**STATE PROCUREMENT MANUAL**

**DOA-3449 N(R06/94) Formerly AD-P-12**

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**Author: State Bureau of Procurement**

**Authority:**
- Wis. Stats. 16.75(1)(a)
- 16.75(1m)
- 16.75(2)(a)(b)
- 16.75(3m)

**Scope:**
- To define the terms lowest responsible bidder and low bid
- To establish criteria for differentiating between the above terms
- To establish policy for selection of the lowest responsible bidder

**Content:**

I. The award of a contract for a procurement is made to the lowest responsible bidder, except as provided in PRO-C-15, VI. A.

II. Definition of terms:

A. "Low bid" refers to the lowest dollar total submitted in response to a bid solicitation.

B. "Lowest responsible bidder" refers to the supplier who submits the lowest dollar total appearing in combination with other elements of the bid that best meet the requirements of the solicitation.

C. "Qualified bid" is a bid or a proposal submitted by a minority business enterprise that is a responsible bid or proposal and that is no more than 5% higher than the apparent low bid or no more than 5% lower than the proposal with the apparent high point score. A qualified bid may not be considered on a procurement of printing or stationery.

III. Selection of the lowest responsible bidder is an objective decision based on a vendor providing the most economical cost with:

A. The financial ability to provide the services required or complete the contract

B. The skill, judgment, experience and resources to capably provide the services or complete the contract

**Authorized:**
- Director
- State Bureau of Procurement
C. The necessary facilities, staff, personnel and equipment to complete the contract

D. The demonstrated ability to satisfactorily perform work in a prompt and conscientious manner

E. The demonstrated ability to comply in situations where the award is contingent on special considerations subject to the nature of the services or contract required

IV. It is the responsibility and authority of the purchasing agent making an award to exercise good judgment and, in the best interests of the state, to honestly and fairly determine the responsibility of the bidders involved, and, of the responsible bidders, to select the lowest responsible bidder.

V. In cases involving capital equipment, or equipment or material with an operating life, life cycle costing may be used to determine lowest responsible bidder.

VI. When the lowest responsible bid price is deemed to be higher than a fair price, a lower price may be negotiated. The last and final offer will be negotiated only with the lowest responsible bidder, and only on price.

VII. Any or all bids may be rejected; but when a low bid is rejected in favor of a higher bid from the lowest responsible bidder, a written record of justification will be prepared and placed in the bid file.