



S.C. Education Lottery
Finance Department
Attn: SCEL Procurement
1333 Main St., 4th Floor
Columbia, SC 29201
Phone (803) 737-2002/ Fax (803) 737-0047/Email: Procurement@sclot.com

REQUEST FOR QUOTATION (This is not an order)

Date Posted: **Thursday, 10/03/2013**

Inquiries/Questions must be received by: **Thursday, 10/10/2013, at 10:00 a.m. ET**

All Answers will be posted on SCEL's website by: Friday, 10/11/2013

<http://www.sceducationlottery.com/lottery/procurement.aspx>

Quotation and Samples must be received by: **Friday, 10/18/2013, at 10 a.m. ET**

Late bids NOT accepted.

Send Quotations/Samples/Inquiries/Questions to above address, email, or fax to:

Attention: SCEL Procurement

Procurement@sclot.com / Phone (803) 737-2002 / Fax (803) 737-0047

Solicitation number (write on outside of envelope): **RFQ Promo 1 FY14**

Commodities: 1) **Rubberized Sunglasses (5,100 pairs); 2) Camo Collapsible Pocket Coolies/Koozies (5,000); 3) Blue Collapsible Pocket Coolies/Koozies (5,000); 4) Green Collapsible Pocket Coolies/Koozies (5,000); and 5) Black Beanie Caps (2,880)**

Inquiries/Questions must be received by: Thursday, October 10, 2013, at 10 a.m. ET

Quote and Sample Due Date: Friday, October 18, 2013, at 10 a.m. ET. Late bids and samples will NOT be considered. Not a public bid opening.

Delivery Due Date: Week of Dec. 9, no later than noon ET on Fri., December 13, 2013.

Note: See attached sheets for preference clauses and provisions, certification and authorization, special conditions, and specifications and bidding schedule.

This section must be completed by the vendor.

Vendor Name:

Area Code/Telephone Number/Fax:

Mailing Address:

City:

State:

Zip Code:

FEIN/SSN:

**SOUTH CAROLINA PROCUREMENT PREFERENCES
CLAUSES & PROVISIONS TO IMPLEMENT 2009 Act No. 72**
[Clause numbers have not yet been assigned.]

New Clauses for Part IIB

PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at www.procurement.sc.gov/preferences. ***ALL THE PREFERENCES MUST BE CLAIMED AND ARE APPLIED BY LINE ITEM, REGARDLESS OF WHETHER AWARD IS MADE BY ITEM OR LOT. VENDORS ARE CAUTIONED TO CAREFULLY REVIEW THE STATUTE BEFORE CLAIMING ANY PREFERENCES. THE REQUIREMENTS TO QUALIFY HAVE CHANGED. IF YOU REQUEST A PREFERENCE, YOU ARE CERTIFYING THAT YOUR OFFER QUALIFIES FOR THE PREFERENCE YOU'VE CLAIMED. IMPROPERLY REQUESTING A PREFERENCE CAN HAVE SERIOUS CONSEQUENCES.*** [11-35-1524(E)(4)&(6)]

PREFERENCES - RESIDENT VENDOR PREFERENCE (SEP 2009): To qualify for the RVP, you must maintain an office in this state. An office is a nonmobile place for the regular transaction of business or performance of a particular service which has been operated as such by the bidder for at least one year before the bid opening and during that year the place has been staffed for at least fifty weeks by at least two employees for at least thirty five hours a week each. In addition, you must either: (1) maintain at a location in South Carolina at the time of the bid an inventory of expendable items which are representative of the general type of commodities for which the award will be made and which have a minimum total value, based on the bid price, equal to the lesser of fifty thousand dollars [\$50,000] or the annual amount of the contract; or (2) be a manufacturer headquartered and having an annual payroll of at least one million dollars in South Carolina and the end product being sold is either made or processed from raw materials into a finished end product by that manufacturer or its affiliate (as defined in Section 1563 of the Internal Revenue Code).

Please check the appropriate box below.

South Carolina (In-State) Resident Vendor

In-State Office Address (If different from vendor mailing address on page 1)

Non-Resident Vendor

SOUTH CAROLINA PROCUREMENT PREFERENCES (CONTINUED)
CLAUSES & PROVISIONS TO IMPLEMENT 2009 Act No. 72
[Clause numbers have not yet been assigned.]

