



**COMMISSIONERS OF PUBLIC WORKS**  
Of the City of Charleston  
South Carolina

Title: How To Do Business With CPW  
Corresponding Requirement(s) (CPW, state,  
Federal, other): None

Revision No.: 0  
Effective Date: 07/01/2001  
Document No.: PUR-1.00  
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Prepared by: Teresa L. Pitts, Admin Asst.  
Approved by: Frank Crawford, Jr.,  
Director of Operations Support  
Signature: On File

# How To Do Business With The Commissioners Of Public Works Of The City Of Charleston

## Purchasing Department



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**COMMISSIONERS:**

**Elected:**

Howard F. Burky, Chairman  
Thomas B. Pritchard, Vice-Chairman  
Terry Seabrook

**Ex-Officio:**

Joseph P. Riley, Jr., Mayor  
Louis L. Waring, Councilmember

**OFFICERS:**

William E. Koopman, Jr., General Manager  
John B. Cook, P.E., Asst General Manager/Engineer  
Patric M. McClellan, Dir of Administrative Services  
Kin Hill, P.E., Director of Operations

Dear Vendor:

This pamphlet has been prepared as a brief introduction to doing business with the Commissioners of Public Works of the City of Charleston.

The Commission encourages meaningful participation of small and minority-owned vendors whenever possible to provide useful and acceptable quality services or materials at competitive prices. The Commission does not list participation by small and minority-owned vendors to the smaller or simpler jobs providing the vendor has the capabilities and resources to properly provide the necessary requirements in the best interest of CPW objectives.

CPW has implemented an Environmental Management System (ISO 14000) committing to an environmental policy. Which will prevent pollution and protect the environment. We are asking that your organization comply with our environmental policy as it relates to the products and services that your organization provides to CPW.

Should you have any questions that are not answered here, please do not hesitate to call our Purchasing Department at (843) 727-6894.

Sincerely,

Frank Crawford, Jr.  
Director of Operations Support



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## **GENERAL**

### A. Purpose

The purpose of this manual is to acquaint you with the procedures used for carrying out purchasing with the Commissioners of Public Works of the City of Charleston. If you have questions that are not answered in this general guide, call or visit the Purchasing Department at:

Purchasing Department  
103 St. Philip Street  
Charleston, SC 29403  
(843) 727-6894

### B. What the Commissioners of Public Works Buys

If you sell a commodity or service, and your prices and service are competitive, chances are that you can do business with the Commissioners of Public Works. The Commission purchases more than \$25 million worth of products and services each year, ranging from chemicals to pipes and fittings. The Commission is continuously looking for good vendors to supply those items.

### C. Purchasing Policy

Due to the substantial amount of money involved, purchasing for the Commission is guided by several established policies. These policies are:

1. To conduct all purchasing in accordance with established Commission purchasing policies.
2. To obtain the right quantity and quality of product or service at the right price, and time when needed.
3. To maximize competition, and provide all interested and qualified vendors with the opportunity to offer their products or services to the Commission.
4. To treat all vendors fairly, ensuring that there is open and fair competition among those best sources, with the business being awarded in the most advantageous and best interest of the Commission.



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D. Who Purchases for the Commissioners of Public Works

The Commission has a centralized purchasing function. The Purchasing Department is the authority for all purchases above \$200.00. Vendors shall not make sales to Commission associates without a purchase order approved by the Purchasing Department. Associates outside of purchasing do not have the authority to commit Commission funds.

The Purchasing Department is located at 103 St. Philip Street, Charleston, S.C. and the Director of Operations Support heads the department.

E. Office Hours

The Purchasing Department is open for business from 8:15 AM to 4:30 PM, Monday through Friday, with the exception of the following legal holidays: New Year's day; Martin Luther King's Birthday; Good Friday; Independence Day; Labor Day; Memorial Day; Thanksgiving Day; The Day After Thanksgiving; Christmas Eve and Christmas Day. Office hours for vendors are 1:00 PM to 4:00 PM, Friday and by appointment only at all other times.

