

*INDIANA DEPARTMENT OF TRANSPORTATION*

*PROCUREMENT VENDOR HANDBOOK*



[www.in.gov/indot](http://www.in.gov/indot)

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## Guidelines for Ethical Procurement Practices

*A vendor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State, as set forth in Indiana Code §4-2-6 et seq., the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004.*

*A purchasing professional, the spouse or unemancipated child of a purchasing professional shall not solicit, accept, or receive nor shall a donor offer, directly or indirectly, any gift, favor, service, entertainment, food or drink, under circumstances in which it can reasonably be inferred that the thing of value would influence the employee to give special consideration to an action by such employee in his or her official capacity. (40 IAC 2-1-6(a))*

If a vendor is not familiar with these ethical requirements, the vendor should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at [www.in.gov/ig/](http://www.in.gov/ig/)

In our positions, as stewards of State taxpayer's money, we in the INDOT's Procurement Section are held to a high standard of special trust by our fellow citizens. It is our sincere hope that you, our vendors, will assist us in maintaining this high standard by avoiding any potential conflict of interest with our purchasing staff. It is incumbent upon us to strictly forbid such a conflict; please help us do our part.

## How to Become an Indiana Registered Vendor

The Indiana Department of Transportation (INDOT) Subscription Service is a **free** service available to all prospective vendor(s) interested in receiving electronic notification of bid opportunities for products and/or non-professional services only. It is highly recommended that vendors subscribe to receive email notification updates when bid information on INDOT's Procurement Internet site has been updated.

NOTE: If there is a specific district that you believe could benefit from your product/service, you should contact that district procurement agent directly to introduce your company. District contact information, including name and email, is listed at <http://www.in.gov/indot/2438.htm> by selecting the "Statewide Procurement Agent" link.

To subscribe for the e-mail notification system, vendors can visit the website at [www.in.gov/indot/2438.htm](http://www.in.gov/indot/2438.htm) and click the "gray envelope" icon link located in the lower left-hand side of the page.

If your company is interested in doing business with the Indiana Department of Administration, you should complete the vendor registration online process by accessing the Department of Administration's "Bidder Registration" link through their website at [www.in.gov/idoa/2780.htm](http://www.in.gov/idoa/2780.htm)

In addition, any company or business desiring to participate in the State of Indiana procurement process is encouraged to complete the online Bidder Profile Registration at <http://www.in.gov/idoa/2464.htm>.

All vendors to receive an award should have completed their registration in order to process a purchase order. Companies qualified as Indiana businesses and those not qualified as Indiana businesses, must certify themselves as such (the Buy Indiana tab) by identifying the qualifying criteria and clicking the Certification checkbox.

## State and Federal Suspended Vendor Listings

To be considered for award, vendors cannot be suspended by the Federal government, System for Award Management (SAM) at <https://www.sam.gov/index.html/##11> or the State of Indiana at <http://www.in.gov/idoa/2481.htm>.

## Out-of-State Corporations

In accordance with IC 5-22-16-4, a foreign corporation (out-of-state corporation) must obtain a certificate of authority from the Indiana Secretary of State before doing business with the State of Indiana. Businesses required to be registered must be in good standing and have an “active” status in order to be considered for award.

Below is a list of the types of businesses that must comply with the registration requirements.

Limited Liability Partnerships

Limited Partnerships

Corporations

S-Corporations

Nonprofit Corporations

Limited Liability Corporations

The following businesses are not required to be registered with the Secretary of State, but may still do business with the State:

Sole Proprietorship

General Partnerships (A general partnership may consist of two (2) or more entities that are required to file; two (2) corporations can form a partnership, for example).







For further information and application, please contact the Secretary of State via their Internet site at [www.in.gov/sos/business/3648.htm](http://www.in.gov/sos/business/3648.htm) or at the following address:

*Secretary of State  
Corporations Division  
302 West Washington, Room E018  
Indianapolis, IN 46204  
(317) 232-6576*

## How INDOT Buys

The Indiana Department of Transportation (INDOT) has very specific procurement procedures, based predominantly on the estimated value of the procurement. When an INDOT location wishes to make a purchase, they must first estimate a value for that good and/or non-professional service before selecting the appropriate procurement method that will be utilized to acquire the goods and/or non-professional services.

