INSTRUCTIONS FOR
INFORMAL BIDS & LETTER CONTRACTS

Idaho Code §67-5711C, as amended, authorizes the use of informal bids for projects with a written cost estimate of greater than $25,000 but less than $100,000. This provision requires awarding of a contract to the low responsible bidder after soliciting bids from at least three properly licensed contractors. Minimum requirements include the following:

1. Adequate public notice given at least seven (7) days prior to bid opening. Such notice may be publication in a newspaper or trade journal in the work area and by notifying persons believed to be interested.
2. Informal bids must be submitted in writing. The bidder must submit along with his bid an affidavit certifying his compliance with Idaho Code, §72-1717, requiring that the contractor and his subcontractors at the time of bid provide a drug-free workplace program and to maintain such program throughout the duration of the contract. (See attached sample affidavit.)
3. Bid shall be in response to a prepared written document describing the project’s scope of work.
4. Bids must be documented in the project file.

The extent of written documents including plans and specifications may vary depending on the complexity of the work. The intent of the informal process is to reduce the amount of documentation and lengthy procedures inherent in the formal bidding and construction process. To be successful, the process should minimize the procedures but retain the appropriate safeguards to assure adequate performance. Basic minimal requirements for informal documents would include the following:

1. Adequate public notice shall be provided, such as an invitation to bid published in a newspaper or trade journal. Notifying interested bidders should always be done, but should be in addition to the invitation, rather than in lieu of it.
2. A prepared bid form with blank spaces to fill in the amount of the bid and for name and signature of bidder. If the project includes plumbing; heating, ventilating and air conditioning (HVAC); or electrical work, the form should have the appropriate blank spaces to list the entity (contractor/subcontractor) that will perform the work.
3. Documents should state the requirement that all contractors and subcontractors are to be properly licensed as Idaho Public Works Contractors at the time of bid.
4. Documents should indicate the minimum insurance requirements for the contractor. No actual work should commence until such assurance of minimum coverage is verified.
5. §54-1926 requires performance and payment bonds in the amount of not less than 85% (Note DPW requires 100% on all DPW projects and recommends the same on all other contracts) of the contract amount. A particular form is not mandated. No work on the project may be performed until these bonds are furnished.
6. Informal bids shall be based on provisions of §44-1001 and §44-1002, Idaho Code pertaining to the employment of Idaho residents, §72-1717, and Idaho Code requiring an alcohol and drug-free workplace.
7. An amount of time for completion of the work should be stated in the bidding documents and incorporated into the letter contract.
8. Plans and specifications should be sufficiently detailed to clearly define the extent and quality of the work and to allow inspection for confirming the performance. The required amount of detail will vary significantly with the complexity of the project. Reference standards would be adequate in many instances.
9. Code and safety issues should be considered. If appropriate, review and approval by the Division of Building Safety and the State Fire Marshal should be accomplished.
10. A public bid opening at a specific time and place is acceptable but not mandatory. No Bid Bond is required. Because of the informal nature, most irregularities in the bids can be waived. Documentation of the receipt of bids is to be placed in the project file. Retention of all the bids is desirable.

11. After evaluating the bids, a letter contract should be issued. It should include a date to proceed, a date to complete the work, and the total contract amount or terms. [Note: If the letter contract is issued to a natural person age 18 or older (i.e. an individual rather than a corporation, partnership or other legal entity then the issuing agency is required by Idaho Code §67-7903 to verify that the person is either a US citizen or legal resident. The recommended procedure for verification of lawful presence is attached as an appendix to these instructions.]

12. In most cases, only one total payment should be made after the final completion and acceptance of the work. If more than one payment is deemed necessary or desirable, the bidding documents and the letter contract should address the terms and conditions for partial payments. The documents should also allow the Owner to deduct an appropriate amount from the payment for unacceptable performance or failure to complete on time. Reasonable judgment should be used in deductions from payments. Specific liquidated damages typically will not be employed in informal bidding.

