

EXHIBIT 2



**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF GENERAL SERVICES**

**REVERSE AUCTION PACKAGE**

**Rubber Dam Bladders (Bags)**

**Invitation for Bid No. 6100040651**



## I. Purpose

This Reverse Auction Package contains instructions governing Bidder participation in the online reverse auction for Rubber Dam Bladders (Bags) for the Department of Conservation and Natural resources, as well as rules for submitting electronic prices through the auction and information regarding the training process for the auction. Attachments to this Reverse Auction Package include the Intent to Participate Form (Attachment A) and the Final Reverse Auction Bid Sheet (Attachment B).

## II. Background Information

The Department of General Services (DGS) has decided to use an online reverse auction for the purpose of obtaining prices for Invitation to Bid (IFB) No. 61000406511 for Rubber Dam Bladders (Bags).

To be fully eligible to participate in the auction and be considered for an award, a Bidder must do the following:

- **Sign and return the Intent to Participate Form (Attachment A) with the bid package in response to the IFB** by the date and time listed in the Calendar of Events;
- **Participate in an auction training session** during the time period listed in the Calendar of Events for this Auction Package;
- **Participate in the auction**, scheduled for the date and time listed in the Calendar of Events for this Auction Package; and
- **Submit the Final Reverse Auction Bid Sheet** by the date and time set forth in the Calendar of Events.

## III. Issuing Office

The Issuing Office for this event is DGS, Bureau of Procurement. The Issuing Officer is the sole point of contact for the Commonwealth for this auction. Please refer all inquiries to:

Nicole Moyer, Commodity Specialist  
Department of General Services  
Bureau of Procurement  
6<sup>th</sup> Floor, Forum Place, 555 Walnut Street  
Harrisburg, Pennsylvania 17101-1914  
[nicomoyer@pa.gov](mailto:nicomoyer@pa.gov)

#### IV. Calendar of Events

	Activity	Completion Date
<input type="checkbox"/>	1. IFB 6100040651 posted on eMarketplace. The Reverse Auction Package will be included with and part of IFB No. 6100040651	<b>December 2, 2016</b>
<input type="checkbox"/>	2. Pre-bid Meeting/Site Visit – OPTIONAL  See IFB No. 6100049651, Section I.3 IFB-008.1A, for specific information	<b>December 13, 2016 at 10:00 am (EST)</b>
<input type="checkbox"/>	3. Supplier bids due to Issuing Office through the PA Supplier Portal. <b>The Initial Reverse Auction Bid Sheet (Exhibit 1 to the Specifications) and the Intent to Participate Form (Attachment A) must be attached to the bid response upon submittal.</b>	<b>December 20, 2016 by 3:30 pm (EST)</b>
<input type="checkbox"/>	4. Individual Supplier Training Session and Practice Auction:  Each Bidder will participate in an individual teleconference training session with a DGS trainer which will include a practice auction. This practice auction will familiarize the Bidder with the auction platform and submitting pricing in a competitive environment prior to the live online auction itself.	<b>January 3 - 9, 2017 Time TBD</b>
<input type="checkbox"/>	5. Live Auction:  Bidders should log onto the online tool 20 minutes prior to the start of the Auction. An Event Manager will contact all Bidders prior to the opening of the Auction to confirm readiness.	<b>January 10, 2017 1:00 pm (EST)</b>
<input type="checkbox"/>	6. Final Reverse Auction Bid Sheet Submitted (via Email):  Bidder's final pricing entered within the online auction tool must be listed within the Final Reverse Auction Bid Sheet (Attachment B) provided. Bidders should state all pricing by line item detail and pricing should represent the Bidder's best pricing that was submitted during the Auction.  The Bidder's Final Reverse Auction Bid Sheet is required to be submitted via email to <a href="mailto:nicomoyer@pa.gov">nicomoyer@pa.gov</a> .	<b>January 13, 2017 by 4:00 pm (EST)</b>

## V. Auction Overview

- a. An online reverse auction will be used to obtain pricing for Rubber Dam Bladders (Bags). All Bidders participating in the reverse auction process are required to submit pricing electronically during a specified time frame through the SRM auction platform. All prices submitted during the auction shall constitute valid and binding bids. DGS shall maintain the right to accept or reject all bids.
- b. All participating Bidders will access the SRM auction platform via the internet from their own offices. A PC with a web browser and internet access are required to access and use this system.
- c. The reverse auction format allows Bidders to see how their price submittals compare against those of other Bidders, and provides the opportunity for Bidders to improve their chances for award by reducing their prices. The identity of all participating Bidders will not be revealed to other Bidders during the online reverse auction. A bid tabulation reflecting the auction prices will be posted after the auction following the receipt of the Final Reverse Auction Bid Sheets from the reverse auction participants.
- d. At all times during a Bidder's participation, the Bidder will have access to phone support to answer all questions related to the online price submittal system and the auction process. During the registration and training portion of the event, Bidder questions will be answered within 24 hours. Prior to and during the online auction, Bidders will have real-time support throughout the entire event.
- e. Prior to participating in the online reverse auction, a Bidder must, among other things, execute and agree to be bound by the online auction general terms and conditions through the Intent to Participate Form, which must to be submitted with the Bidder's response to the IFB.