F. Staff Directory

The following is a list of the Purchasing Department's personnel who may assist you:

Director of Operations Support	727-6894
Purchasing Manager	727-6891
Contract Administrator/Minority Business Dev. Coordinator	727-6910
Purchasing Administrative Assistant	727-6894

G. Written Correspondence

Direct all correspondence to Commissioners of Public Works, Purchasing Department, Post Office Box B, Charleston, SC 29402-0017.



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## **HOW TO BECOME ELIGIBLE TO SELL TO THE COMMISSIONERS OF PUBLIC WORKS OF THE CITY OF CHARLESTON**

All vendors who are interested in doing business with the Commissioners of Public Works should register with the Purchasing Department. One may register by completing and submitting a Vendor Application Form No. VI. Forms may be obtained by contacting the Purchasing Department.

Using the completed application, the Commission will then undertake an investigation of your company to determine where it is qualified to be a reliable supplier. If the finding is favorable, your company will be assigned a vendor number and placed on the bidder's mailing list with an indication of the products or services it can provide.

CPW has implemented an Environmental Management System Program (ISO 14000) committing to an environmental policy, which will prevent pollution and protect the environment. We are asking that your organization comply with our environmental policy as it relates to the products and services that your organization provides to CPW.



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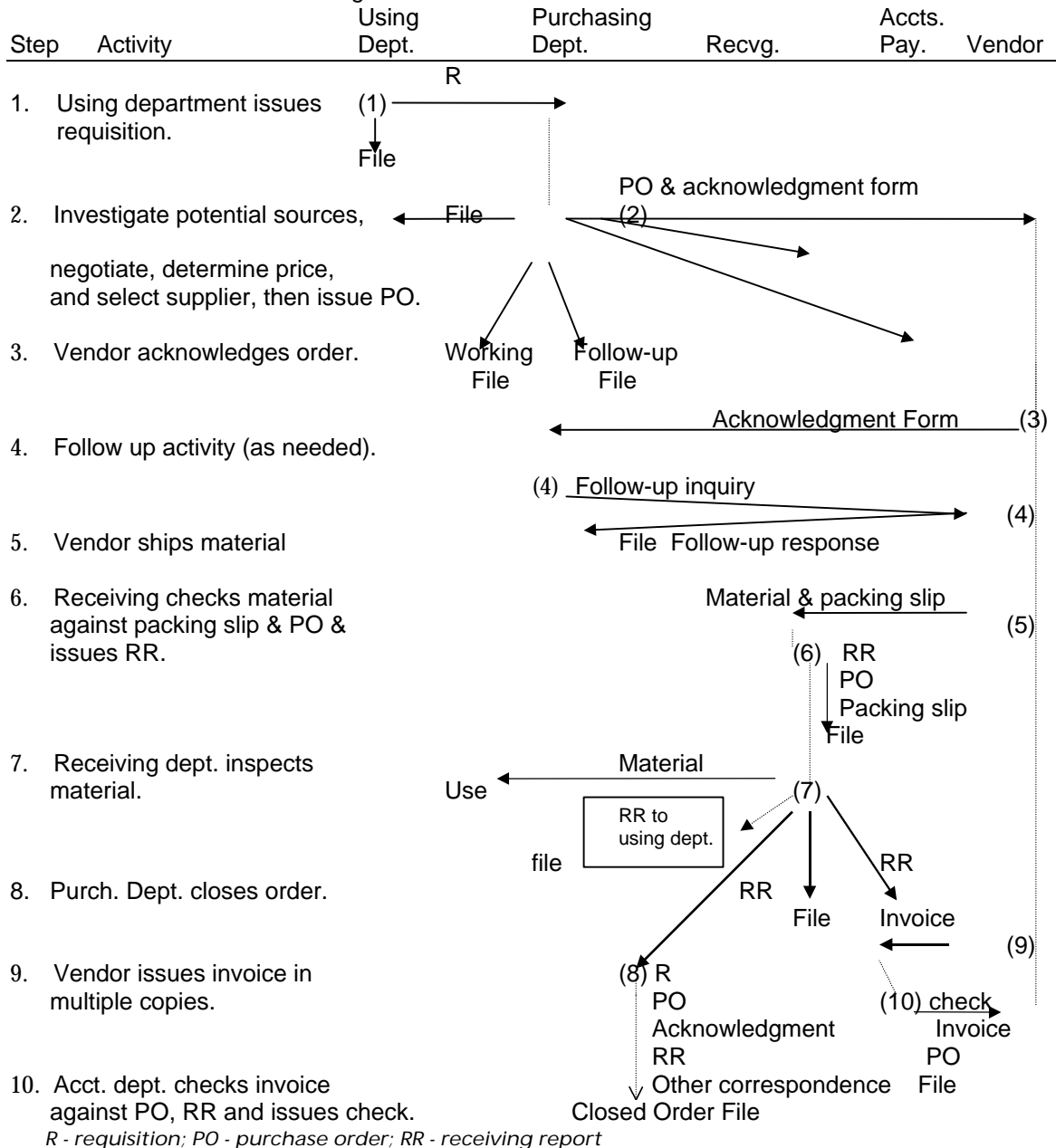
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## HOW THE PROCUREMENT PROCESS WORKS