13. Changes (i.e. change orders) to letter contracts should be in the form of an additional letter clearly indicating the scope of the change and any adjustment in contract amount and/or time.

14. Careful evaluation and acceptance of the work should be accomplished prior to authorizing payment. The person responsible for this task should be determined and documented prior to issuing the letter contract. In some cases, the designer may not be contracted to perform construction and acceptance service.

15. Generally, informal bid contracts will not require the typical closeout documents or requirement for the designer or contractor to provide services after final payment.

State agencies using other than Permanent Building Funds for projects with a written cost estimate less than $100,000 are to follow the requirement set forth in Idaho Code §67-5711C for informal bidding. However, these projects do not come under the administrative authority of the Division of Public Works and the Permanent Building Fund Advisory Council. An agency may request, and the Administrator may accept the administration of such projects.

Projects with a written cost estimate of less than $25,000 do not have any specific requirements for their implementation. Common sense and good judgment should be used if such a project is to be accomplished. Competitive selection should be used where appropriate.

Projects that are more than $25,000 and less that $100,000 may utilize the formal bidding process with full plans and specifications, if desired. This provides a more structured construction process.
Division Of Public Works
State Of Idaho
DPW Project No. XX-XXX

Informal Bid

for the

Division Of Public Works
502 N. 4th Street
Boise, Idaho

Project:

Title of Project

Date
INVITATION FOR INFORMAL BIDS

Informal bids will be received by Division of Public Works, State of Idaho, at 502 N. 4th, Boise, Idaho until (time) local time, on (date) for DPW Project No. XXXXX, Title, Location, Idaho.

Forms and other information are on file for examination at the following locations:

Division of Public Works, 502 N. 4th St., Boise, ID.
Design Professional (name, address, and phone number)
Agency (name and address)

Walk-thru: time, date (if required)

A Public Works Contractors License for the State of Idaho is required to bid on this work.

Estimated Cost: $0.00

Barry J. Miller, Deputy Administrator
Division of Public Works
REQUEST FOR INFORMAL BIDS

DPW Project No. XXXXX

Title
Name of Agency
City, Idaho

The State of Idaho, Division of Public Works, will receive informal bids for the above project at (location), Idaho until (time) local time on (date).

The work shall include labor and materials required to construct [insert description of project] as shown on the attached drawings and specifications.

USE ONE OF THE FOLLOWING AS IS APPROPRIATE FOR THE PROJECT

Bid Walk on-site will be held (date) at (time). OR

An on-site inspection may be scheduled with [Agency contact person, with address and phone number].

Informal bids shall be based on provisions of §44-1001 and §44-1002, Idaho Code pertaining to the employment of Idaho residents, and §72-1717, Idaho Code requiring an alcohol and drug-free workplace.

The contractor will be required to maintain Contractors Liability Insurance to include Workman’s Compensation (statutory), Employers Liability ($100,000 minimum) and Comprehensive General Liability (minimum of $500,000 combined single limits for bodily injury and property damage). A certificate of insurance will be required prior to any work being done.

The contractor will be required to coordinate his work with [insert name of DPW Field Representative and/or agency contact person].

All work is to be accomplished within (# of days) calendar days from receipt of a Letter Contract and Notice to Proceed. Failure to perform the work within this established time period will be grounds for withholding an appropriate amount of the compensation as damages for the delay.

Contractors and Specialty Contractors must have a Public Works Contractors license as suitable for work to be accomplished on this contract.

The Contractor agrees to pay all state sales and use taxes.

A performance bond and labor and materials payment bond each in the amount of one hundred percent (100%) of the contract amount will be required for work accomplished on this contract prior to the start of any work.

Plans, specifications, proposal forms and other information are available at:
(Indicate name and address of location where documents are available).

Division of Public Works, 502 N. 4th St., Boise, ID.
Design Professional (name, address, and phone number)
Agency (name and address)
INFORMAL BID

DPW Project No. 00000
Title of Project
Division of Public Works
City/Town, ID

The undersigned proposes to do the above work in accordance with the request for informal bids and all drawings and specifications attached thereto.