### **METHODS OF SOLICITATIONS**

-  Purchases less than \$75,000
-  Negotiated Bidding
-  Quantity Purchase Award Agreements
-  Requests for Proposal (RFP)
-  Contracts
-  Special Procurements

### **Purchases less than \$75,000**

In accordance with 105 IAC 12-3-2, INDOT may use small purchasing procedures for all requisitions not exceeding \$75,000.

A buyer will then solicit bids through the Invitation for Bid package, which includes specifications. The solicitation will remain open for at least seven (7) calendar days. Vendors can download copies of the Invitation for Bid packages available on INDOT's website at <http://www.in.gov/indot/2438.htm> by selecting the "Bid Opportunities and Bid Tabulations" link. Bids obtained by small purchase rules are opened but are not read publicly.

Once an award has been finalized, the bid file becomes open to the public. Should a vendor wish to obtain more information regarding the competing bids, he or she should contact the Procurement Section for the desired information by referring to the bid number.

Please note that not every vendor is notified each time that INDOT needs to make a purchase utilizing this procurement method.

### **Negotiated Bidding**

In accordance with IC 5-22-7.3, negotiated bids are not opened publicly but opened by employees of the INDOT Procurement Section. This procurement method allows INDOT to conduct discussions with vendors before a contract is awarded. During the discussions with vendors, all discussions must be consistent with fair competition among all vendors. Also, vendors will be provided details of the process for any bid that is released as a negotiated bid.

## **Reverse Auction**

Reverse Auction varies from the “Competitive Bidding” only in procedural requirements. In accordance with IC 5-22-7.5, unlike competitive bidding, reverse auction bids are not opened publicly but opened by employees of the INDOT Procurement Section. INDOT will conduct a reverse auction for the purchase of supplies by using an Internet purchasing site to receive bids. Vendors will be provided details of the process for any bid that is released under the Reverse Auction method.

## **Quantity Purchase Award (QPA) Purchases**

The Procurement Section, on behalf of INDOT, may enter into an agreement by which a selected vendor(s) will provide an estimated quantity of goods and/or non-professional services, at a contracted unit price guaranteed for a specific timeframe, usually two (2) years.

When an INDOT location requires an item(s), which appears on a fully executed QPA agreement, they simply complete a QPA requisition and issue a purchase order.

QPA agreements may be unilaterally renewed in accordance with the terms of the original contract, upon the recommendation of INDOT locations. After the QPA expires and if INDOT chooses to continue with a QPA agreement, INDOT’s Procurement Section will execute a new agreement based on new bids.

## **Requests for Proposal (RFP)**

In accordance with IC 5-22-9, when a purchasing agent makes a written determination that the use of another procurement method is either not practicable or not advantageous to the governmental body, INDOT may award a contract using this procedure.

By using the RFP process, INDOT intends to award a contract to the responsive/responsible vendor whose proposal is determined to provide the “best value” to INDOT. Because INDOT determines the specifications of what is being solicited through the RFP process, it allows INDOT more control over the process, which in turn helps the agency to obtain the “best fit” for its needs. Because the evaluation criterion is explained throughout the RFP, vendors have the opportunity to concentrate, in their proposals, on the areas most critical to INDOT. The RFP provides INDOT with the opportunity to enter into contract negotiations with the vendor or vendors that submit the best and most cost effective proposal(s).

INDOT may choose to research information on a proposed RFP without having to commit to doing an RFP by doing a Request for Information (RFI). The RFI is used by INDOT to gain information on specifications and pricing for new products, programs or services. The RFI strictly requests information and a contract will not result from the RFI. The RFI is not to be used as a tool to “pre-select” vendors. Responses to the RFI will remain confidential until after the RFP is complete. If no RFP is issued, the RFI responses become public information after the decision is made not to proceed with an RFP.

The RFP is advertised in the Indianapolis Star for two (2) successive weeks and it will generally remain “on the street” for a minimum of three (3) to four (4) weeks following the advertisements depending upon the complexity of the RFP.