### A. An Overview of the Process

The illustration provided here describes, in simplified form, the purchasing process used by the Commission. As shown, the process begins with the development of a requisition by the using department and ends with the closing out of the contract.





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## B. How Offers are Solicited

Bids and proposals are solicited through “formal” and “informal” procedures. Formal procedures are used when the estimated value of the purchase is estimated to be \$10,000 or greater. Informal procedures are used when the estimated value of the purchase is less than \$10,000.

Offers on formal procedures will be solicited by an IFB or RFP, and may be advertised in The Post Courier newspaper of record at least fourteen (14) days prior to the date offers are due and also S.C. Business Opportunities (SCEBO). The advertisement will state the date offers are due, where bid or proposal forms may be obtained, and the time and place bids will be opened. (Proposals are not opened publicly). In addition, solicitation documents will be mailed to vendors on the Vendor List for the item sought, and Dodge Reports if applicable. The formal solicitation process from issuance to opening generally takes two weeks. After bids or proposals are opened, the evaluation process may take up to thirty (30) days before an award is made.

Offers on informal (small) purchases will be solicited by mail, fax, or telephone from a minimum of three (3) vendors on the Vendor List. Informal purchases do not require public advertising. Generally, the informal bid process from solicitation to the opening of offers takes from one (1) day to seven (7) days. The evaluation and award process may take up to three (3) additional days.

All purchases for the Commission are made by the Purchasing Department, with the exception of petty cash purchases of a value less than \$200.00.

## C. Qualified Products Lists (QPLs)

Bidding on some of the products purchased by the Purchasing Department is limited to vendors whose products are listed on the Commission’s Qualified Products Lists (QPLs) for those items. A QPL is a form of specification in which various brands are acceptable products by brand names, model number, or whatever designation is necessary for precise identification. Vendors may submit products for consideration for inclusion on the QPL, at any time. For additional information and a listing of the items covered by QPLs contact the Purchasing Department.



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## **LAWS, REGULATIONS, AND PROCEDURES**

The procurement function of the Commissioners of Public Works is governed by common law, uniform codes, federal and state statutes, policies duly established by the Commissioners, and customs and usages of the trade. The Commission does not come under the State Consolidated Procurement Code according to Section 11-35-310(18). However, the Commission, being a political subdivision of the State, is required to adopt ordinances or procedures embodying sound principles of appropriate competitive procurements as defined in Section 11-35-50. The principal policies governing the Commission's purchasing process are described briefly below:

### **Invitation to Bid**

Invitations to Bid are mailed to the prospective vendors or may be obtained by a prospective vendor at the Purchasing Department's office. Only one copy of a bid is required to be returned; the vendor should retain a copy of the submitted bid. When a sealed bid is opened, examined and recorded, the original copy is placed in a working file for evaluation by the buyer.

### **Vendor Address**

Any Purchase Order issued as a result of a vendor bid will be sent to the firm name appearing on the bid form. If orders or payments are to be mailed to an address other than that shown on the face of the bid form, the vendor must so indicate and list the post office box or street number, city, state, and zip code for the address(es) in writing.

