

HOW TO
DO BUSINESS WITH
PACE

November 13, 2009

FOREWORD

Pace is earnestly attempting to provide public transportation in an efficient and effective manner at the lowest possible cost. Pace's public bidding procedures are designed to help achieve that goal. It is the duty and responsibility of the Department Manager of Purchasing to act as Pace's authorized Purchasing Agent.

This document contains information designed to help you sell your materials and services to Pace. We are interested in any comments you may have about these procedures to aid in our constant effort to improve our procurement function.

We hope that this information will be of use to you and/or your organization and that it may promote a long and mutually beneficial business relationship with Pace. Please contact the Department Manager of Purchasing if you have any questions about the information provided or the procurement process.

Susan Jung Lundy
Department Manager, Purchasing
847-228-4238

Copies of bid documents for current solicitations can be obtained by downloading them from Pace's website or by calling 847-228-3573.

DBE (Disadvantaged Business Enterprise) Program
Christina Perez, DBE Liaison Officer
847-228-4257

T. J. Ross
Executive Director

Pace, Suburban Bus Division of the RTA
550 West Algonquin Road
Arlington Heights, Illinois 60005-4412

www.pacebus.com

HOW TO SELL TO PACE

This document explains how you may participate in contracts being awarded in an approximate \$150,000,000 annual market for capital and operational products and services for Pace. It is designed to help current and prospective manufacturers, dealers, sales agents or contractors understand our purchasing process. There is additional information contained on our website, www.pacebus.com, Business Opportunities.

PURCHASING

What Pace Buys

The demand generated by the operation of approximately 240 full size transit buses, 400 paratransit buses, 710 vanpool vehicles, 125 staff vehicles, 11 facilities and the related support equipment and maintenance needed to keep these vehicles and the entire physical garages operating efficiently and effectively requires constant research and sourcing to acquire the various items essential to our operation. The purchase of these materials, supplies and services is a major function of the Purchasing Department. Your company may be in a position to provide some of our many requirements. We publish our procurements, Invitations for Bids (IFB) and Requests for Proposals (RFP), as well as bid results on our website.

Where Pace Buys

All purchasing is accomplished centrally. The office of the Purchasing Department Manager is located at Pace's Arlington Heights Headquarters. Specifications and bid forms can be picked up at this location, sent to you and are available to be downloaded from our website. The business hours of the Purchasing Department are 8:00 A.M. to 5:00 P.M., Monday through Friday.

Although centralized, the purchasing of "stock" parts is conducted by three buyer/planners who are located at our largest facilities in the field. Maintenance, Repair and Operating (MRO) supplies are purchased locally through each facility. These "field buys" are conducted under small purchase procedures using facsimile quotes, telephone bids or written quotations and are limited in value to less than \$10,000.00.

How Pace Buys

The regulations governing Pace's purchases and sales transactions state that, with few exceptions, all purchase orders or contracts exceeding ten thousand dollars (\$10,000) for labor, services, or consulting services, or the purchase or sale of materials or equipment, shall be accomplished by free and open competitive bidding after advertisement. This type of purchasing is called a "Formal Procurement."

So that Pace will be able to cope with its daily needs, the regulations provide for procurement methods other than a "Formal Advertised Procurement."

1. If the purchase orders or contracts involve amounts of less than ten thousand dollars (\$10,000), such purchase orders or contracts may be accomplished in the open market after solicitation of bids by mail, telephone, facsimile or other. This is called "Informal Bidding."

2. Contracts which, by their nature, are inconsistent with competitive bidding, such as utilities, telephone, certain professional services, or sole source items may be awarded directly without competitive bidding by the Manager of Purchasing or their designee (under \$25,000) or by the Pace Board (over \$25,000).
3. In the case of an emergency, declared by the Executive Director, which affects the operations of Pace, contracts may be let to the extent necessary to resolve the emergency without “Formal Advertisement.”

Vendor’s List

Pace’s Purchasing Department maintains an active vendor file for each commodity or service for all procurements and sends solicitations to representative firms from those files that may be interested in bidding on the commodity or service.

Your firm’s name will be placed in our vendor file after completion and submission of the Vendor Application which is available on our website. Please fill out the form in its entirety including all commodity codes that pertain to your business. This form is to be submitted online after completion. It will be sent to the Purchasing Department at Pace Headquarters in Arlington Heights.

