

ADMINISTRATIVE PROCEDURE No. 5301

Modes of Procurement

Date Adopted: 29 June 1998

Date Revised:

Date Reviewed: 22-24 March 2014

References: FSM - Financial Management Regulations, amended June 14, 1999
Memorandum from the Comptroller re: Bid Requirements for Federal Grants dated June 29, 1998
FSM Code Title 55

Formal/Open Bidding:

1. The Open Bidding shall be initiated by the designated Contracting Officer, who shall publish an Invitation to Bid containing at a minimum the following information:
 - a. Complete description of the item or project subject to bid;
 - b. Address and deadline or submission of bids
 - c. Time and place for the opening of bids
 - d. The requirements that the bidder at least ten (10) days prior to the date for opening of bids shall submit to the Contracting Officer:
 - i. Written notice of the intent to bid
 - ii. Proof of financial ability to perform the work intended and experience and competence in performing similar work; and
 - iii. With respect to a bidder seeking a Citizen Bidder preference, a statement that he is submitting his bid as a Citizen Bidder and sufficient documentation to demonstrate eligibility to receive the citizen bidder preference
 - e. The name and address of the Contracting Officer
 - f. The Citizen Bidder definition
 - g. The amount of the Citizen Bidder Preference as follows (FSMC Title 55 Section 404):
 - i. For all contracts for construction projects involving at least \$20,000, but less than \$500,000, or for the purchase of personal property involving a least \$50,000, but less than \$500,000, the amount of the bid of each citizen bidder shall be reduced by 15 percent;
 - ii. For all contracts for construction projects involving at least \$500,000, but less than \$1,500,000, the amount of the bid of each citizen bidder shall be reduced by 10 percent;
 - iii. For all contracts for construction projects involving at least \$1,500,000, but less than \$10,000,000, or for the purchase of personal property involving at least \$1,500,000, but less than \$10,000,000, the amount of the bid of each citizen bidder shall be reduced by five percent; and

ADMINISTRATIVE PROCEDURE No. 5301

- iv. There shall be no citizen bidder preference with respect to contracts for construction projects involving \$10,000,000 or more, or for the purchase of personal property involving \$10,000,000 or more.
 - h. Additional Requirements (FSM-FMR 5.6):
 - i. With respect to bids for construction projects, the name of and the nature and scope of the work to be performed by each joint contractor or subcontractor to be engaged by the bidder
 - ii. If applicable, discounts, transport costs, or life cycles; and
 - iii. A sworn statement by the bidder that they have not been a party to any agreement or collusion
 - i. Bonding and insurance requirements (FSMC Title 55 Section 406)
 - i. For construction projects involving more than \$150,000
 - ii. For the purchase of personal property involving more than \$10,000,000
2. The call for sealed bids shall be advertised for at least ten (10) days:
 - a. By posting such call in the Immigration Office and one other prominent public place in each state of FSM;
 - b. As far as practicable, thru radio or newspaper
3. The Contracting Officer shall evaluate the documents submitted by the interested bidder and if based on his judgment the bidder is not fully qualified and shall not be able to perform the work, the submit bid proposal shall be rejected and the party involved shall be properly informed of the denial. The prospective bidder, however, shall have his right to appeal.
4. All bids received prior to the deadline set shall be placed on a locked receptacle in the designated place and shall only be opened during the public opening.
5. Bids shall be opened publicly, in the presence of all bidders, not less than thirty (30) days after the final day of public notice at the time and place specified in the Invitation to Bid. Suppliers shall be allowed to scrutinize the bids received.
6. The Bid amounts of Qualified Citizen Bidders shall be reduced accordingly.
7. All bids not complying with the requirements shall be rejected.
8. The Contracting Officer shall award the contract to the lowest responsible bidder. Discretions can be invoked on the following conditions (FSM-FMR 5.12):
 - a. If the lowest bid is rejected, the award may be given to the next lowest bidder or decide to advertise anew;
 - b. If the two or more bids are the same and are the lowest, he has the discretion to choose;
9. A contract shall be between the winning bidder and the COM-FSM shall be executed.

Direct Contracting:

1. The Requisitioning department shall identify the supplier, and request for quotation.
2. The Corresponding Purchase Order shall be prepared indicating therein that the supplier is the single source available in the island. A certification of sole/exclusive distributorship may also be attached to justify the choice of the supplier.
3. For utilities, such as telephone, water and electricity, the preparation of Purchase Order is no longer required. The Bill shall be sufficient to pay the utility company.

COLLEGE OF MICRONESIA-FSM

ADMINISTRATIVE PROCEDURE No. 5301

Informal Bidding:

1. The requisitioning department shall request for price quotations from at least three (3) suppliers.
2. The Price Comparison and Analysis (PCA) shall be prepared. The PCA shall present the list of price quotations.
3. The supplier offering the lowest price shall be chosen and a corresponding Purchase Order is prepared.