New Clauses for Part IIB

PREFERENCES - **SC/US END-PRODUCT** (SEP 2009): Section 11-35-1524 provides a preference to vendors offering South Carolina end-products or US end-products, if those products are made, manufactured, or grown in SC or the US, respectively. An end-product is the tangible project identified for acquisition in this solicitation, including all component parts in final form and ready for the use intended. The terms "made," "manufactured," and "grown" are defined by Section 11-35-1524(A). By signing your offer and checking the appropriate space(s) provided and identified on the bid schedule, you certify that the end-product(s) is either made, manufactured or grown in South Carolina, or other states of the United States, as applicable. Preference will be applied as required by law. Post award substitutions are prohibited. See "Substitutions Prohibited - End Product Preferences (Sep 2009)" provision.

Please check the appropriate box below if it applies.

South Carolina End- Product

U.S. End- Product

CERTIFICATION AND AUTHORIZATION

I certify that this bid is made without prior understanding, agreement or connection with any corporation, firm or person submitting a bid for the same materials, supplies or equipment and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the bidder. I agree, if this quotation is accepted within 60 days from date of closing, to furnish any and all items/services at the price quoted.

Authorized Signature _____

Print or Type Name and Title _____

**SOUTH CAROLINA EDUCATION LOTTERY
SOLICITATION NUMBER: RFQ Promo 1 FY14**

Purpose and Scope of Work:

Special Conditions

1. **Award:** The Contract will be awarded to the lowest responsible and responsive bidder.

2. **Delivery:** S.C. Education Lottery
c/o Scientific Games International
Attn: Dan Dyar (803) 237-9746
120 North Point Court
Blythewood, SC 29016

Please Note: *Warehouse staff is only available to accept deliveries every other week. The preferred pallet size is 4'W x 4'L x 4'T.* Please ensure delivery will be this pallet size.

As the Blythewood warehouse is approximately 16 miles from the Columbia Office, final samples must be sent to the Main Street address. Receiving final samples provides Procurement Staff the opportunity to view and approve the solicited items quickly, which in turn ensures the invoice will be approved expediently.

3. **Invoicing:** The invoice must be itemized. Please email the invoice to Accounts.Payable@sclot.com or send to the address on page one (1) of this RFQ.

4. **Contact:** The contact listed on page one (1) of this RFQ and is the only SCEL employee authorized to discuss this solicitation prior to award.

5. **Sample Request:** SCEL requests samples from each bidder's current inventory for the purpose of inspecting design and quality. All samples must be labeled with the bidder's name.

6. **Pre-Production Proof:** An actual pre-production proof of each color is required prior to the order being processed for production. If there will be a charge for the press time necessary to produce the pre-production proof, please specify the charge in the bidding schedule.

7. **Artwork:** SCEL will provide final artwork to the winning bidder in one of the following Adobe file formats based on the printer's request: PDF, Illustrator, InDesign, or Photoshop.

8. **Setup, Die, Proof and Delivery Charges:** In preparing a bid for return to the South Carolina Education Lottery, SCEL requests that each vendor provide the following price information: 1) a price of production without tax; 2) any other charges, such as a set-up charge, a die charge, or a pre-production proof charge; 3) shipping/delivery charges; and 4) total charges without taxes.

9. **Overruns/Underruns:** *Overruns or underruns will be based on the quantity ordered and shall not exceed 2.5%. SCEL will only pay for overruns up to 2.5%.*

10. Performance Time Frame: Requested delivery time is listed in the specifications and bidding schedule.

11. New Clause for Part VIIB

SUBSTITUTIONS PROHIBITED - END PRODUCT PREFERENCES (SEP 2009): If you receive the award as a result of the South Carolina end product or United States end product preference, you may not substitute a nonqualifying end product for a qualified end product. If you violate this provision, the State may terminate your contract for cause and you may be debarred. In addition, you shall pay to the State an amount equal to twice the difference between the price paid by the State and your evaluated price for the item for which you delivered a substitute. [11-35-1534(B)(4)]

SPECIFICATIONS AND BIDDING SCHEDULE

Please quote the following five (5) promotional items.

1. **Description:** 5,100 PAIRS OF RUBBERIZED SUNGLASSES (Item #36108 or similar product as deemed acceptable by SCEL.) Recycled Plastic with UV 400 protection. Sample of sunglasses must be provided with bid and is due no later than **Friday, October 18, 2013, at 10 a.m. ET**. Samples should include the vendor’s information and where the sample was produced. For example, if items are made in the US and in China, please include a clearly labeled sample from each location. All samples must include a logo, but it does not have to be an SCEL logo.

Quantity: 5,100 pairs of Rubberized Sunglasses

Material: Recycled Plastic with UV 400 protection

Color: Black

Imprint: SCEL logo in white, one-color silk screened on left temple only.