### **Signature of Bid**

The person signing the bid must be a person authorized to bind the vendor to contract. A bid not signed by such a person will be considered non-responsive and will be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the vendor or his representative is present at the bid opening.

### **Terms and Conditions**

A. The terms and conditions for all Invitations to Bid shall include these rules by reference unless otherwise specified. Vendor is charged with notice and understanding of the terms and conditions for the invitations of bids, and by submitting a bid, he agrees to abide and be bound by the policies and procedures of the Commission.



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B. Any special terms and conditions proposed by the bidder that vary from the terms and conditions of the Invitation to Bid must be noted conspicuously on the face of the Invitation to Bid and must receive an affirmative and explicit indication of acceptance from the Director of Operations Support or his agent.

Any special terms and conditions which vary from the terms and conditions of the Invitation to Bid may render the bid unresponsive and subject the bid to rejection.

### Pricing

Invitations to Bid shall request a net price for the unit specified for each item FOB destination. The net price is list price less all trade or other discounts offered, not including cash discount for prompt payment. Unit price, extensions and gross total must be shown on the bid or quotation forms. Cost-plus or discount from list quotations may be requested for the supply of certain types of commodities. Instructions concerning this method of pricing will be included in the Invitation to Bid.

### Errors

Erasures or use of correction fluid on bid forms are not acceptable. Prior to submission, errors may be corrected by lining out and entering the substituted words or figures with the change initialed by the person signing the bid. No bid shall be altered or amended after the bid opening. In the case of errors in the extension prices, the unit price will govern.

### Discount

Invitations to Bid normally request net prices. If case discount is offered, it must be shown in the space provided. Discount for prompt payment periods of less than thirty (30) days will not be considered in the award process. All discounts offered for prompt payment will be taken if earned. Time will be computed either from the date of delivery at destination or from the date a correct invoice is received, whichever is later.

### Taxes

Prices quoted shall contain provisions for Federal Excise Taxes or State Sales Tax. CPW is not exempt from such taxes. Contractors are not exempt from sales tax on materials and supplies used in the production of an item or used in the performance of a repair or construction contract.



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### Time of Performance

The number of calendar days required for delivery after receipt of order must be shown by the vendor unless already specified by CPW in the space provided on the Invitation to Bid.

### Specifications

Reference, in the Invitation to Bid, to available specifications shall be sufficient to make the specifications binding on the contractor. Unless a vendor specifies otherwise in his bid, it is assumed that the vendor is bidding in accordance with the specifications in the Invitation to Bid. When merchandise is received that does not meet specifications, it will be returned to the vendor, shipping charges collect.

### Alternate Bids and Specifications

Alternate bids are encouraged. When alternate bids reveal more economical services, supplies, or materials than those specified, the Purchasing Department reserves the right to award to the "alternate" or "re-advertise" with modified specifications. Alternate bids cannot be considered, however, unless detailed specifications accompany the bid. If the vendor cannot include alternate or supplemental bids in the bid package supplied with the Invitation to Bid, the vendor may submit them on a separate page, using the same format as the original. Also, each separate page must be cross-referenced to the Invitation number and applicable item, and must be identified by vendor's signature.

### Amendment or Withdrawal of Bids

Amending or withdrawal of bids may be permitted under the following circumstances:

- A. Prior to bid opening, vendors not able to appear in person who wish to withdraw or amend a bid may do so by submitting either a letter or telegram containing such request to the Purchasing Department. Should a request for withdrawal occur, the Director of Operations Support, or his designated representative, will attach the dated and time stamped request to the bid, which will remain unopened as a part of the permanent file.
- B. After the bid opening, a vendor will be permitted to withdraw his bid if there is an obvious error in the bid supported by cost data, or where enforcement of the bid would impose an unconscionable hardship due to an error in the bid resulting in a quotation substantially below the other bids received. The request for withdrawal



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shall be made in writing to the Director of Operations Support. No charge in bid prices or other provision of bids shall be made.

### Correspondence Concerning Bid Invitations

Any questions concerning the Invitation to Bid should be directed to the Purchasing Manager. The person corresponding should specify the bid number, and bid opening date that appear in the bid invitation. For example:

Bid No. - 180  
Opening Date - 2:00 PM, July 5, 2001

After award, bid files may be examined during normal working hours.