Proposals in response to RFPs issued by the Indiana Department of Transportation shall be delivered to the Indiana Department of Transportation’s Procurement Section no later than the due date and time. Late proposals WILL NOT be accepted. The RFP number and due date are to be clearly indicated on all packages submitted to the INDOT Procurement Section in response to the RFP.

As RFPs are not publicly opened nor read, the contents of the RFP file and all proposals will not be made public until an award is made to the successful vendor and a contract has been fully executed. Vendor requests to review the file may only be entertained after a fully executed contract is received by Procurement.

## **Contracts**

A contract contains the following essential elements:

- 1) competent parties
- 2) lawful subject matter
- 3) sufficient consideration
- 4) consent of minds.

A contract creates a “State procurement relationship”. In other words, a procurement contract should be used whenever INDOT wishes to buy, lease or exchange property or services for the direct benefit of the department. Also, when INDOT’s principal purpose is to acquire an intermediary’s services, which ultimately may or may not be delivered to an authorized recipient, then a contract is required.

## **Special Procurements**

Competitive open solicitation is required for any purchases \$2,500 and greater, but in situations as provided for by IC 5-22-10, Special/Emergency procurements may be used when unique circumstances exist, allowing standard practices to be circumvented. The need for this type of purchase must qualify under at least one (1) of the criteria defined in IC 5-22-10 and justification must be provided explaining why this type of purchasing method applies.

## **Bid Preferences**

The State of Indiana is committed to making purchases that promote the economy, the environment and the nation. In support of this commitment, “preferences” have been put in place giving advantages to certain types of businesses and products. Each vendor must claim any and all preferences prior to the bid due date and time.

### **U.S. Manufactured Requirement (IC 5-22-15-21)**

This statute requires the purchase of United States manufactured products whenever possible. If a vendor claims this preference, they are certifying that the end products they are offering are U.S. manufactured. If the cost of its components mined, produced or manufactured in the United States exceeds 50% of the cost of all its components, it meets the criteria for this preference. A vendor offering foreign-made products at a lower price should not receive an award if U.S. manufactured products that meet specifications are available for purchase.

### **Steel Products Preference (IC 5-22-15-25)**

Steel products means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise similarly processed, or processed by a combination of two (2) or more such operations, by the open hearth, basic oxygen, electric furnace, Bessemer, or other steel making process used in the manufacture of supplies for a contract or supplies used in the performance of services under the contract must be manufactured in the United States. This preference applies only to purchases over \$10,000.

## **Pricing Preferences**

A price preference is offered to allow certain types of businesses and businesses that offer certain types of products to be able to compete for the State’s business while taking into consideration a preference. If a vendor claims a price preference, a given percentage will be deducted from the price of the item or items that meet the criteria for that preference, and the newly figured prices will be used for **EVALUATION PURPOSES ONLY** to determine who should receive the award. If such a vendor claiming a price preference receives an award, the original quoted amount will be paid for the supplies.

Only one (1) price preference may be applied to each item, even if the vendor has indicated they wish to claim multiple preferences. The only exception to this rule is the Indiana Manufactured Preference; this may be claimed in addition to the Indiana Business Preference. The vendor should claim the preference that would be the most beneficial for the products or services being bid.

### **Recycled Preference (IC 5-22-15-16)**

The Indiana Code governing the Recycled Preference offers an opportunity to inform the vendor community that we are serious about buying recycled! The State of Indiana should be requesting recycled products whenever possible. Please refer to the Greening the Government Web page at <http://www.in.gov/idoa/2343.htm> for more details.



To be eligible to claim the Recycled Preference, qualifying products must contain at least 20% recycled materials (30% post-consumer for white copy paper). Vendors MUST provide manufacturer certification to substantiate their claim. However, if recycled content is listed as a requirement in the item specifications, the preference is not applicable and cannot be claimed.

The figure 10% as the preference amount is set as a standard. However, the preference offered may be anywhere between 10% and 15% as long as the amount of the preference that will be applied is stated in the solicitation package.

### **Indiana Business Preference (IC 5-22-15-20.5)**

An Indiana Business refers to any of the following:

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs Indiana residents as a majority of its employees.
- (4) A business that makes significant capital investments in Indiana.
- (5) A business that has a substantial positive economic impact on Indiana.

