas of interest as you desire.

The Government Support Services' Contracting Section does not send announcements of solicitations directly to vendors and instead asks vendors to register for the subscription service. To promote efficiencies in statewide procurement activities, GSS uses the Bids Directory noted above and the notification service to communicate with vendors. Solicitations, with limited exceptions, will not be advertised in any printed newspaper.

2. Does registering to receive bid or solicitation notices place my company on the authorized list of vendors for the State?

No, this subscription service only provides notification that a solicitation is available on the central solicitation website: Bid Solicitation Directory, otherwise, known as bids.delaware.gov. Vendors must have registered with the appropriate UNSPSC to receive the electronic notification.

3. In registering to receive notice, how do I know which codes to register for as areas that my company would like to receive solicitations?

There is no limit to the areas of business that you may register. It is recommended that you register for as many areas of business that may possibly interest you, including any codes that were previously used to announce a similar bid opportunity.

4. What is UNSPSC?

The United Nations Standard Products and Services Code® (UNSPSC) is a hierarchical coding convention that is used to classify all products and services. It is the most efficient, accurate and flexible classification system available today for achieving company-wide visibility of spend analysis, enabling procurement to deliver on cost-effectiveness demands and allowing full exploitation of electronic commerce capabilities.

5. How do I know if my subscription submission was accepted?

You will receive an acknowledgement that your subscription has been accepted. You will also be asked to activate your account and select your personal subscription preferences.

6. Can I change or update the areas I want to receive solicitation notifications?

You can update any of the areas you have subscribed for, at any time. Any solicitations that have been released will only provide notification to those that have registered prior to the release.

7. Who can I call for help, if I have problems while registering for the subscription service?

If you require assistance using your account, please contact gic@state.de.us. They will respond to your inquiry during normal business hours (8am and 4:30pm Local Time), except holidays

8. Even though I have registered on the subscription service, I'm not receiving any notices. What can I do?

If you require assistance using your account, please contact us at gic@state.de.us. We They will respond to your inquiry during normal business hours (8am and 4:30pm Local Time), except holidays.

9. Is the subscription service the only means of identifying opportunities to sell my services or products to the State?

No. Currently, the subscription service only announces formal bid announcements. There is a significant level of state procurement below the thresholds established by the Purchasing and Contracting Advisory Council. Therefore, contact with and marketing to the state agency may be necessary.

The <u>Procurement Unit Contact List</u> contains contact information of the person(s) responsible for procuring goods and services for their agency. Included in the list are contacts for Municipalities, Fire Companies, School Districts, and State Agencies.

E. <u>BID OPPORTUNITIES</u>

1. I've noticed that there are bid solicitations from outside of Delaware. Can I bid on these solicitations?

Yes. These solicitations are announced to encourage advise vendors, that view and use the State of Delaware's bid website, of an opportunity at national and/or regional contracts.

2. Are all solicitations issued by all agencies published on the bid website?

All state agencies are asked to publish their formal solicitations on the central portal.

3. Are solicitations from counties and cities within Delaware listed on the bid website?

No. Local jurisdictions do not publish their solicitations on the central portal.

4. How and when do I submit a bid to the State of Delaware?

Bid specifications and requirements for a complete and responsive bid are included in the bid solicitation documents. It is a vendor's responsibility to read, understand, and provide a complete bid response to all requirements that are outlined in a solicitation.

Frequently Asked Questions - Vendor

Each contract solicitation will provide the time and location where vendors may submit their bids. Vendors MUST ensure that their bids are delivered to the location by the time posted in the bid. Late bid receipts will be rejected, and the bid returned unopened.

5. If my company is submitting a formal sealed bid, can I be present at the opening of the bids?

It depends. The formal solicitation will identify the time and place of bid opening and whether the bid is open or closed to the public. Bidders should consider the following limitations prior to planning to attend a public opening:

- The soliciting agency will open bid proposals immediately after the bid submission deadline has passed.
- Typically, only the bidder's names will be read during the proposal opening.
- Otherwise, bid proposals will remain confidential until the Evaluation Committee has reviewed all bid proposals submitted and the soliciting agency has announced a notice of intent to award a contract.

Please be advised, the announcement of Contractors who timely submitted bid proposals does not mean that an individual bid proposal has been deemed technically compliant or accepted for evaluation, only that the bid was present and available by the opening deadline.

The requirements for material and nonprofessional services contract solicitations and the award process are specified in the Delaware Code, Title 29 § 6923 and § 6924.

The requirements for Public Works contracting are specified in the Delaware Code, Title 29 Subchapter IV.

The requirements for Professional Services contracting are specified in the Delaware Code, Title 29 Subchapter VI.

6. How will I be notified if my bid is the apparent winner?

After the award has been reviewed and approved, the award must be made within thirty (30) days for ITB, ninety (90) days for a non-professional RFP after bid opening. A written notice of award shall be sent to the successful bidder. For procurement greater than the threshold amount(s), each unsuccessful bidder shall be notified of the award and a notice of award will be made available to the public.