Artwork: SCEL will provide final artwork to the winning bidder in one of the following Adobe file formats based on the printer’s request: PDF, Illustrator, InDesign, or Photoshop or EPS Vector format.

Packaging: Individually polybagged; 300 pairs of sunglasses per box; 17 boxes

Shipping Method: Drop ship to 1 location (Blythewood) & 2 Final Samples to Columbia Office (See **Page 11**, “SCEL Shipping Information”)

Proof: Actual Proof of product sample must be submitted and approved by SCEL before the job is awarded. Actual pre-production proof with logo on actual sunglasses must be reviewed and approved before production can begin.

Delivery due date: **Week of Dec. 9, no later than noon ET on Fri., December 13, 2013**

Rubberized Sunglasses	US Made	China Express
Production Price:	\$ _____	\$ _____
1 st Imprint Setup/Plate Charge:	\$ _____	\$ _____
Set-up/Proof/Other Charge:	\$ _____	\$ _____
Production Quote Total:	\$ _____	\$ _____
Delivery Days ARO (After Receipt of Order)	_____ days	_____ days

2. Description: 5,000 CAMOUFLAGE COLLAPSIBLE POCKET COOLIES/KOOZIES
 5,000 collapsible pocket coolies/koozies must be similar to a *green/brown Mossy Oak* “Break Up” camouflage pattern. Sample of one (1) camo coolie/koozie must be provided with bid and is due no later than **Friday, October 18, 2013, at 10 a.m. ET**. Samples should include the vendor’s information and where the sample was produced. For example, if items are made in the US and in China, please include a clearly labeled sample from each location. All samples must include a logo, but it does not have to be an SCEL logo.

Quantity: 5,000 collapsible pocket coolies/koozies must be similar to a *green/brown Mossy Oak* “Break Up” camouflage pattern.

Material: 1/8" thick high-density open-cell foam collapsible to save space. Flattens to fit in pocket. Cloth exterior with black felt-lined interior.

Product Size: 3 5/8" W X 5" H

Color/Imprint: 5,000 collapsible pocket coolies/koozies similar to a Mossy Oak “Break Up” camouflage pattern with 1-color imprint (**orange**) with SCEL logo and website digitally printed across center of koozie in 2 locations front and back; Imprint area: 3.5" W x 3.5" H;

Artwork: SCEL will provide final artwork to the winning bidder in one of the following Adobe file formats based on the printer’s request: PDF, Illustrator, InDesign, or Photoshop.

Packaging: Case Pack Info: 250 ct. / 15" x 15" x 10" / 6 lbs; 20 boxes

Shipping Method: Drop ship to 1 location (Blythewood) & 2 Final Samples to Columbia Office (See [Page 11](#), “SCEL Shipping Information”)

Proof: Proof of product sample must be submitted and approved by SCEL before the job is awarded. Pre-production proof with logo must be reviewed and approved before production can begin.

Delivery due date: **Week of Dec. 9, no later than noon ET on Fri., December 13, 2013**

Camouflage Pocket Coolies/Koozies:	US Made	China Express
Production Price:	\$ _____	\$ _____
Set-up/Proof/Other Charge:	\$ _____	\$ _____
Production Quote Total:	\$ _____	\$ _____
Delivery Days ARO (After Receipt of Order)	_____ days	_____ days

3. Description: 5,000 BLUE COLLAPSIBLE POCKET COOLIES/KOOZIES
 5,000 blue (similar to PMS 286 or royal blue) collapsible pocket coolies/koozies. Sample of one of the two colored coolies/koozies (blue or green) must be provided with bid and is due no later than **Friday, October 18, 2013, at 10 a.m. ET**. Samples should include the vendor's information and where the sample was produced. For example, if items are made in the US and in China, please include a clearly labeled sample from each location. All samples must include a logo, but it does not have to be an SCEL logo.

Quantity: 5,000 blue (similar to PMS 286 or royal blue) collapsible pocket coolies/koozies

Material: 1/8" thick high-density open-cell foam collapsible to save space. Flattens to fit in pocket. Cloth exterior with felt-lined interior.

Product Size: 3 5/8" W X 5" H

Color/Imprint: 5,000 blue (similar to PMS 286 or royal blue) collapsible pocket coolies/koozies with 1-color imprint (**white**) with SCEL logo and website digitally printed across center of koozie in 2 locations front and back; Imprint area: 3.5" W x 3.5" H;

Artwork: SCEL will provide final artwork to the winning bidder in one of the following Adobe file formats based on the printer's request: PDF, Illustrator, InDesign, or Photoshop.