Point 4 is defined as any company that can demonstrate a minimum capital investment of \$5 million or more in plant and/or equipment or annual lease payments of \$2.5 million or more shall qualify.

Point 5 is defined as any company that is in the top 500 Companies (adjusted) for one of the following categories: number of employees (DWD), unemployment taxes (DWD), payroll withholding taxes (DOR) or Corporate Income Taxes (DOR); shall qualify. To verify if your company qualifies under point 5, you may email [buyindianainvest@idoa.in.gov](mailto:buyindianainvest@idoa.in.gov) with your company name, address and federal tax ID.

Vendors claiming this preference must indicate which of the provisions above, qualifies them as an Indiana business. Vendors who wish to claim one of the Buy Indiana preferences below must have an email confirmation of their status provided by [buyindianainvest@idoa.in.gov](mailto:buyindianainvest@idoa.in.gov). A copy of this confirmation must be included in the solicitation response. The email confirmation must have been provided within one (1) year prior to the bid due date. *Revised 1/2018*

The following price preferences for supplies purchased from an Indiana business:

- (1) Five percent (5%) for a purchase expected by the state agency to be less than five hundred thousand dollars (\$500,000).
- (2) Three percent (3%) for a purchase expected by the state agency to be at least five hundred thousand dollars (\$500,000) but less than one million dollars (\$1,000,000).
- (3) One percent (1%) for a purchase expected by the state agency to be at least one million dollars (\$1,000,000).

### **Indiana Manufactured Preference (IC 5-22-15-20.5)**

If an Indiana business offers to provide supplies manufactured, assembled or produced in Indiana, and if two (2) or more bids submitted were the same, the following price preference is available to the Indiana business in addition to the price preference available under the Indiana Business Preference:

- (1) Three percent (3%) for a purchase expected by the state agency to be less than \$500,000 (\$500,000)
- (2) Two percent (2%) for a purchase expected by the state agency to be at least five hundred thousand dollars (\$500,000) but less than one million dollars (\$1,000,000).
- (3) One percent (1%) for a purchase expected by the state agency to be at least one million dollars (\$1,000,000).

Indiana manufactured is defined as a substantial amount of manufacturing, assembly or production occurring in the State of Indiana. To be eligible to claim the Indiana Manufactured Preference, necessary documentation confirming the supplies meet Indiana manufactured must be provided for review by the state.

### **Indiana Small Business Preference (IC 5-22-15-23)**

To be eligible to claim the Indiana Small Business Preference, the vendor must be an Indiana business (as defined above in the Indiana Business Preference section) and qualify in at least one of the following categories:

- (1) A wholesale business with annual sales of \$4,000,000 or less during the last fiscal year.
- (2) A service business with average sales of \$500,000 or less for the current and preceding three fiscal years, and employs no more than 25 persons.
- (3) A retail business or a business selling services with annual sales and receipts of \$500,000 or less.
- (4) A manufacturing business which employs no more than 100 persons.
- (5) A business in the sector of Information Technology, Life Sciences, Transportation, or Logistics, not employing more than 100 persons or annual sales exceeding \$5,000,000.
- (6) A business that has a current verification as a veteran owned small business as defined by IC 5-22-14-3.5(a)(1-3).

The State of Indiana offers a fifteen (15%) price preference to qualified businesses within the State to encourage the growth and success of small companies.

## **Specifications**

In accordance with IC 5-22-5-3, all specifications must promote the overall economy for the purpose intended, and must encourage competition in satisfying the needs of the department. Thereby to be certain that solicited vendors completely understand the requirements of the goods and/or non-professional services to be purchased, a detailed specification must be provided in the Invitation for Bid package.

The term “specifications” relates to the technical and descriptive requirements of a product, and to its intended use. Well written specifications will identify the requirements while allowing competition among vendors. They will also list methods for testing compliance with the specifications and provide for an equitable award (IC 5-22-5-5).