Formal Advertising

The process of purchasing by formal advertising is initiated by Pace. An Invitation for Bid (**IFB**), or Request for Proposal (**RFP**) is published in an English language daily newspaper of general circulation, currently the Chicago Tribune.

Notice of the **IFB** or **RFP** is also posted on the bulletin board in the main lobby of Pace Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois and on our website, www.pacebus.com.

Specifications

A “detailed specification” will accompany each IFB or RFP. Please read it carefully. It is a formal statement of our needs. Do not qualify your bid or alter the bid documents. This specification contains all the necessary details of the merchandise required or the scope of work requested.

Trade Names

Trade or brand names may be used for additional identification only. An “or equal” may be allowed unless indicated to the contrary and/or if previously approved for use.

Addenda Sheets

Addenda may be issued against an **IFB** or an **RFP**. These are sent to every firm that has received specifications, as soon as the need for interpretation or modification is required.

Disadvantaged Business Enterprise Program

Pace's DBE Department is responsible for the administration of the Disadvantaged Business Enterprise (DBE) program. All procurement packages are reviewed by the DBE Liaison Officer to determine whether a DBE subcontracting goal should be included. If a goal is required, you must include with your bid the subcontractor names, amounts of subcontracts and type of work for DBE firms you intend to use. Pace requires that all businesses seeking to participate as a DBE comply with the U.S. Department of Transportation certification standards. In order for a business to become certified in Pace's DBE program, that business must be owned and controlled in both form and substance by one or more minorities or women, and it must complete and return an application for certification. Contractors must use firms already listed in the Illinois Unified Certification Program (IL UCP) DBE directory at the time of bid opening. The IL UCP is comprised of the following five entities; Illinois Department of Transportation, City of Chicago, Chicago Transit Authority, Metra and Pace. Contractors are urged to contact Pace's DBE Liaison Officer prior to bid submittal at (847) 228-4257 to check their DBE compliance. If your company requires a copy of the IL UCP DBE Directory, you may view it on Pace's website, www.pacebus.com (select Business Opportunities, click on DBE Program, then click on Illinois Unified Certification Program and go to View the IL UCP DBE Directory).

The Bid and/or Proposal

If you can supply the commodity or service requested in the solicitation, your next step is to prepare your quotation and fill out the information required in the bid or proposal package. If you find you cannot bid on all the items, but that you can bid on some of the items requested, do not neglect to bid. You are invited to bid on those items which you can supply, unless otherwise specified. Please be sure that your bid or proposal is fully and correctly completed and that it is properly signed by an authorized individual as required by the solicitation. The solicitation response must be typed or written in ink.

Submitting the Bid

The entire specification that you receive is a part of your bid and will be incorporated as part of your contract. The complete specification, with any or all addenda, must be returned in the pre-addressed envelope that has been provided and must be received in the Purchasing Department at Pace Headquarters in Arlington Heights on the day and time specified for the bid opening (usually before 2:00 P.M.). Any bids received after this time will be returned to the bidder, unopened. You are invited to attend the public opening which commences promptly on the day and time stated (usually 2:00 P.M.). Please furnish your address on the envelope provided or in one that is clearly marked with the bid number, item description and bid opening date.

Informal Bidding

Purchases that are under ten thousand dollars (\$10,000) are conducted by solicitation of bids through the mail, by facsimile or by telephone. The Buyer makes solicitations from their list of qualified vendors. A written request for bid carries a complete description of the commodity or service requested and the amount required. Fill in the expected delivery or completion time, the unit cost of the item, and the cash terms. If the item furnished is as specified in the description, indicate this on the bid. If an "or equal" brand or product is offered, state what brand or product is being offered and its identifying number. A brochure and technical literature indicating the equal product included with the bid are required in order to determine equality.

Bids must be typed or written in ink and manually signed by an authorized employee of the company. The request for bid is then returned to the buyer by the time and date specified. If the bid is the lowest responsive and responsible bid, the Purchasing Department will issue a purchase order which is the contract to deliver. When this purchase order is received, it should be read carefully to be certain that all the prices and conditions are as stated on the bid. If they are not, contact the Buyer to correct any mistakes before delivery of the product or service called for on the purchase order.