7. If my bid/proposal was not the winning bid, can I find out who was the winner(s)?

Yes. Winning bids may be viewed on the <u>Awarded Contracts Directory</u>. All awarded vendors are listed.

8. What if I have a question on a competitively bid contract after the Question and Answer (Q&A) period has ended?

Solicitation designee is unable to answer any questions directly related to the solicitation after the Q&A period has ended. The Q&A period is set up to afford all contractors the chance to ask for and receive more information about the competitive process and/or contract services.

However, it would be unfair to afford one contractor the chance to ask questions without the other contractors being afforded the same opportunity. The staff may be able to answer "administrative" type questions, such as mailing addresses, etc. after the Q&A deadline has passed.

9. If a contract was awarded to another company, does that mean I cannot bid on opportunities until that contract's term expires?

The Director for the State of Delaware, Office of Management and Budget, Government Support Section can waive use of a central contract pursuant to 29 Del. C. § 6911(e). A process has been developed to permit any vendor the opportunity to submit an I Found It Cheaper (IFIC) / Opportunity Buy offer to the State for goods and/or services for consideration despite the existence of a central contract. See the IFIC / Opportunity Buy Flowchart. However, prior to granting a waiver, the Director will afford any vendor on an existing central contract an opportunity to match or to beat the IFIC / Opportunity Buy offer made by a noncontracted vendor prior to a waiver being granted.

Further, in many instances, the bidding agency reserves the right to issue and bid for supplemental solicitations. By example, if the state needed vehicle repair facilities to service its needs, it might bid for the inclusion of additional providers. This allows the state to maintain its current network and potentially 'add' partners to ensure its vehicle repair capacity continues to be met.

10. How do I object to the solicitation process or the award of a contract?

A vendor may file a written protest challenging compliance with applicable procurement procedures or the outcome of an award. The vendor must present material error and is not merely a method to complain. Any written protest will be resolved expeditiously.

This process is for GSS only. Other State Agencies may develop their own policies in accordance with Delaware Code.

The written protest must include, at a minimum:

- Name and address of the protestor;
- Appropriate identification of the solicitation (solicitation number);
- Specific objection or challenge with supporting evidence.

The State, at its discretion, may deem issues not raised in the initial protest as waived with prejudice by the protesting vendor. A protest is considered to be properly filed when it is in writing, signed by a company officer authorized to sign contracts on behalf of the vendor and is received:

Type of Protest	Protest Filing Deadline
Challenge to Competitive	Two (2) business days prior to the closing date and time of the
Solicitation Process	solicitation, as published on <u>bids.delaware.gov</u>
Challenge to an intended or	In the event GSS posts an award on the Awarded Contracts Directory or
Actual Contract Award	http://mymarketplace.delaware.gov/, the protest must be filed within ten
	(10) calendar days.
	In the event GSS does not post an award, the protest must be filed within ten (10) calendar days of the date the notice of award is issued.

F. PERFORMANCE ISSUES

1. What actions can be taken if the state agency is not fulfilling the terms and conditions of the contract?

For statewide contracts managed by Government Support Services a <u>Corrective Action</u> <u>Report</u> (CAR) may be used to escalate contract issues. The Form should be submitted to the appropriate contract officer, to include as much detail as possible.

2. In the event a vendor is not abiding by the contract terms, depending on the severity of the offense, what is the length of time for process of removal of the vendor? Can a vendor be debarred? Reinstated?

Similar to the prior question, for statewide contracts managed by Government Support Services (GSS), before moving through any processes to remove a vendor from contract, the affected agency must first allow for a systematic review. This includes filing a Corrective Action Report so that GSS determine the reasons for a failure to perform.

Should adequate cause be determined to move forward with a cancellation, the timing is based on the terms within the Termination for Cause/Convenience sections of the contract (generally 30-60 days); where no contract exists, the same time frames apply. The State does not debar vendors and this only comes into play in Public Works Contracts; should this become a necessity, contact the Director of Government Support Services in writing at 600A South Bay Road, Dover, DE 19901; Reinstatement is at the discretion of the State based upon a review of the circumstances and the vendors response as defined in the Remedies Section of the contract (where no contract exists, the same process applies).

G. SUPPLIER DIVERSITY

1. Why should I certify as a Diversity business?

Certification will (a) help increase your firm's visibility among State Agencies and other prospective clients, (b) document your firm's certified status as a diverse vendor, and (c) may enhance your competitive advantage.

2. What are the requirements for Diversity certification? Minority group?

Please refer to the following Office of Supplier Diversity site: Certifications

The company must be 51% or more owned, controlled, and actively managed by individual(s) in any of these groups:

- MBE Minority Business Enterprise
- · WBE Woman Business Enterprise
- VOBE Veteran Owned Business Enterprise
- SDVOBE Service-Disabled Veteran Owned Business Enterprise
- IWDBE Individuals with Disabilities Owned Business Enterprise

Minority groups include African Americans, Asian Americans, Hispanic Americans, Native Americans and Subcontinent Asian Americans. For further clarification please download a Certification Application.