Packaging: Case Pack Info: 250 ct. / 15" x 15" x 10" / 6 lbs; 20 boxes

Shipping Method: Drop ship to 1 location (Blythewood) & 2 Final Samples to Columbia Office (See **Page 11**, "SCEL Shipping Information")

Proof: Proof of product sample must be submitted and approved by SCEL before the job is awarded. Pre-production proof with logo must be reviewed and approved before production can begin.

Delivery due date: **Week of Dec. 9, no later than noon ET on Fri., December 13, 2013**

Blue Pocket Coolies/Koozies:	US Made	China Express
Production Price:	\$ _____	\$ _____
Set-up/Proof/Other Charge:	\$ _____	\$ _____
Production Quote Total:	\$ _____	\$ _____
Delivery Days ARO (After Receipt of Order)	_____ days	_____ days

4. Description: 5,000 GREEN COLLAPSIBLE POCKET COOLIES/KOOZIES
 5,000 green (similar to PMS 361 or kelly green) collapsible pocket coolies/koozies. Sample of one of the two colored coolies/koozies (blue or green) must be provided with bid and is due no later than **Friday, October 18, 2013, at 10 a.m. ET**. Samples should include the vendor's information and where the sample was produced. For example, if items are made in the US and in China, please include a clearly labeled sample from each location. All samples must include a logo, but it does not have to be an SCEL logo.

Quantity: 5,000 green (similar to PMS 361 or kelly green) collapsible pocket coolies/koozies

Material: 1/8" thick high-density open-cell foam collapsible to save space. Flattens to fit in pocket. Cloth exterior with felt-lined interior.

Product Size: 3 5/8" W X 5" H

Color/Imprint: 5,000 green (similar to PMS 361 or kelly green) collapsible pocket coolies/koozies with 1-color imprint (**white**) with SCEL logo and website digitally printed across center of koozie in 2 locations front and back; Imprint area: 3.5" W x 3.5" H;

Artwork: SCEL will provide final artwork to the winning bidder in one of the following Adobe file formats based on the printer's request: PDF, Illustrator, InDesign, or Photoshop.

Packaging: Case Pack Info: 250 ct. / 15" x 15" x 10" / 6 lbs; 20 boxes

Shipping Method: Drop ship to 1 location (Blythewood) & 2 Final Samples to Columbia Office (See **Page 11**, "SCEL Shipping Information")

Proof: Proof of product sample must be submitted and approved by SCEL before the job is awarded. Pre-production proof with logo must be reviewed and approved before production can begin.

Delivery due date: **Week of Dec. 9, no later than noon ET on Fri., December 13, 2013**

Green Pocket Coolies/Koozies:	US Made	China Express
Production Price:	\$ _____	\$ _____
Set-up/Proof/Other Charge:	\$ _____	\$ _____
Production Quote Total:	\$ _____	\$ _____
Delivery Days ARO (After Receipt of Order)	_____ days	_____ days

5. Description: 2,880 BLACK BEANIE CAPS. 100% ACRYLIC KNIT. Item Asi/61125 #1075 or a similar product as deemed acceptable by SCEL. Sample of one black beanie caps must be provided with bid and is due no later than **Friday, October 18, 2013, at 10 a.m. ET**. Samples should include the vendor's information and where the sample was produced. For example, if items are made in the US and in China, please include a clearly labeled sample from each location. All samples must include a logo, but it does not have to be an SCEL logo.

Quantity: 2,880 Black Beanie Caps

Size: One Size Fits All

Material: 100% acrylic knit

Color: Black

Imprint: One-color (white) with SCEL logo embroidered on front of beanie. Embroidered logo is at or below 6,000 stitches; Imprint Area: 4" W x 2" H.

Artwork: SCEL will provide final artwork to the winning bidder in one of the following Adobe file formats based on the printer's request: PDF, Illustrator, InDesign, or Photoshop.

Packaging: 48 beanie caps per box; 9 lbs.; 60 boxes.

Shipping Method: Drop ship to 1 location (Blythewood) & 2 Final Samples to Columbia Office (See **Page 11**, "SCEL Shipping Information")

Proof: Proof of product sample must be submitted by the lowest bidder and approved by SCEL before the job is awarded. Pre-production proof with logo must be reviewed and approved before production can begin.