Specifications are public record and are open for review by the public. Specifications are used to encourage competition and promote openness in the purchasing process with the State, by establishing the minimum requirements of a purchase. Specifications are used during the evaluation of bids to determine whether or not bids




are responsive. If a specification promotes both equality of opportunity to bid and objectivity of selection of the successful vendor, then the specification is serving its intent.

Prospective vendors should inform the buyer if the specifications or other bidding requirements are faulty, unnecessary, or inhibit competition. Inquiries concerning inappropriate specifications should be brought to the buyer's attention as soon as possible, so any valid issues can be addressed in a revision prior to the bid due date and time.

To maintain fair and equal treatment of all vendors, INDOT's Procurement Section may not hear protests or grant appeals relative to specifications unless the vendor raised the issue, in writing. The letter of protest must be submitted in writing at least five (5) business days prior to the bid due date and time, unless another timeframe has been specified in the Invitation for Bid package.

Telephone conversations with buyers or the requesting INDOT location are undocumented communications and do not waive nor modify the requirements of a solicitation. The buyer will review all inquiries and, if a modification to the Invitation for Bid is appropriate, will issue a Notice of Revision.

## **Ways to Keep Informed About Bid Opportunities** *(Revised 1/2016)*

-  Register for INDOT's free email notifications. Refer to "How to Become an Indiana Registered Vendor" outlined earlier in this handbook.
-  Search INDOT Bids at [www.in.gov/indot/2438.htm](http://www.in.gov/indot/2438.htm)
-  Consult the Indianapolis Star for all Request for Proposals and Negotiated Bids ONLY.

## **Bid Submission**

The vendor's response(s) must be received by or prior to the bid due date and time.

**NO LATE BIDS WILL BE ACCEPTED.**

## **Mistakes in Bids**

A vendor may alter or withdraw his or her bid in writing at any time **BEFORE** the bid opens. After the bid opens, the vendor may only withdraw the **bid in writing** before the award has been made. If the vendor withdraws the bid after opening, the bid will be part of the solicitation file and open to public viewing.

## Evaluation

For your bid to be considered during the evaluation process, the Request for Quote form and/or if applicable, the contract/QPA Additional Provisions must be signed. Otherwise the bid response will be deemed non-responsive.

When evaluating bids and considering any preferences claimed by the vendor, INDOT's Purchasing Administrator/Procurement Agent determines the lowest responsive/responsible vendor (the vendor who has conformed in all material aspects to the Invitation for Bid and has the capability to perform the contract requirements and the integrity and reliability to ensure good faith performance) receives the award. If the response does not meet specifications, the next lowest bid is evaluated, and so on, until the lowest responsive and responsible vendor is determined.

After the evaluation and recommendation is complete, INDOT's Procurement Section will issue a Purchase Order and/or contract. Unless "**ALL OR NONE**" is stated in writing on the bid, the Procurement Section reserves the right to split an award if it is determined to be in the best interest of the State. Once an award has been determined, the Invitation for Bid package is considered public information. In the case of RFPs, once a contract is fully executed, all proposals and related solicitation documents become part of the public record.

## Compliance with Telephone Solicitations Act

As required by IC 5-22-3-7:

(1) the Contractor and any principals of the Contractor certify that (A) the Contractor, except for de minimis and nonsystematic violations, has not violated the terms of (i) IC 24-4.7 [Telephone Solicitation Of Consumers], (ii) IC 24-5-12 [Telephone Solicitations] , or (iii) IC 24-5-14 [Regulation of Automatic Dialing Machines] in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) the Contractor will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.(2) The Contractor and any principals of the Contractor certify that an affiliate or principal of the Contractor and any agent acting on behalf of the Contractor or on behalf of an affiliate or principal of the Contractor: (A) except for de minimis and nonsystematic violations, has not violated the terms of IC 24-4.7 in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.

To see if your company is compliant, contact the Office of the Indiana Attorney General. They can be reached at:

*Office of the Indiana Attorney General  
Indiana Government Center South  
302 W. Washington St.  
Indianapolis, IN 46204  
Phone: (317) 232-6201  
Fax: (317) 232-7979*

**INTERNET ADDRESS:** <http://www.in.gov/attorneygeneral>

## **Direct Deposit Obligation**

As of July 1, 2005 as required by IC 4-13-2-14.8: Notwithstanding any other law, rule, or custom, a person or company whom has a contract with the State or submits invoices to the State for payment shall authorize in writing the direct deposit by electronic funds transfer of all payments by the State to the person or company. The written authorization must designate a financial institution and an account number to which all payments are to be credited. For forms and additional information see the Auditor of State's website at <http://www.in.gov/auditor/2340.htm>.

