

## **THE BASICS OF COMPETITION**

**2632**

(May 2005)

Competition is one of the basic tenets in State procurement. The nature of effective competition varies with the goods being acquired. Depending upon decisions made during the planning phase, the procurement may be informal or formal, the selected competition method may be a phone call or a written solicitation document, distributed by fax, electronic mail or regular mail, depending on the procurement value.

Procurement activities must be conducted in an open and fair environment that promotes competition among prospective suppliers.

### **GENERAL REQUIREMENTS**

**2632.1**

(May 2005)

### **PROCUREMENT STANDARDS**

**2632.1.1**

(May 2005)

Departments granted purchasing authority to conduct competitive procurements for non-IT goods will do so in a manner that promotes open, fair and equal competition among prospective suppliers.

### **SUPPLIER TREATMENT**

**2632.1.2**

(May 2005)

**Purchasers** conducting competitive procurements shall provide qualified suppliers with a fair opportunity to participate in the competitive solicitation process, stimulating competition in a manner conducive to sound State fiscal practices, and emphasizing the elimination of favoritism, fraud, and corruption in awarding contracts.

### **PER TRANSACTION THRESHOLDS**

**2632.1.3**

(No. 3 February 2006)

Competitive procurements conducted under purchasing authority for non-IT goods may not exceed the dollar thresholds as authorized by DGS/PD to the individual department. Dollar thresholds exclude sales and use tax, finance charges, postage and handling.

Shipping charges are included in the dollar threshold limits in the evaluation when the freight terms are FOB Origin, Freight Collect or FOB Destination, Freight Prepaid/Add.

When a transaction exceeds or is expected to exceed a department's approved authority threshold, the **purchaser** must prepare and submit a **Purchase Estimate (STD.66)**, to DGS/PD for processing. **In CAL FIRE, Purchase Estimate (STD 66) documents must be sent to Business Services Sacramento. Business Services Sacramento is the liaison with DGS/PD.**

Refer to [Section 2603](#) – Purchasing Authority Basics to review purchasing authority scope.

**MAINTAINING CONFIDENTIALITY IS PARAMOUNT** **2632.1.4**  
(No. 3 February 2006)

During the development and management of the competitive solicitation and throughout the evaluation and award process all information must remain confidential. Documentation must be maintained in a secured area. Once bids are opened and evaluated and an intent to award is released, all documentation (unless deemed proprietary) becomes public documents available to anyone that requests a review of the procurement file. Refer to Public Records Act, [GC 6250](#), for exemptions from disclosure.

When conducting written competitive solicitations there are often other departmental participants, in addition to the purchaser, involved in the solicitation development, evaluation, and selection process, as well as other personnel on a “need to know” basis. All of these personnel must sign confidentiality statements. The signed statements must be retained within the procurement file.

[Click](#) here to access CAL FIRE’s confidentiality policy.

[Click](#) here to access CAL FIRE’s confidentiality statement.

**SUPPLIER RECRIMINATION WILL NOT BE TOLERATED** **2632.1.5**  
(May 2005)

CAL FIRE shall not condone recriminations against suppliers who request information regarding a bid response or who request information regarding specifications required in any contract.

**FILE DOCUMENTATION FOR COMPETITIVE SOLICITATIONS** **2632.1.6**  
(May 2005)

[Click](#) here to access the recommended file documentation list for non-IT goods competitive solicitations.

[Click](#) here to access the file documentation list for transactions under \$5,000.00.

**DEVELOPING SUPPLIER RESOURCES** **2632.2**  
(May 2005)

## **BID LISTS**

**2632.2.1**

(No. 2 September 2005)

**Purchasers** should establish bidder lists using a variety of means to locate potential suppliers. **Purchasers** should vary the use of suppliers they select for competition to broaden their supplier base and should solicit certified SB's and certified DVBEs whenever possible. Resources available to **purchasers** to identify and/or establish bid lists are:

- Phone books
- Local trade unions
- Chamber of commerce
- Industry listings
- LPA databases (CMAS suppliers and Statewide Checklist resources)
- Certified SB and DVBE firms database
- Recommendations from customers

**Note:** Since advertising is required for non-IT goods solicitations exceeding \$50,000, bid lists are generally used for informal solicitations below those dollar levels. However, **purchasers** may use bid lists in addition to advertising. In CAL FIRE, purchasers over \$50,000 are processed by DGS. If you choose to use advertising for purchases \$50,000 or less, contact Business Services for approval and direction.

## **KNOW THE SUPPLIER POOL**

**2632.2.2**

(May 2005)

The suppliers you contact must be suppliers that you know through either investigation or experience can potentially provide the goods or services that you seek.

## **REQUEST FOR INTEREST**

**2632.2.3**

(May 2005)

A Request for Interest (RFI) may be used to separate those suppliers who intend to participate in an upcoming solicitation from those who have no interest in participating.

RFIs are typically used when there is an excessively large pool of interested suppliers.

In CAL FIRE, purchasers interested in using this form of solicitation must contact Business Services Sacramento for approval prior to initiating the process.

## **REQUEST FOR INFORMATION**

(May 2005)

**2632.2.4**

A Request for Information (RFI) may also be used to “survey” the marketplace to understand what products may be available and to approximate the dollars that may be needed for a procurement.

## **RFI COMPONENTS**

(May 2005)

**2632.2.5**

The RFI should:

- Be short, concise and to the point,
- Include the solicitation number and title,
- Include a general description of the equipment or services to be solicited,
- Include estimated quantities, features, general time frames, any pertinent geographic information, purchaser’s name and telephone number, etc.
- Not provide or ask for any cost information as such information could create an unfair bidding environment,
- Provide space for interested bidders to provide contact name, address, telephone number and submittal date, and
- Include where and how to submit the response to the RFI.

## **PURPOSE OF RFI**

(May 2005)

**2632.2.6**

The RFI establishes the bid list for purchasers to use when distributing a solicitation. Purchasers must keep track of the suppliers who respond and when ready, mail the solicitation to them. The RFI and the bidders list become part of and must be retained in the procurement file.

## **LIMITED SUPPLIER OR PRODUCT SOURCES**

(May 2005)

**2632.2.7**

If the purchaser determines that only certain suppliers and/or products can meet its needs, a competitive solicitation can be conducted soliciting only those pre-determined suppliers or products without prior approval from DGS/PD. Examples of acceptable types of pre-determination include suppliers of certain goods authorized or certified by a manufacturer or goods of a specific make and/or model needed to meet the State’s needs.

When a competitive solicitation is conducted using pre-determined suppliers and/or products, the procurement file must be appropriately documented with the details of the business need, why other suppliers and/or products will not meet the need, and how the proposed suppliers and/or products were determined.

**Warning:** A purchaser may not limit competition to pre-determined suppliers and/or products merely to circumvent the competitive bidding process.

(see next section)

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(see Forms or Forms Samples)