Delivery due date: **Week of Dec. 9, no later than noon ET on Fri., December 13, 2013**

Black Beanie Caps:	US Made	China Express
Production Price:	\$ _____	\$ _____
Set-up/Proof/Other Charge:	\$ _____	\$ _____
Production Quote Total:	\$ _____	\$ _____
Delivery Days ARO (After Receipt of Order)	_____ days	_____ days

SCEL SHIPPING INFORMATION

Deliver Shipment to:

South Carolina Education Lottery
 c/o Scientific Games International
 Attn: Dan Dyar; 803-237-9746
 120 North Point Court
 Blythewood, SC, 29016

Deliver Pre-Production Proof and 2 Final Samples per Item to:

South Carolina Education Lottery
 Attn: ViVi Simons
 1333 Main St., Suite 400
 Columbia, SC 29201

SCEL PRICING INFORMATION

***** In preparing a bid for return to the South Carolina Education Lottery, SCEL requests that each vendor provide the following price information: 1) a Production Quote Total for each item, 2) a Total Production Price for all five items, 3) a total shipping/delivery charge, and 4) a price total without tax.*****

*****Must not indicate country of origin on front of product*****

Item:	US Made:	China Express:
Production Quote Total for Item 1, Rubberized Sunglasses:	\$	\$
Production Quote Total for Item 2, Camo Pocket Coolie/Koozies:	\$	\$
Production Quote Total for Item 3, Blue Pocket Coolie/Koozies:	\$	\$
Production Quote Total for Item 4, Green Pocket Coolie/Koozies:	\$	\$
Production Quote Total for Item 5, Black Beanie Caps:	\$	\$
Total Production Cost for all five items:	\$	\$
Total Shipping/Delivery Charge:	\$	\$
Total Price without Tax:	\$	\$

Delivery Days ARO (After Receipt of Order) _____ days _____ days

NOTE: If Preferences are applied for, the Preferences will be based on the US Made pricing.

FREQUENTLY ASKED QUESTIONS:

Q: The first page states: “Late bids and samples NOT accepted.” How late can a quote be, to be accepted?

A: Under the South Carolina Procurement Code, bids received after the time for bids to be opened CANNOT be accepted. Unlike in the private sector, in the public sector bids must be received by the time provided to be considered.

Q: Is a vendor required to bid on all five items in the RFQ? 1) Rubberized Sunglasses (5,100 pairs); 2) Camo Collapsible Coolies/Koozies (5,000); 3) Blue Collapsible Coolies/Koozies (5,000); 4) Green Collapsible Coolies/Koozies (5,000); and 5) Black Beanie Caps (2,880)?

A: Yes, the vendor must bid on all items requested in the RFQ. Any bids received that do not provide pricing for all items will be found non-responsive.

Q: Are samples of the items required with each bid?

A: Yes, samples of the (four) items are requested with each vendor’s bid. Each sample should be clearly labeled with the vendor’s information and the country where produced. To ensure quality control four samples are requested with the bid: 1) A sample of the rubberized sunglasses with any logo; 2) a sample of one collapsible camo coolie/koozie with any logo; 3) a sample of one of the two colored collapsible coolies/koozies (blue or green) with any logo; and 4) a sample of the beanie cap with any logo. If the item could be coming from the US and from China, then the vendor should include a sample from each location. The items must have logos but NOT necessarily SCEL logos.

Q: Are pre-production samples also requested?

A: Yes, prior to production of any item, the winning vendor is requested to produce an actual sample with the SCEL art on the actual item. Receiving the actual sample will ensure SCEL staff the opportunity to view the quality of the art and the item.

Q: Why are final samples also requested?

A: The Blythewood warehouse is approximately 16 miles from the Columbia Office, SCEL requests final samples at the time the delivery is made to Blythewood. Receiving the final sample allows the items to be approved and expedites paying the invoice.

Q: Has SCEL procured these items before? If yes, how long ago, how many, and at what price?

A: Yes, SCEL has procured these items or similar items before, in some cases as part of an RFQ being advertised through SCBO with a value between \$10,000 and \$50,000 and in others as part of a bulk reverse auction worth a minimum of \$80,000.

1) **Sunglasses:** In April 2011, SCEL procured 5,000 pairs of a slightly different sunglasses model (Black wraparound sunglasses and nylon frame with white SCEL logo printed on temple) at a unit cost of \$0.92 without shipping or taxes;

2) **Camo Coolies/Koozies:** In March 2011, 5,000 blue “military/urban camouflage” pattern and 5,000 Mossy Oak “Break Up” camouflage pattern koozies were ordered for a total of 10,000 koozies at a unit cost of \$0.90 without shipping or taxes;

- 3) **Blue Coolies/Koozies and 4) Green Coolies/Koozies:** While not the same color, SCEL ordered 10,000 yellow collapsible pocket koozies with the Mega Millions® logo in May 2010, at a unit cost of \$0.42; and
- 5) **Beanie Caps:** In April 2011, SCEL ordered 1,500 Beanie Caps, at a unit cost of \$1.80 without shipping or taxes.

