

HOME/HTF Affordable Housing Development Grant Administration Manual

Tools and Resources

Step-by-Step Guide to Procurement by Sealed Bid

This resource provides step-by-step instructions to completing procurement by sealed bid.

Competitive, sealed bidding is the standard procurement process followed for construction activities in HOME and HTF projects. Bids are publicly solicited (advertised in newspapers) and kept in confidence until a public bid opening. Grantees that are local governments should refer to the current applicable provisions of Montana law for advertising requirements when the competitive, sealed bid method is used (Section 7-5-2301, MCA, for county governments and Section 7-5-4302, MCA, for municipalities).

This method of procurement is used when the following conditions exist:

- A complete, adequate, and realistic specification or purchase description is available;
 - Two or more responsible suppliers are willing and able to compete effectively;
 - The procurement lends itself to a firm, fixed-price contract (i.e., a specified amount to be paid when items or services are delivered); and
 - Selection of a successful bidder can appropriately be made principally based on price (i.e., award goes to the lowest responsive and responsible bidder).
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1. Outline a schedule for noticing, conducting pre-bid inspection, receiving bids, opening bids, issuing Notice of Award/Notice to Proceed. Ensure construction period is reasonable.
2. Prepare bid documents, plans, and specifications. Be sure to include a detailed scope of work and project schedule.
3. Prepare and provide draft notice, bid documents, plans, and specifications for project construction to Commerce for review.
4. Issue a notice/s for the bid competition.
5. Complete a pre-bid inspection.
6. Open bids publicly. Select the lowest, responsible bidder.
7. Request Commerce conduct a debarment/eligibility check for the tentatively selected contractor and its subcontractors. To complete the check, Commerce needs names and DUNS numbers. NOTE: To complete a Federal debarment check, the contractor and subcontractors must be registered in the System for Award Management or "SAM" (<https://www.sam.gov/SAM/>).
8. Issue a Notice of Award.
9. Provide Commerce with the draft contract for review. Ensure the HOME/HTF supplemental conditions are included. NOTE: Cost plus a percentage of cost contracts are not allowed.
10. Execute a contract with selected bidder.
11. Issue a Notice to Proceed.

Once available, provide Commerce with the following documentation:

- Architect's Estimate and Certified Bid Tabs
- Affidavits of Publication for Bid Advertisements
- Notice of Award
- Building code comment and approval letters

- Executed contract with selected contractor
- Contractor's ACORD certificates of insurance
- Completed bond forms
- Notice to Proceed
- Confirmation that easements (if any) are in place
- Completed environmental permits (if any)