## **Payment**

All payment obligations are subject to the encumbrance of monies and shall be made in arrears in accordance with Indiana law and the State fiscal policies and procedures; and, in this regard, the vendor agrees to execute such state payment (invoice) forms not inconsistent herewith. Vendor may not submit claim forms before the non-professional services have been performed or the goods being delivered and accepted.

Payment either by check or Electronic Funds Transfer will be made when the complete order has been received and accepted by INDOT.

The vendor must also have completed a Vendor Information form, State Form #53788 and have on file with the Indiana Auditor's office. State form #53788 is available at [www.in.gov/auditor/2340.htm](http://www.in.gov/auditor/2340.htm)

By law, the State has 35 days once it receives a correct invoice to make payment (unless stated and agreed upon in the vendor contract). The State of Indiana is exempt from all sales tax. Tax exempt forms are available to vendors who hold a current purchase order or contract with the State, upon request.

## **Executive Branch Lobbyist**

Effective January 1, 2006, the new executive branch lobbying rule requires that all executive branch lobbyists must file an initial Executive Branch Lobbyist Registration Statement with the Indiana Department of Administration (IDOA). Lobbyists have fifteen (15) business days from the date of initial contact with an executive branch agency to file with the State.

The new rule promulgated by the IDOA can be found in the Indiana Administrative Code at 25 IAC 6. Additionally, a new statute which details certain aspects of executive branch lobbying and contains the statutory authorization for the IDOA to charge certain fees and fines relative to executive branch lobbying was passed in the 2006 session of the General Assembly. That statute can be found at Indiana Code 4-2-8.

## **What is an Executive Branch Lobbyist?**

If you are an individual who is paid at least \$1,000 to make contact with an executive branch agency for the purpose of trying to influence the outcome of a contract; a lease; another financial arrangement; or a rule, then you may be an Executive Branch Lobbyist and you may be required to register with the IDOA as an Executive Branch Lobbyist. To learn if you need to register, please review [25 IAC 6](#), the Executive Branch Lobbyist Registration Rule.

## **Lobbyist Requirements**








Lobbyists have fifteen (15) business days from the date of initial contact with an executive branch agency to file an initial Executive Branch Lobbyist Registration Statement with the IDOA.

Once you have filed your initial registration statement you will be required to file an annual report at the end of the year. Also, Indiana law requires that you update your registration within fifteen (15) days of any material change in your lobbyist registration information. A material change includes termination of an engagement to lobby.

As a part of your initial registration statement you will be required to verify that you have read and complied with the state statutes governing ethics and conflicts of interests. More information on those statutes is available at <http://www.in.gov/idoa/2471.htm>.

## **Minority & Women's Business Development**

The Indiana Department of Administration (IDOA) Minority and Women's Business Enterprises assist agencies in reaching their respective MBE/WBE goals by:

-  Identifying minority and/or women businesses in the State
-  Assessing the needs of minority and/or women businesses
-  Promoting state purchasing opportunities to the minority and/or women business community
-  Monitoring compliance of the MBE/WBE program
-  Certifying minority and/or women businesses
-  Conducting workshops on state procurement procedures
-  Providing networking assistance, matching majority owned businesses with minority and/or women businesses

To do business with the State of Indiana, it is recommended that a minority and/or women vendor become certified and placed in the Minority and Women's Business Directory. For more information, refer to the Indiana Department of Administration's Minority and Women's Enterprises at <http://www.in.gov/idoa/2352.htm>

## Contract Administration

The primary responsibility is to ensure that the buyer (INDOT) and seller (vendor) are in compliance with the stated terms and conditions within contractual agreements. INDOT's Procurement Section is responsible after the award for the management of all actions that must be taken to assure compliance with the contract: timely delivery, inspection, acceptance, payment, closing of a contract, etc.