Q: When do you anticipate the job being awarded and the P.O. and artwork being given to the winning company?

A: While the solicitation states bids are due on **Friday, October 18, 2013, at 10 a.m. ET**, the question and answer period is scheduled a week before the expected bid due date. If additional relevant questions are received after the Amendment 1 Question and Answer document is published on the SCEL Procurement webpage, the bid due date could be postponed in order to provide all interested vendors with the information needed to make an informed bid. If a second amendment is needed, after it is published, time must be given to allow vendors the opportunity to view the amendment and ask any additional questions. **Should it be necessary to postpone a bid due date, the new due date and time would be posted on the SCEL Procurement Webpage.**

Once the due date/time for receiving bids is reached, under the state's Procurement Code **any bids received after the time set cannot be considered**. Once the bids are received, preferences are applied *if requested*, and then the bids are tabulated. If there are no questions for vendors (such as confirming with the vendor that shipping is included in the bid price), an Order Delivery Worksheet is prepared to request a Purchase Order for the vendor who had the lowest price after preferences are applied. The Director of Marketing and Product Development must sign off on the Bid Tabulation Sheet and Order Delivery Worksheet giving his approval to move forward with the purchase. These two signed documents are taken to the Finance Department to have a Purchase Order prepared. If the Marketing Director or Finance Department staff is not available, the process could be halted until such time as the proper channels can be followed. Procurement staff can also be out of the office for a variety of reasons. Peculiar to the Lottery Industry, one of the happy reasons staff may be unavailable is the Education Lottery having a jackpot winner come forward. If no additional questions are received, Procurement Staff expects to post the award by **Tuesday, October 22, 2013**.

Q: How do I ask a question?

A: All questions must be submitted **in writing** to the Procurement Officer. You may email questions to Procurement@sclot.com or you may Fax your question to 803-737-0047; Attention: Procurement.

Should you need to confirm receipt of your questions or your bid with the Procurement Officer, please call 803-737-2002, during regular business hours, 8:30 a.m. to 5 p.m. Eastern Time, Monday through Friday. SCEL is closed on certain state holidays. For the list of holidays see: <http://www.sceducationlottery.com/lottery/contact/centers.asp>

Q: How would a vendor request a preference? In-state vendor, SC end product, US end product, etc.?

A: Each vendor must make the request for whichever preference(s) the individual vendor is eligible. Preferences are not automatically granted and must be requested. If the vendor does not request a preference, none will be applied. Pages 2 and 3 of the solicitation have the heading, “**SOUTH CAROLINA PROCUREMENT PREFERENCES.**” By checking the box(es) on these pages, vendors request each applicable preference.

Please note, the provision referenced on page 3, ["Substitutions Prohibited - End Product Preferences (Sep 2009)"], is found under Number 11, **New Clause for Part VIIB.** According the MMO website: “Price adjustments required by this section are for evaluation purposes only and do not change the actual price offered by the bidder.”

Requesting a preference(s) does not affect the bid price the vendor has offered. Instead, preferences are tabulated via a Materials Management Office bid sheet on which the preference percentage is calculated. The preference percentage requested is applied to the bid price for evaluation purposes. The winning vendor will be the vendor who has the lowest evaluated price after preferences are applied. For more information, see <http://procurement.sc.gov/PS/PS-preferences.phtm> (the Preferences webpage) on the Materials Management website.

Q: What percentages are the different preferences?

A: Preferences are:

- 7% Resident Vendor Preference (RVP) or Resident Contractor Preference (RCP)
- 7% South Carolina End Product Preference (SCEPP)
- 2% US End Product Preference (USEPP)
- NOTE: a vendor may only apply for one or the other, SC End Product or US End Product
- 2% or 4% Resident Subcontractor Preference (RSCP). Which preference percentage will apply depends on the total direct labor cost of subcontractors. The subcontractors’ direct labor cost must exceed 20% of the bidder’s total price to get a 2% preference; the total direct labor cost of subcontractors must exceed 40% of the bidder’s total price to get a 4% preference
- 10% Resident Vendor Preference (RVP) + SC End Product Preference
- 9% Resident Vendor Preference (RVP) + US End Product Preference
- The cap for Non-resident Bidders is 6%, unless the vendor maintains an office in South Carolina; with an in-state office the cap is 8%
- Under no circumstance may the cumulative preferences applied to the price of a line item exceed 10%

The section of the SC Procurement Code dealing with preferences follows:

SECTION 11-35-1524. Resident vendor preference.