## VI. Lot Overview and Parameters

- a. The auction will consist of one (1) lot. A description of the lot is contained in the Specifications and the line items are identified in Exhibit 1 (Initial Reverse Auction Bid Sheet) to the Specifications.
- b. Bidders will be required to submit their Final Reverse Auction Bid Sheet no later than 4:00 pm (EST) on **January 13, 2017**.
- c. Listed below are the auction parameters. These configuration details will be reviewed further during the individual training session:
  1. **Style:** This Auction will be a reverse format in which a Bidder's price submittals may only decrease in value.
  2. **Information Release:** During the auction, Bidders will see their current price as well as the other bidders' prices for each lot. However, the identities and number of other Bidders will not be visible at any time.
  3. **Tie Bids:** While the auction platform will accept tie bids, DGS will not accept tie bids during the auction. If a bidder attempts to submit a bid that is exactly the same as another Bidder's already

submitted bid, DGS will notify the Bidder who submitted its bid second that the bid was a tie and the bid will be removed from the auction.

4. **Ceiling Price:** The ceiling price is a price set by DGS for each lot and only bids at or below this price will be accepted by the auction platform. DGS reserves the right to establish a ceiling price prior to the reverse auction event. If DGS determines that it is in the best interests of the Commonwealth to establish ceiling prices on one or more lots, a Solicitation Addendum will be issued notifying Bidders of this change.
5. **Minimum Price Submittal Rule/Decrement:** The minimum price submittal decrement is the amount by which Bidders will need to beat **their** previous lowest price in order to submit a new price. For this auction the minimum decrement is set at one-tenth of one percent (0.10%) of the Bidder's current bid. The Commonwealth reserves the right to increase or decrease the minimum decrement during the auction. If the Commonwealth determines that it is in its best interest to change the bid decrement, all bidders participating in the action will be notified through the auction platform or by other appropriate means.
6. **Initial Duration:** The initial duration for the auction will be ten (10) minutes. Overtime may extend the auction duration past the initial time period.
7. **Starting Price:** The Bidder must submit a starting price that is at or below the price submitted on the Initial Reverse Auction Bid Sheet.
8. **Extension Rule:** Overtime activates for a lot when a new low bid is submitted within the last sixty (60) seconds of the auction duration. Successive overtime extensions are activated whenever new lower bid submittals are placed with sixty (60) seconds or less remaining. Each overtime extension will add one (1) minute to the remaining time. There will be no limit to the number of extensions that may occur in overtime. The overtime period will end when no additional extensions are triggered and the time expires.

## VII. Training

DGS will train designated employees of each Bidder in a telephonic training and online session to familiarize the Bidder's employees with the auction configuration details and the online price submittal system. Training will be held on the dates set forth in the Calendar of Events contained in this Auction Package.

## VIII. Auction General Terms and Conditions

### a. Auction Event Terms

1. The Commonwealth intends to use the online auction process for soliciting pricing for the lot as described in the IFB. The Commonwealth is not acting as an auctioneer. The results of the auction may become, at the Commonwealth's sole discretion, part of any final contract between the Commonwealth and the selected Bidder(s).

