**Section 1120.2012 Multi-Step Sealed Bidding**

a) Definition

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

b) Conditions for Use

The multi-step sealed bidding method may be used when it is not practical to prepare initially a definitive purchase description that will be suitable to permit an award based on price. Multi-step sealed bidding 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-Bid Conferences in Multi-Step Sealed Bidding

Prior to the submission or evaluation of unpriced technical offers, a pre-bid conference as contemplated by Section 1120.2010(f) (Pre-Bid Conference) may be conducted by the CPO.

d) Procedure for Phase One of Multi-Step Sealed Bidding

1) Form. Multi-step sealed bidding shall be initiated by the issuance of an IFB in the form required by Section 1120.2010 (Competitive Sealed Bidding), except as provided in this Section. In addition to the requirements set forth in Section 1120.2010, the multi-step IFB shall state:

A) that unpriced technical offers are requested;

B) whether priced bids are to be submitted at the same time as unpriced technical offers; if they are, such priced bids shall be submitted in a separate sealed envelope;

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

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

E) that the IOC, to the degree the CPO finds necessary, may conduct oral or written discussions of the unpriced technical offers;

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

2) Amendments to the IFB. After receipt of unpriced technical offers, amendments to the IFB shall be distributed only to bidders who submitted unpriced technical offers, and they shall be permitted to submit new unpriced technical offers or to amend those submitted. If, in the opinion of the CPO, a contemplated amendment will significantly change the nature of the procurement, the IFB may be canceled in accordance with Section 1120.2040 (Cancellation of Solicitation; Rejection of Bids or Proposals) and a new IFB issued.

3) Receipt and Handling of Unpriced Technical Offers. Unpriced technical offers submitted by bidders shall be opened in the presence of at least one witness. These offers shall not be disclosed to unauthorized persons. Bidders may request nondisclosure of trade secrets and other proprietary data identified in writing.

4) Evaluation of Unpriced Technical Offers.

A) The unpriced technical offers submitted by bidders shall be evaluated solely in accordance with the criteria set forth in the IFB. The unpriced technical offers shall be categorized as:

i) acceptable;

ii) potentially acceptable, that is, reasonably susceptible of being made acceptable; or

iii) unacceptable, in which case the Procurement Officer shall record in writing the basis for finding an offer unacceptable and make it part of the procurement file.

B) The CPO may initiate phase two of the procedure if, in the CPO's opinion, there are sufficient acceptable unpriced technical offers to assure effective price competition in the second phase without technical discussions. If the CPO finds that such is not the case, the CPO may commence discussions of the unpriced technical proposals.

5) Discussion of Unpriced Technical Offers. The Procurement Officer may conduct discussions with any vendor who submits an acceptable or potentially acceptable technical offer. During the course of the discussions, the Procurement Officer shall not disclose any information derived from one unpriced technical offer to any other bidder. Any such bidder may submit supplemental information amending its technical offer at any time until the closing date established by the Procurement Officer. The submission may be made at the request of the Procurement Officer or upon the bidder's own initiative.

6) Unacceptable Unpriced Technical Offer. When the CPO determines a bidder's unpriced technical offer to be unacceptable, the offeror shall not be afforded an additional opportunity to supplement its technical offer.

e) Procedure for Phase Two

1) Initiation. Upon the completion of phase one, the CPO shall either:

A) open priced bids submitted in phase one (if priced bids were required to be submitted) from bidders whose unpriced technical offers were found to be acceptable; or

B) if priced bids have not been submitted, invite each acceptable bidder to submit a priced bid.

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

A) no public notice need be given of this invitation to submit priced bids because notice was previously given;

B) after award, the unpriced technical offer of the successful bidder shall be disclosed as follows: The Procurement Officer shall examine written requests of confidentiality for trade secrets and proprietary data in the technical offer of the bidder to determine the validity of any such requests. If the parties do not agree as to the disclosure of data, the CPO shall reject the offer. The technical offer shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data; and

C) unpriced technical offers of bidders who are not awarded the contract shall not be open to public inspection.

(Source: Amended at 37 Ill. Reg. 3075, effective March 1, 2013)