### Vendor Protests

- ✚ Bid Specifications: After the request for proposal, invitation for bids or request for quotes are released, but prior to the conclusion of the "Inquiries About the Bid" period, a vendor(s) may submit a written letter of protest on the grounds that the bid specifications are inadequate, unduly restrictive, or ambiguous. The written letter of protest must outline specific details of the protested issue, must be submitted and received by INDOT at least five (5) business days prior to the bid due date and time.
- ✚ Reverse Auction Rejection: If a bid was rejected on the ground that the bid did not meet specifications, INDOT will notify the vendor, in writing, of the reason for the rejection pursuant to the timeframe outlined in the solicitation package.
- ✚ Post-award: After the award has been issued, a vendor may submit a written letter of protest, as provided below, regarding the procurement process based on the following:
  - 1) The award was arbitrary, capricious or an abuse of discretion;
  - 2) Any aspect of the procurement process was conducted contrary to a constitutional, statutory or regulatory provision;
  - 3) The award was made without observance of a procedure required by the request for proposal, invitation for bids or request for quotes.
  - 4) A technical or mathematical mistake or error occurred during the evaluation process;
  - 5) There is reason to believe that the bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith.
  - 6) An offeror was not accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals.
- ✚ Reverse Auction Protest: The letter of protest must be received by INDOT within five (5) business days after the date of the notification of rejection.
- ✚ Negotiated Bid Protest: The letter of protest must be received by INDOT within five (5) business days after the award recommendation has been issued.

#### Letter of Protest Requirements:

- 1) Must indicate the solicitation number;
- 2) Must indicate, with specificity, the grounds for relief;
- 3) Must be received within the time requirements outlined above;
- 4) Must include a return address and contact information of vendor; and

Letters of protest that do not meet all five (5) requirements may be summarily rejected by written notification of INDOT.

Protest for post awards must be submitted, in writing, and received by INDOT not more than five (5) business days after issuance of an award.

All protests and disputes should be submitted, in writing, to the Procurement Manager at the address listed below:

***Indiana Department of Transportation  
Procurement Section  
100 N. Senate Ave., Room N731  
Indianapolis, IN 46204  
Fax Number: 317 233-2393***

INDOT will respond in writing to a Letter of Protest in a timely manner.

*Warning: Severe sanctions will be administered against vendors who consistently issue frivolous protest(s) without regard to the integrity of the procurement system. Vendors may be determined non-responsible and suspended from conducting business with the State of Indiana for not more than three (3) years.*

## **Vendor Performance**

Contract Administration maintains official files for vendor performance for INDOT. With assistance from INDOT locations, Contract Administration monitors vendor performance on all INDOT contracts.

Periodically, Contract Administration will review the vendor performance files to look at continued trends of negative performance. This level of quality control is to ensure that vendors successfully fulfill their contractual obligations with INDOT and maintain a good vendor performance status.


Vendors that continue to perform negatively, depending on the facts, may be placed on Surveillance or Suspension. Vendors on surveillance are permitted to conduct business with INDOT; however, vendor performance will be closely scrutinized. Vendors placed on suspension have been determined non-responsible and are not permitted to conduct business with INDOT in any manner. The length of suspension is determined by the facts surrounding the infraction.

When an INDOT location has a complaint about the goods and/or non-professional services procured, a written vendor performance report is forwarded to INDOT's Procurement Section for review and action.

Receiving personnel are responsible for determining that the goods and/or non-professional services meet the contracted specifications. INDOT's Procurement Section is responsible for assisting INDOT locations with inventory and non-compliance problems with purchase orders and contracts. INDOT purchasing, receiving, storeroom and warehouse personnel work hand in hand with this section to ensure that quality goods are delivered to the State.

INDOT's Procurement Section maintains official files of all Vendor Performance reports submitted to our office. These files are reviewed periodically to look for continued trends of negative performance. This level of quality control is to ensure that vendors successfully fulfill their contractual obligations with INDOT and maintain a good vendor performance status.






Vendors that continue to perform negatively, depending on the facts, may be placed on surveillance or suspension. This level of quality control is to ensure that vendors successfully fulfill their contractual obligations with INDOT and maintain a good vendor performance status.