2. The Bidder releases the Commonwealth, its agencies, officers, employees, and consultants from any liability with respect to the online auction event or the conduct of any participant in the online auction event, regardless of whether such liability arises under contract, tort, or any other theory. The Bidder acknowledges that it is under no coercion to agree to this term.
3. Prices which Bidders submit for the online auction event are legally binding without qualification. Price submittals may not be cancelled or withdrawn except as specified in these terms.
4. No partial price submittals are permitted. Bidders may only participate in the auctions for the lots for which they submitted initial pricing in response to the IFB.
5. Except as provided in Subsection 6, below, or specifically requested by the Commonwealth, Bidders agree to submit initial pricing on the Initial Reverse Auction Bid Sheet and auction pricing online only through the auction website provided by the Commonwealth and not to submit pricing via any other mechanism including, but not limited to, U.S. mail, courier, fax, E-mail, or orally.
6. Any Bidder experiencing difficulties during an online auction event must notify DGS immediately. "Difficulties" include any technical problem which interferes with the Bidder's ability to participate in the online auction event and may include, but is not limited to: data entry errors, software problems, or hardware problems. If more than one Bidder experiences difficulties during the auction, DGS may cancel the auction and set up a new time and date.
7. Bidders must maintain security of passwords against unauthorized use.
8. Only those Bidders who have submitted initial pricing for the lot in response to the IFB (through the Initial Reverse Auction Bid Sheet) will be eligible to participate in the online auction event.
9. Prices submitted to the auction site or submitted through the Final Reverse Auction Bid Sheet shall not be withdrawn or modified by the Bidder for a period of sixty (60) days from the close of the auction.
10. If the Bidder is selected for award, it agrees that the pricing submitted through the online auction is the Bidder's final pricing.
11. In submitting a bid and participating in the auction, Bidders understand and agree that the Commonwealth will award the contract based upon the lowest price submitted by responsive and responsible Bidders during the auction.
12. DGS reserves the right to revise the closing date of the auction, cancel auctions, pause auctions, change posted quantities, and re-offer items that were previously withdrawn. DGS also reserves the right to extend auctions at any time at its sole discretion. DGS also reserves the right to reject all pricing received through the online auction or to reject or award individual auction lots.
13. Bidders are responsible for ensuring that bids are submitted through the auction with sufficient time remaining in the auction. Bidders who choose to wait until the final minutes of an auction do so at their own risk. If a Bidder encounters difficulties, as defined above, in the last sixty (60) seconds of the auction, the auction will not be paused and the Bidder will be bound by its last valid discount submitted.

14. In participating in the auction, the Bidder understands that DGS will determine, in its sole discretion, which auction result, if any, is accepted. In addition, DGS reserves, in its sole discretion, the right to waive any technical deficiencies or errors with regard to bid packages and bid prices submitted.
15. DGS reserves the right to revise these terms at any time by Addendum.

**b. Auction Site Terms**

1. The auction web site and this service are provided “as is” and without any warranty, express, implied or statutory, including, but not limited to the implied warranties of title, merchantability, fitness for a particular purpose and non-infringement.
2. The Commonwealth makes no warranty that the information on the auction site is accurate, that the auction site will be uninterrupted, timely, secure, or error free. The Commonwealth makes no warranty as to the results that may be obtained from the auction site or that defects, if any, in the software will be corrected.
3. No advice or information, whether oral or written, obtained by the Bidder from the Commonwealth or through the auction site shall create any warranty not expressly stated herein.
4. In no event shall the Commonwealth be liable for lost profits or any special, incidental or consequential damages arising out of or in connection with the website (including suspension or interruption of service), or the services provided for the online auction event (however arising, including negligence).
5. Without limiting any other remedies, the Commonwealth may suspend or terminate an Bidder’s access to the website if the Bidder is suspected (by conviction, settlement, insurance or escrow investigation, or otherwise) to have engaged in fraudulent activity in connection with the site.

**c. Bidder Response to DGS**

1. Each Bidder’s auction response will consist of three (3) components: 1) the Initial Reverse Auction Bid Sheet submitted in response to the IFB, 2) the Reverse Auction; and 3) the Final Reverse Auction Bid Sheet. Detailed instructions for completing the Final Reverse Auction Bid Sheet following the auction are contained in subparagraph 3 below.
2. Once the auction starts, the must submit a price that is equal to or less than the cost submitted for the Lot on the Initial Reverse Auction Bid Sheet. If the action price entered is more than or not equal to the cost submitted on the Initial Reverse Auction Bid Sheet, DGS will notify the Bidder that the bid is incorrect and will delete the bid from the auction.
3. At the conclusion of the auction, Bidders must complete and submit the Final Reverse Auction Bid Sheet. The Final Reverse Auction Bid Sheet will reflect the Bidder’s lowest bid on the lot from the auction. The Bidder will allocate the decrease between the total lot pricing from the Initial Reverse Auction Bid Sheet and the total low pricing from the Final Reverse Auction Bid Sheet among the individual line items. The new per item cost for each line item cannot be increased; it can only decrease or stay the same. Bidders shall submit the completed Final

Reverse Auction Bid Sheet via e-mail to the Issuing Officer, **by 4:00 pm (EST) January 13, 2017.**

4. If these components are not satisfied, DGS may, in its sole discretion, reject the Bidder's bid for individual lots or all lots for which the bidder submitted pricing. After the Bidder has submitted the Final Reverse Auction Bid Sheet via e-mail, the Bidder will receive a confirmation through e-mail that it has been received. If the Bidder does not receive a confirmation e-mail, the Bidder should contact the Issuing Officer.