If you are unable to bid, indicate this on the quotation form, and return the form to the Purchasing Department.

Even though you are unable to bid on an item, a “no bid” response assures us that you remain interested in selling to Pace and wish to be retained in our active vendor file.

Facsimile (fax) bids will be sent and returned following the bidding instructions as previously noted and/or contained in the request. This provides for expeditious handling of some of our more easily definable requirements.

Telephone bids are accepted in the same manner except that the bids are solicited orally instead of by mail. Telephone bids are taken when delivery is urgent or written bids are too costly for either party to handle.

Delivery

Although our request for bids asks for delivery of products or services on or before an indicated date, Pace reserves the right to accept later delivery if judged beneficial to Pace.

Shipping Charges

Pace does not have a traffic department. As a result, F.O.B. destination/delivered is required. If F.O.B. is other than final destination or delivered, shipping charges must be shown as part of quotation.

Discounts

If a discount for prompt payment of invoices is offered, such discount will NOT be considered in the evaluation of bids. They will, however, be applied to the payment if the discount offered is for payment of invoices in fifteen (15) days or more. Discounts for less than fifteen (15) days are not considered. Pace requires a minimum of fifteen (15) days for processing bills from time of receipt of materials, service or invoice, whichever is latest.

Payment of Invoices

An invoice will be processed for payment when notice has been received by the Accounting Department that the goods or services have been received, have been inspected and found to be as ordered.

Invoices must be sent to:

Pace, Suburban Bus Division of the RTA
Attention: Accounts Payable
550 West Algonquin Road
Arlington Heights, IL 60005-4412

Invoices MUST bear the **contract number and/or release number** as issued. Invoices must not cover more than one order number.

Notice of Acceptance of Bid

The successful bidder will receive notice of acceptance of their bid. On purchases over ten thousand dollars (\$10,000), acceptance notice is provided within ninety (90) days. On under ten thousand dollar (\$10,000) contracts (purchase orders), notice is given within thirty (30) days. Bid deposits are returned to all except the three (3) apparent lowest bidders as soon as a determination is made. Upon formal award of a contract to the lowest responsive and responsible bidder, the bid deposit of the three (3) apparent lowest bidders is returned. Bid results are published on our website.

Bidders Responsibility Record

Bidders, whose performance on Pace contracts is unsatisfactory, are subject to suspension from the bidder's list and may be refused the right to any Pace purchase orders or contracts.

Time

All reference to the hour of bid opening is the prevailing time in Chicago, Standard or Daylight Savings Time as the case may be.

Results of Bids

This information is available on Pace's website.

Buying from Pace

Scrap and obsolete equipment generated by the operation of Pace is a valuable resource and is sold through competitive bidding procedures. The Purchasing Department has the responsibility for accumulating, classifying and disposing of all scrap and surplus materials and equipment belonging to Pace.

The procedure for the sale of salvage materials follows the same procedure as for the purchase of material. All sales are made after free and open competitive bidding among potential buyers. Notice of the sale of salvage material is mailed from the Purchasing Department to firms appearing on our active bidder's lists.

All material should be inspected prior to the submission of bids. Sales are "as is, where is, without warranty or guarantee." The location and hours of the inspection are stipulated on each bid invitation.

Inspection by Pace

All merchandise purchased by Pace is subject to inspection. Some specifications may contain a section stating the type of inspection necessary and to whom the test reports are to be sent.

Mistakes in Bidding

If a mistake has been made in the preparation of a bid, it may be corrected before 2:00 P.M. on the day of the bid opening. After the bid opening, all bids must stand as read. Unless the proposal specifically indicates a lump sum price, unit price will govern.

Rejection of Bids

Pace reserves the right to accept any bid or any part or parts thereof or to reject any and all bids.

The Law Governing Pace Purchases and Sales

The Purchasing Department is the interface between Pace requirements and suppliers of the materials, equipment and services, and conducts its operation in accordance with the Pace Procurement Rules and Regulations, adopted by Pace Ordinance Nos. SBD-92-102 and SBD-92-121. Additionally, Pace must conduct its procurements under the rules and regulations of the Federal Transit Administration, circular 4220.1F, the Regional Transportation Authority Act, and all other applicable federal and state laws and regulations.