Vendors on surveillance are permitted to conduct business with INDOT; however, vendor performance will be closely monitored. Vendors placed on suspension have been determined non-responsible and are **NOT** permitted to conduct business with INDOT. The length of suspension is determined by the facts surrounding the infraction

## Glossary

- ✚ **Buyer** – This is the person in INDOT’s Procurement Section responsible for procuring specific goods and/or non-professional services for INDOT locations.
- ✚ **INDOT’s Procurement Section** – Buys, purchases, rents, leases, or otherwise acquires any goods and/or non-professional services. Performs all functions that pertain to the obtaining of any goods and/or non-professional services, including description of requirements, or solicitation of sources, preparation and award of contracts and purchase orders.
- ✚ **Indiana Veteran Business Enterprise (IVBE)** - A business qualifies as a small business if the business is an Indiana small business concern owned and controlled by veterans, as defined in 15 U.S.C. 632(q)(3) as in effect January 1, 2013, and the business: (1) has a current verification as a veteran owned small business concern under 38 CFR 74, et seq., by the Center of Veterans Enterprise of the United States Department of Veterans Affairs; (2) is owned and controlled by one (1) or more veterans who have been residents of Indiana for at least one (1) year before making an offer or, in the case of a corporation, have at least fifty-one percent (51%) of the corporation's stock owned by one (1) or more veterans who have been residents of Indiana for at least one (1) year before making an offer; and (3) has its principal place of business located in Indiana.
- ✚ **Invitation for Bid (IFB)** – A form of solicitation from INDOT for procurements greater than \$2,500 or for the establishment of a Quantity Purchase Award Agreement. *(Revised 1/2016)*
- ✚ **Minority Business Enterprise (MBE)** - An individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are (a) United States Citizens and (b) members of a racial minority group. Owned and controlled means having: (a) ownership of at least 51% of the enterprise including corporate stock of a corporation; (b) control over the management and active in the day to day operations of the business; and (c) an interest in the capital, assets, and profits and losses of the business proportionate to the percentage of ownership.
- ✚ **Non-Professional Services** – Services rendered by the vendor to furnish labor, time, or effort by a person not involving the delivery of specific supplies other than printed documents or other items that are merely incidental to the required performance.
- ✚ **Out-of-State Corporations** – Also known as a Foreign Corporation, all out-of-state corporations must register with the Secretary of State of Indiana before they can enter into a contract with the State of Indiana.
- ✚ **Quantity Purchase Award Agreements (QPAs)** – Term contracts for goods and/or non-professional services, generally issued for one (1) year with unilateral options by INDOT for renewal.
- ✚ **Purchase Order** – A means of ensuring payment from the State to the vendor.
- ✚ **Racial Minority Group** – (a) Blacks; (b) American Indians; (c) Hispanics; (d) Asian Americans; or (e) Other similar minority groups as defined by 13 CFR 124.103.

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- ✚ **Request for Proposal (RFP)** – A method of procuring products or non-professional services in which overall value to the State, rather than price, is the overriding factor. Each RFP has its own set of specifications and restrictions that must be adhered to for a proposal to be considered.
  - ✚ **Small Purchase** – A purchase under \$75,000, with the exception of Quantity Purchase Award Agreement.
  - ✚ **Supplies** – Property, including equipment, goods, and materials. The term does not include an interest in real property.
  - ✚ **Vendor** – A) This is a person that submits an offer to a governmental body. B) The supplier of the goods and/or non-professional services which the State purchases.
  - ✚ **Woman Business Enterprise (WBE)** - A sole proprietorship owned and controlled by a woman. A partnership or joint venture owned and controlled by women in which (a) at least fifty-one percent (51%) of the ownership is held by women; and (b) the management and daily business operations of which are controlled by at least one (1) of the women who owns the business. A corporation or other entity (a) whose management and daily business operations are controlled by at least one (1) of the women who owns the business; and (b) that is at least fifty-one percent (51%) owned by women, or if stock is issued, at least fifty-one percent (51%) of the stock is owned by at least one (1) of the women.