### Samples

Samples of items, when called for in the Invitation to Bid, must be furnished free of expense, and if not destroyed or used in testing will, upon request, be returned at the vendor's expense. Requests for the return of samples must be made, in writing, within ten (10) days following opening of bids. After ten (10) days, CPW assumes no liability for samples and will dispose of or utilize said samples at the discretion of the CPW. Each individual sample must be labeled with the vendor's name, manufacturer's brand name and number, requisition number and item reference. Samples submitted by the successful vendor will be held for comparison with merchandise furnished, and will not be returned.

### Product Testing and Demonstration

Manufacturers often offer use demonstrations of their products at department level. CPW recognizes the value of such tests; however, in order to insure proper testing and valid evaluation of test results, vendors are required to obtain prior approval for such tests/demonstrations from the Purchasing Department.

### Trade Ins

The Commission may request bids for new equipment employing trade-in of used equipment. In such cases a trade-in price quotation will be requested for trade-in purchases and a separate price quotation without trade-in for the requested equipment. The Commission reserves the right to purchase equipment either with or without the trade-in.



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## **FREQUENTLY ASKED QUESTIONS**

### **1. May a vendor see copies of bids prior to award? If so, where?**

A vendor may review copies of the bids prior to award, after the bid opening, in the office of the Director of Operations Support, by appointment.

### **2. What are the most frequently considered factors involved in determining a responsive bid and a responsible bidder?**

A "responsive bid" is a bid that meets all the terms, conditions and specifications of the IFB. A "responsive bidder" is a bidder who has the financial resources, personnel, facilities, integrity, and overall capability to complete a particular Commissioners of Public Works contract successfully.

### **3. Can a stipulation of "all or none" on behalf of the vendor for his materials lead to a disqualification of the bid?**

Yes. If it is in the best interest of the Commission to accept the "all or none" stipulation, the bid may be accepted for evaluation. However, if the Commission determines that the "all or none" stipulation is not in its best interest, the bid may be disqualified by the Director of Operations Support.

### **4. When is resident preference applicable?**

Resident preference is applicable only in the case of tie bids.

### **5. May a vendor call and ask to review the contract file and request information about an award?**

Bidders may request to review files.

### **6. Does the Commission have special authorization purchases?**

Yes, small field purchases. Small purchase orders (SPO) covers the procurement of certain minor miscellaneous materials and supplies, the value of which do not warrant purchasing under centralized. The SPO is limited to a specified monetary amount \$200.00 per order and is authorized for use under specific conditions.



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**7. Who manages surplus property?**

Surplus property is managed by the Purchasing Department, which also schedules auctions, spot sales, or competitive bidding for surplus property.

**8. To whom are questions about surplus property referred?**

Questions concerning surplus property should be referred to the Purchasing Manager.

**9. What should I do first if I wish to bid on Commission business?**

Contact the Purchasing Department and request a Vendor Application form. Completing and returning the form will guarantee placement on the bidder's mailing list.

**10. What happens if I can only bid on part of the items in an IFB?**

You should bid on only those items you can provide. The Director of Operations Support has the option to decide, after bid evaluation, whether or not a bid-in-part is feasible for the Commission. The individual bid will indicate whether the bid will be awarded on an individual line item basis or in the aggregate or combination thereof.

**11. How can I get my product approved?**

Product approval or evaluation is normally done after bids are received and opened. However, in some instances the Commission will evaluate certain products and establish a Qualified Products list. When this is the case, products can be submitted for evaluation at any time.

**12. May I bid if I don't handle the brand listed on the IFB?**

Yes, if the bid specified "a brand name or CPW approved equal", you may offer an alternative "or equal" brand. "Or equal" products will be evaluated after bids are received, based on literature submitted and any required testing for the product.



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**DISCLAIMER**

The guidelines presented here have been prepared, and provided to you, the vendor, for information purposes only. They do not supplant the laws, regulations, and procedures governing procurement by the Commission. In the event of changes in those laws, regulations, or procedures, the laws, regulations, and procedures are binding and take precedence.



