**Section 1.2012 Multi-Step Sealed Bidding and Proposals**

a) Definition

Multi-step sealed bidding or multi-step sealed proposal (MSB/P) is a two-phase process consisting of a technical first phase composed of one or more steps in which bidders or offerors submit unpriced technical offers to be evaluated by the State, and a second phase in which those bidders or offerors whose technical offers are determined to be acceptable during the first phase have their price bids or offers considered.

b) Conditions for Use

The MSB/P method may be used when it is determined in writing by the SPO that it is not practical to prepare initially a definitive purchase description that will be suitable to permit an award based on price. MSB/P may be used when it is considered desirable:

1) to invite and evaluate possible diverse technical offers to determine their acceptability to fulfill the purchase description requirements; and

2) to conduct discussions for the purposes of facilitating understanding of the technical offer and purchase description requirements and, when appropriate, obtain supplemental information, permit amendments of technical offers, or amend the purchase description.

c) Pre-Submission Conference in Multi-Step Sealed Bidding

Prior to the submission or evaluation of unpriced technical offers, a pre-submission conference as contemplated by Section 1.2005(w) may be conducted by the SPO or designee.

d) Procedure for Step One of MSB/P

1) Form. MSB/P shall be initiated by the issuance of an IFB in the form required by Section 1.2010 (Competitive Sealed Bidding) or an RFP in the form required by Section 1.2015 (Competitive Sealed Proposals), except as otherwise provided in this subsection (d). In addition to the requirements set forth in Section 1.2010 or 1.2015, the multi-step IFB or multi-step RFP shall state:

A) that it is a multi-step sealed bid procurement, that unpriced technical offers will be evaluated, and that priced bids or offers will be considered only in the second phase and only from those bidders or offerors whose unpriced technical offers are found acceptable in the first phase;

B) the criteria to be used in the evaluation of the unpriced technical offers;

C) that the SPO or designee may conduct oral or written discussions of the unpriced technical offers; and

D) that the item being procured shall be furnished generally in accordance with the bidder's or offeror's technical offer as found to be finally acceptable and shall meet the requirements of the IFB or RFP.

2) Amendments to the IFB or RFP. After receipt of unpriced technical offers, amendments to the IFB or RFP shall be distributed only to bidders or offerors who submitted unpriced technical offers, and those bidders or offerors shall be permitted to submit new unpriced technical offers or to amend those submitted. If, in the opinion of the SPO, a contemplated amendment will significantly change the nature of the procurement, the IFB or RFP may be canceled in accordance with Section 1.2040 (Cancellation of Solicitation and Contract Awards; Rejection of Bids or Proposals) and a new IFB or RFP issued.

3) Receipt and Handling of Unpriced Technical Offers. Unpriced technical offers submitted by bidders or offerors shall be marked with the date and time received.

4) Step one of the MSB/P and modifications shall be opened publicly at the time, date and place designated in the MSB/P in the presence of a State witness or through an electronic procurement system selected by the CPO-GS. The person opening bids shall not serve as witness. Only the name of the bidder or offeror shall be read. Technical offers shall not be disclosed to persons not authorized by the SPO.

5) Evaluation of Unpriced Technical Offers. The unpriced technical offers submitted by bidders or offerors shall be evaluated solely in accordance with the criteria set forth in the IFB or RFP.

6) Discussions. The State agency, in consultation with the SPO, may conduct discussions with a bidder or offeror to determine in greater detail the bidder's or offeror's qualifications, to explore with the bidder or offeror its ability to supply the specific supply or service, and the bidder's or offeror's proposed method of performance.

7) Unacceptable Unpriced Technical Offer

When the SPO determines a bidder's or offeror's unpriced technical offer does not meet criteria, the offer shall be rejected.

e) Procedure for Step Two of Multi-Step Sealed Bidding or Multi-Step Sealed Proposals

1) Initiation. Upon the completion of phase one, the SPO or designee shall either:

A) open priced bids and offers submitted in step one (if priced bids were required to be submitted) from bidders whose unpriced technical offers were found to be acceptable. Price must be submitted in a separate envelope in the bid or proposal package and not mentioned elsewhere in the bid or proposal package; or

B) if priced bids or offers have not been submitted, invite each acceptable bidder or offeror to submit a sealed priced bid or offer.

2) Conduct. Phase two shall be conducted as any other competitive sealed bid procurement.

(Source: Amended at 46 Ill. Reg. 10208, effective June 2, 2022)