Frequently Asked Questions - Vendor

3. I want to know more about supplier diversity and the Office of Supplier Diversity.

Information on becoming certified may be found on the Office of Supplier Diversity website.

4. Does Delaware have any preferences?

29 Del. C. § 6962 (d) (4) (b) Preference for Delaware labor (Public Works Contracting) - In the construction of all public works for the State or any political subdivision thereof or by firms contracting with the State or any political subdivision thereof, preference in employment of laborers, workers or mechanics shall be given to bona fide legal citizens of the State who have established citizenship by residence of at least 90 days in the State. Each public works contract for the construction of public works for the State or any political subdivision thereof shall contain a stipulation that any person, company or corporation who violates this section shall pay a penalty to the Secretary of Finance equal to the amount of compensation paid to any person in violation of this section.

5. What is a set-aside?

In accordance with Delaware Code, <u>Title 16 Chapter 96</u>, State Use Law, certain State Contracts are awarded as internal contracts as authorized by the State Use Commission (which rests under the jurisdiction of the Department of Health and Social Services). Therefore, these contracts are not part of the normal bid process. The Commission for the Purchase of Products and Services of the Blind and Other Severely Handicapped Individuals shall provide a market for products and services of visually handicapped and severely handicapped individuals.

H. GENERAL QUESTIONS

1. I see that you have some commodities on contract, but you don't have what I sell. How do I get the state to put my commodities on a contract?

The state attempts to determine the common-use items and the items that can most efficiently and economically be purchased using the competitive bid process. For a new commodity to be put on contract, an agency must notify Government Support Services (GSS) – Contracting of the identified need. Once an agency contacts GSS for a specific commodity need, GSS will evaluate the need, and may begin the process of developing specifications towards soliciting a bid(s).

2. Am I allowed to visit purchasing agencies to show my product or market my service?

Suppliers are requested to make appointments in advance and to limit the meeting to current information about their product or service. Accordingly, visits to agencies are encouraged, but may be limited based on agency personnel availability.

Please remember that informing an agency of your product or service does not guarantee the sale of your product nor may it result in a contract. The State believes that an open and competitive process is the most advantageous and encourages a bidding environment before a contract is awarded.

3. Am I required to have a Delaware business license?

Any person or entity conducting a trade or business in the State of Delaware, including corporations, must obtain a State of Delaware Business License from the Delaware Division of Revenue. To obtain a Delaware business license:

- Visit Delaware's One Stop Business Licensing and Renewal service; or
- Call (302) 577-8778 to obtain one via mail.

Certain exemptions do apply for business that do not operate within the State of Delaware; further information may be obtained from the <u>Division of Revenue</u>.

4. How can I find out which State Contract Procurement Officer (SCPO) handles my commodity?

A list of SCPOs may be found at, <u>Contact Information</u>. For each contract posted on the state's site, there is an email address listed under Contact Information for the contract officer currently assigned the contract.

5. I have an item that is cheaper than what is on the state contract. How can offer this to state agencies?

The Director for the State of Delaware, Office of Management and Budget, Government Support Section can waive use of a central contract pursuant to 29 Del. C. § 6911(e). A process has been developed to permit any vendor the opportunity to submit an Opportunity Buy offer to the State for goods and/or services for consideration despite the existence of a central contract. See the Opportunity Buy Flowchart. The Director will afford any vendor on an existing central contract an opportunity to match or to beat the Opportunity Buy offer made by a non-contracted vendor prior to a waiver being granted.

6. Is the State of Delaware tax exempt?

In accordance with the Internal Revenue Service regulations, the State of Delaware is generally exempt from federal excise tax for communications, certain fuels, sales by manufacturers and the tax on heavy trucks, trailers and tractors. More detail is included in IRS Publication 510 Excise Taxes located at https://www.irs.gov/publications/p510. Per IRS regulations, all exemption certificates must be specific to the vendor and the type of excise tax. If an exemption certificate is requested by a vendor, the Division of Accounting will work with the agency and vendor to complete the appropriate certificate.

7. How long after receipt of an invoice are agencies required to make payment?

Agencies are required by Delaware Code to make payment within thirty (30) days after receipt of a valid invoice. Details on the payment of bills can be found in Title 29, §6516(d) "Payment of bills or statements of account".

8. I've verified the information on my submitted W-9 and I'm still not getting paid and nobody in the agency seems to be able to help. What can I do?

Contact the procuring Agency for assistance. The contact information is on the purchase order.

Frequently Asked Questions - Vendor

9. Am I required to accept the state's credit card (P-Card)?

The solicitation and subsequent contract require the acceptance of the state's purchasing card (P- Card). For below threshold purchases, acceptance of the P-Card may not be required. Payment is faster with the P-Card.