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## GENERAL GUIDELINES TO COMMISSIONERS OF PUBLIC WORKS PROCUREMENT

The activity of procurement is divisible into two (2) basic functions: technical and administrative and takes place in three (3) distinct steps:

1. The pre-solicitation phase, which begins with procurement planning and culminates in the procurement package. This package consists of the bid set and its source material.
2. The solicitation-award phase, in which prospective bidders are selected and given a bid set. The bidders respond with quotations/proposals and an award is made to the one most responsive to the need of the Commission.
3. The post-award contract administration phase during which the contract, as administrated by the Commission, controls the performance of the contractor.

The following guidelines and suggestions may be helpful to potential contractors, especially small and minority businesses that have no prior experience with public procurement.

### Failure to Read with Meticulous Care the Solicitation, its Attachments, and Specifications.

Commission solicitations and contracts require careful analysis. Requests for Proposal (RFP's) and Invitations to Bid (IFB's) include standard forms and special provisions, with many contract clauses incorporated by reference. Inexperienced contractors are often unaware of the importance of the clauses, and failure to understand often leads to problems. The newcomer should determine all that is expected before bidding.

### Excessive Optimism in Assessing the Task, the Risk, and In-house Capabilities

Businesses, especially small and minority business, in their endeavor to increase sales volume and anticipated profit may at times be overly optimistic in assessing the task, the risk and in-house capabilities when bidding on a contract, either as a prime or subcontractor. In assessing the risk, the bidder must take a realistic approach in determining whether it has the overall capability, both technical and financial, to perform on a selected procurement.



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Delay in receipt of goods and supplies from vendors or subcontractors could cause the contract to be in delinquent status, which in turn could be cause for termination of the contract. These factors must be taken into consideration if a small or minority business entrepreneur is to succeed in establishing a profitable business entity.

There must be sufficient cash available either on hand or through granting of credit by suppliers and/or financial institutions.

Given sufficient capital, a small or minority business can always expand its in-house capabilities; however, management must decide whether increased staff, and the additional equipment and space can be used productively beyond the completion of the immediate contract. A solicitation may be a one-time procurement.

Overall, businesses involving themselves in Commission procurement must approach each solicitation critically and assess the following:

1. Are your people competent, and are they available for this job?
2. Are your facilities adequate, and are they available?
3. What has been your experience on similar jobs?
4. Are the Commission's drawings complete?
5. Can you meet the delivery schedule?
6. Can you handle the job financially?

### Specifications and Standards

Specifications seek a level of quality. They are clear and accurate descriptions of the technical requirements for materials, products, or services. They specify the minimum requirements for quality and construction of material and equipment necessary for an acceptable product. Generally, specifications are in the form of written standards, and other descriptive references. They are an integral part of the purchase contract and not meant to favor one product over another.

Standards are descriptive criteria to assure material uniformity and interchange-ability of parts and may be used in specifications, invitations for bids, proposals, and contracts.

### Bidding Based on Guess Estimating, Instead of Cost Estimating Based on Factual Data

Experience has shown that some small business concerns prepare a cost estimate based on previous award prices. The presumption is that prior contractors had



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profitable contracts. A firm that underbids the last award price by a small percentage instead of computing its own real cost is taking a major risk.

Sometimes the bid price is arrived at by historical prices on comparable items, and the market is not checked for current costs for materials and components.

There are instances in which a business will bid low to obtain a contract in the hop of follow-on business.

Skill in estimating costs realistically is perhaps the most important capability of a contractor, because it is usually price that gets him the contract when competing with others equally qualified. Some typical cost estimating factors are:

- Subcontractor and vendor costs
- Overhead and overhead trend
- Learning curves for labor and salaried personnel
- Estimate of man-hours
- Availability of furnished material and equipment
- Material cost trend
- Labor and salary rates and predictable changes
- Judgment based on experience with similar jobs.
- Profit

The “pig in a poke” approach to bidding often results in lamentation when the contract is granted. The solution is obvious: **BID CAREFULLY**

### Bidding Under Too Much Pressure of Time

When a contractor bids under the pressure of time, the results can be disastrous. The contractor finds himself committed to contractual requirements that cannot be met profitably or in a timely manner. Preparing a profitable, responsive bid requires close and careful study of the bid package that includes all specifications and standards. Invitations have deadlines however, and there seems to be no time to get needed specifications, obtain supply quotations, and resolve conflicts. In brief, the quotation is made with little or no visibility. The solution lies in setting up a system for a quick bid/no bid decision, and if the word is “bid”, a rapid system for retrieving specifications. Referenced specifications should be read carefully.