(A) For purposes of this section:

(1) "End product" means the tangible product described in the solicitation including all component parts and in final form and ready for the state's intended use.

(2) "Grown" means to produce, cultivate, raise, or harvest timber, agricultural produce, or livestock on the land, or to cultivate, raise, catch, or harvest products or food from the water which results in an end product that is locally derived from the product cultivated, raised, caught, or harvested.

(3) "Labor cost" means salary and fringe benefits.

(4) "Made" means to assemble, fabricate, or process component parts into an end product, the value of which, assembly, fabrication, or processing is a substantial portion of the price of the end product.

(5) "Manufactured" means to make or process raw materials into an end product.

(6) "Office" means a nonmobile place for the regular transaction of business or performance of a particular service which has been operated as such by the bidder for at least one year before the bid opening and during that year the place has been staffed for at least fifty weeks by at least two employees for at least thirty-five hours a week each.

(7) "Services" means services as defined by Section 11-35-310(29) and also includes services as defined in Section 11-35-310(1)(d).

(8) "South Carolina end product" means an end product made, manufactured, or grown in South Carolina.

(9) "United States end product" means an end product made, manufactured, or grown in the United States of America.

(B)(1) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease by seven percent the price of any offer for a South Carolina end product.

(2) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease by two percent the price of any offer for a United States end product. This preference does not apply to an item to which the South Carolina end product preference has been applied.

(3) Whether award is to be made by item or lot, the preferences must be applied to the price of each line item of end product. A preference must not be applied to an item for which a bidder does not qualify.

(4) If a contract is awarded to a bidder that received the award as a result of the South Carolina end product or United States end product preference, the contractor may not substitute a nonqualifying end product for a qualified end product. A substitution in violation of this item is grounds for debarment pursuant to Section 11-35-4220. If a contractor violates this provision, the State may terminate the contract for cause and, in addition, the contractor shall pay to the State an amount equal to twice the difference between the price paid by the State and the bidder's evaluated price for a substituted item.

(5) If a bidder is requesting this preference, the bidder, upon request of the procurement officer, must provide documentation that establishes the bidder's qualifications for the preference. Bidder's failure to provide this information promptly is grounds to deny the preference and for enforcement pursuant to subsection (E)(6).

(C)(1) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease a bidder's price by seven percent if the bidder maintains an

office in this State and either (i) maintains at a location in South Carolina at the time of the bid an inventory of expendable items which are representative of the general type of commodities on which the award will be made and which have a minimum total value, based on the bid price, equal to the lesser of fifty thousand dollars or the annual amount of the contract; (ii) is a manufacturer headquartered and having an annual payroll of at least one million dollars in South Carolina and the end product is made or processed from raw materials into a finished end product by that manufacturer or its affiliate (as defined in Section 1563 of the Internal Revenue Code); or (iii) at the time of bidding, directly employs or has a documented commitment with individuals domiciled in South Carolina that will perform services expressly required by the solicitation and the total direct labor cost to bidder for those individuals to provide those services exceeds fifty percent of the bidder's total bid price.

(2) Whether award is to be made by item or lot, the preferences must be applied to the price of each line item of end product or work, as applicable. A preference must not be applied to an item for which a bidder does not qualify.

(3) If a bidder is requesting this preference, the bidder, upon request by the procurement officer, must provide documentation that establishes the bidder's qualifications for the preference and, for the preference claimed pursuant to subsection (C)(1)(iii), must identify the persons domiciled in South Carolina that will perform the services involved in the procurement upon which bidder relies in qualifying for the preference, the services those individuals are to perform, and documentation of the bidder's labor cost for each person identified. Bidder's failure to provide this information promptly is grounds to deny the preference and for enforcement under subsection (E)(6) below.

(D)(1) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease a bidder's price by two percent if:

(a) the bidder has a documented commitment from a single proposed first-tier subcontractor to perform some portion of the services expressly required by the solicitation; and

(b) at the time of the bidding, the subcontractor directly employs or has a documented commitment with individuals domiciled in South Carolina that will perform services expressly required by the solicitation and the total direct labor cost to the subcontractor for those individuals to provide those services exceeds twenty percent of bidder's total bid price.

(2) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease a bidder's price by four percent if:

(a) the bidder has a documented commitment from a single proposed first-tier subcontractor to perform some portion of the services expressly required by the solicitation; and

(b) at the time of the bidding, the subcontractor directly employs or has a documented commitment with individuals domiciled in South Carolina that will perform services expressly required by the solicitation and the total direct labor cost to the subcontractor for those individuals to provide those services exceeds forty percent of bidder's total bid price.