The Bidder agrees to commence work upon receipt of a letter of contract and Notice to Proceed, and to complete the work within [# of Days] calendar days thereafter. Bidder proposes to perform the work for _____________________________ Dollars ($___________________).

Dated this________day of_________________________.

PLACE UNIT PRICES AND ALTERNATES (WHEN APPLICABLE) HERE

Respectfully submitted,

By: _________________________________
(Company Name)

________________________
(Business Address)

________________________
(Signature)

________________________
(Title)

________________________
(Telephone Number)

________________________
(FAX Number)

________________________
(E-Mail Address)

________________________
(Public Works Contractors License No.)

Bidder must include his affidavit concerning an alcohol and drug-free workplace along with bid.
STATE OF __________________________

COUNTY OF __________________________

Pursuant to the Idaho Code, §72-1717, I, the undersigned, being duly sworn, depose and certify that ____________________________ is in compliance with the provisions of Idaho Code title 72, chapter 17; that ____________________________ provides a drug-free workplace program that complies with the provisions of Idaho Code, title 72, chapter 17 and will maintain such program throughout the life of a state construction contract and that ____________________________ shall subcontract work only to subcontractors meeting the requirements of Idaho Code, §72-1717(1)(a).

Name of Contractor

______________________________

Address

______________________________

City and State

______________________________

By: ____________________________
   (Signature)

Subscribed and sworn to before me this ________________ day of __________________, ______.

Commission expires:

______________________________

NOTARY PUBLIC, residing at

______________________________

______________________________
APPENDIX

Informal Bid Documents

VERIFICATION OF LAWFUL PRESENCE IN THE UNITED STATES TO RECEIVE A STATE BENEFIT (CONTRACT) – IDAHO CODE SECTION 67-7903.

Idaho Code Section 67-7903 requires the state agency to verify the lawful presence of the natural person in the United States who is receiving public benefits. Public benefits are defined to include contracts.

This process applies only to contracts to be awarded to natural persons, [Note: A natural person is an individual age 18 or older rather than a corporation, partnership or other legal entity] age 18 or older. If the letter contract is issued to a natural person then the issuing agency is required by Idaho Code §67-7903 to verify that the person is either a US citizen or legal resident. If you are dealing with a contract where the non-state contracting party is a natural person, age 18 or older, the following process should be used. If you are dealing with a contract where the non-state contracting party is a corporation, partnership, limited liability company or other legal entity (but not a sole proprietorship or natural person), this process is not to be used.

You MUST use this process for ALL CONTRACTS where the non-state contracting party is a natural person, age 18 or older. This process MUST be applied without regard to race, religion, gender, ethnicity or national origin.

Before issuing a purchase order or a contract, do the following:

1. Require the contractor to provide (and include in the file) one of the following1:
   (a) An Idaho driver's license or an Idaho identification card issued by the Idaho Transportation Department pursuant to section 49-2444, Idaho Code;
   (b) A valid driver's license or similar document issued for the purpose of identification by another state or territory of the United States, if such license or document contains a photograph of the individual or such other personal identifying information relating to the individual;
   (c) A United States military card or a military dependent's identification card;
   (d) A United States Coast Guard merchant marine card;
   (e) A native American tribal document;
   (f) A valid United States passport;

   AND

2. Require the contractor (if he/she has not done so already) to provide his/her social security card.2

1 If it can be arranged to see the original of the document and make a copy, that would be preferred. However, given that contracts may be with a natural person living miles away, that may not be possible in every case so require a copy of the document.

2 For contractors to be paid, pay requests are generally processed through the fiscal section of the using agency, or DPW for DPW projects, and then through the State Controller’s Office. Generally, this payment process is where the social security number (or TIN) is verified. If there is a problem, the State Controller’s Office will notify the using agency fiscal section, who will likely notify DPW. This process applies to all state agencies using the STARS system. For example, if the contract is for services provided to the Department of Administration, it would have to be processed through our fiscal section. Other agencies should have some sort of fiscal section as well.