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Waiting until the preparation of a bid is a poor time to start assembling vendor support. A business should take the time to assemble cost accounting records so that costs in terms of time and material are readily available. If a short lead-time solicitation arrives, a firm should not resort to a hasty estimate based on a best guess; rather, it should bid on factual performance records. A relatively insignificant error in addition can be multiplied into the difference between profit and loss when extended by production quantities.

The contractor should realize that no matter how attractive the solicitation appears on the surface, it should not be bid unless time permits the bidder to adequately study all of the task specifications and evaluate completely all costs essential to the production of the bid item or service.

### Accepting An Impossible Time Frame

If you can't do it - don't bid. Because of eagerness to receive a contract award, a contractor may inadvertently or intentionally accept an impossible time frame or delivery schedule for contract performance. The net result could be serious financial losses or even bankruptcy.

Prior to the acceptance of a contract you must ascertain that you can make delivery of the supplies or perform the services within the time specified in the contract, and also be assured that continued progress can be made so that performance will not be endangered.

All fixed price supply contracts contain a default clause which, in part, provides the Commission with the right to terminate all or any part of the contract for default if the contractor (1) fails to make delivery of the supplies or perform the services within the time specified in the contract, and (2) fails to make progress so as to endanger performance of the contract.

In the event the Commission terminates the contract in whole or in part, the Commission may procure the supplies of services similar to those so terminated, and the contractor is liable to the Commission for any excess costs for such similar supplies or services.

### Preparing Bids and Proposals

There are two (2) types of offerings - bids and proposals. Bids involve advertised proposed purchases, while proposals involve purchases to be made by negotiations.



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South Carolina

Title: How To Do Business With CPW  
Corresponding Requirement(s) (CPW, state,  
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Approved by: Frank Crawford, Jr.,  
Director of Operations Support  
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Bids and Proposals always should be prepared with utmost care. Contracts awarded on erroneous bids may result in serious financial loss or other difficulty for the bidder. Errors in bids or proposals, if revealed during negotiations or through subsequent request for amendments, may cause the Commission to doubt the firm's reliability to perform successfully.

Before preparing a bid, close study should be made of the specifications for the item to be sure that all requirements can be met. Particular attention should be given to the instruction to bidders and to conditions of purchase, delivery and payment.

When determining the amount of the bid, the small firm should be especially careful to include all costs of material, labor, overhead, packaging, and transportation. Also, it should be sure to comply with such important provisions of the bid as submitting the required number of copies, mailing the bid in sufficient time to reach the Purchasing Department before the bid opening date, and properly tagging, marking and mailing any required samples well in advance of the opening date.

When preparing a proposal on a purchase to be made by negotiation, the same care should be taken as when preparing a formal bid. However, because the negotiated purchase procedure is more flexible than the bid procedure, there is greater opportunity to seek modification of specifications or conditions of purchase, delivery, and payment, if modifications seem necessary or desirable.

If the Director of Operations Support decides to negotiate on a firm's proposal, he or she may require a complete cost analysis. Therefore, the firm should be prepared to support the quotation with facts and figures.

If a business person wants to change or withdraw a bid, he or she may send a letter or telegram to this effect to the Purchasing Manager. However, the notification must reach the office prior to the time set for the bid opening.

After award of the contract, it is imperative that the contractor maintains close contact with the Commission through the user department.

This close relationship is important in order to avoid costly contractor errors and misconceptions about the project. Tasks beyond the state of the art do not have drawings and specifications detailing what is required; technical communications is extremely important. It would serve no purpose if an end item is delivered that is not what the procuring activity intended, be the requirement a report or hardware.



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Contractors should approach their projects with caution and be sure that they understand all provisions of CPW's procurement policies to minimize expenditure of company resources.