(3) Whether award is to be made by item or lot, the preferences must be applied to the price of each line item of work. A preference must not be applied to an item for which a bidder does not qualify.

(4) Subject to other limits in this section, an offeror may benefit from applying for more than one of, or from multiple applications of, the preferences allowed by items (1) and (2).

(5)(a) In its bid, a bidder requesting any of the preferences allowed by items (1) and (2) must identify the subcontractor to perform the work, the work the subcontractor is to perform, and the bidder's factual basis for concluding that the subcontractor's work constitutes the required percentage of the work to be performed in the procurement.

(b) If a bidder is requesting a preference allowed by items (1) or (2), upon request by the procurement officer, the bidder shall identify the persons domiciled in South Carolina that are to perform the services involved in the procurement upon which the bidder relies in qualifying for the preference, the services those individuals are to perform, the employer of those persons, the bidder's relationship with the employer, and documentation of the subcontractor's labor cost for each person identified. Bidder's failure to provide this information promptly will be grounds to deny the preference and for enforcement pursuant to subsection (E)(6) below.

(c) If a contract is awarded to a bidder that received the award as a result of a preference allowed by items (1) or (2), the contractor may not substitute any business for the subcontractor on which the bidder relied to qualify for the preference, unless first approved in writing by the procurement officer. A substitution in violation of this subitem is grounds for debarment pursuant to Section 11-35-4220. If a contractor violates this provision, the procurement officer may terminate the contract for cause. If the contract is not terminated, the procurement officer may require the contractor to pay the State an amount equal to twice the difference between the price paid by the State and the price offered by the next lowest bidder, unless the substituted subcontractor qualifies for the preference.

(E)(1) A business is not entitled to any preferences unless the business, to the extent required by law, has:

(a) paid all taxes assessed by the State; and

(b) registered with the South Carolina Secretary of State and the South Carolina Department of Revenue.

(2) The preferences provided in subsections (B) and (C)(1)(i) and (ii) do not apply to a single unit of an item with a price in excess of fifty thousand dollars or a single award with a total potential value in excess of five hundred thousand dollars.

(3) The preferences provided in subsections (C)(1)(iii) and (D) do not apply to a bid for an item of work by the bidder if the annual price of the bidder's work exceeds fifty thousand dollars or the total potential price of the bidder's work exceeds five hundred thousand dollars.

(4) A solicitation must provide potential bidders an opportunity to request the preferences that apply to a procurement. By submitting a bid and requesting that a preference be applied to that bid, a business certifies that its bid qualifies for the preference for that procurement. For purposes of applying this section, a bidder is not qualified for a preference unless the bidder makes a request for the preference as required in the solicitation. If a solicitation specifies which preferences, if any, apply to a procurement, the applicability of preferences to that procurement is conclusively determined by the solicitation unless the solicitation document is timely protested as provided in Section 11-35-4210. If two or more bidders are tied after the application of the preferences allowed by this section, the tie must be resolved as provided in Section 11-35-1520(9). Price adjustments required by this section for purposes of evaluation and application of the preferences do not change the actual price offered by the bidder.

(5) This section does not apply to an acquisition of motor vehicles as defined in Section 56-15-10 or an acquisition of supplies or services relating to construction. This section does not apply to a procurement conducted pursuant to Section 11-35-1550(2)(a) or (b), Section 11-35-1530, or Article 9, Chapter 35.

(6) Pursuant to Section 11-35-4220, a business may be debarred if (i) the business certified that it qualified for a preference, (ii) the business is not qualified for the preference claimed, and (iii) the certification was made in bad faith or under false pretenses. If a contractor has invalidly certified that a preference is applicable, the chief procurement officer may terminate the contract for cause, and the chief procurement officer may require the contractor to

pay the State an amount equal to twice the difference between the price paid by the State and the price offered by the next lowest bidder.

(7) The sum of all preferences allowed by items (D)(1) and (D)(2), when applied to the price of a line item of work, may not exceed six percent unless the bidder maintains an office in this State. Under no circumstances may the cumulative preferences applied to the price of a line item exceed ten percent.

(8) As used in items (C)(1)(iii), (D)(1)(b), and (D)(2)(b), the term "documented commitment" means a written commitment by the bidder to employ directly an individual, and by the individual to be employed by the bidder, both contingent on the bidder receiving the award.

(9) The remedies available in this section are cumulative of and in addition to all other remedies available at law and equity.





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