



## **Preferred Bidders Informational**

### **Screening**

A Preferred Bidder is a bidder afforded preferential treatment over other non-preferred bidders after attaining preferential bidder status. A preferred bidder must meet the requirement indicated in Title 31, Chapter 23, Section 236a of the Virgin Islands Code, the *Preferred Bidders Statute*.

Pursuant to the *Preferred Bidders Statute*, the Commissioner of DPP shall solicit sealed bids or proposals from all responsible, prospective suppliers or purchasers who have requested their names to be added to the bidders' list, by sending them the notices electronically or through regular mail, as will acquaint them with the proposed purchase or sale.

Preferred bidders must meet the requirement set forth in the *Preferred Bidders Statute* and shall apply for certification as a Preferred Bidder with DPP and must submit confirmation that the definition of a preferred bidder is being met. Bidders shall apply for recertification every two years.

According to Section 236a, a "preferred bidder" means:

- (1) a person who has been a bona fide continuous resident of the Virgin Islands for at least 8 years or was born in the Virgin Islands; or
- (2) a firm, partnership, or corporation in which at least fifty-one (51%) percent of the legal or equitable ownership is held by a person or persons who have been bona fide continuous residents of the Virgin Islands for at least 8 years or who were born in the Virgin Islands; or is a firm, partnership, or corporation that is a certified small business enterprise as defined in 11 V.I.C. § 1270 et seq.; and
- (3) said person, firm, partnership or corporation is licensed in and maintains his or its principal place of business in the Virgin Islands and who owns, operates, or maintains a store, warehouse, or other place of business in the Virgin Islands or is the duly authorized agent, dealer, distributor, or representative in the Virgin Islands for the materials, supplies, articles, or equipment, or contractual or consulting services of the general character described by the specifications and required under this contract a certification requirement for Preferred Bidders.

See Preferred Bidder's Checklist. An applicant must meet the *Licensing* requirement in addition to the *Residency* or *Ownership* requirement, pursuant to the Preferred Bidders Statute.

### **Preferred Bidder status is applicable only to locally funded acquisitions and contracts.**

All applications for Preferred Bidder status require a minimum of **ten (10) business days** for processing. **Applications must be submitted to [vendormanagement@dpp.vi.gov](mailto:vendormanagement@dpp.vi.gov).**

## Application

Section 236a(b) requires the DPP Commissioner to purchase or contract for services from Preferred Bidders where:

- 1) the total cost to GVI does not exceed by more than fifteen (15%) percent the cost of such construction services, supplies, materials, equipment, or contractual or consulting services if obtained from other than a preferred bidder; and
- 2) the quality and availability of the construction services, supplies, materials, equipment, or contractual or consulting services are substantially equivalent.

The *Preferred Bidders Statute* sets the bid limits for Preferred Bidders.

### Pursuant to Subsection (c):

- Bids submitted by Preferred Bidders shall not be required to be accompanied by surety or bid bond if the bid is \$50,000 or less.
- Bid bonds or surety may be required of Preferred Bidders in bids exceeding \$50,000.00. Bid bonds or surety are not to exceed the following amounts:
  - Two percent (2%) of the bid on bids between \$50,000.01 and \$300,000.00;
  - Four percent (4%) of the bid on bids between \$300,000.01 and \$500,000.00; and
  - Five percent (5%) of the bid on bids exceeding \$500,000.00.

### Pursuant to Subsection (d):

A bond or surety for the proper performance of a contract awarded to a Preferred Bidder shall not exceed 25% of the contract price.

### Pursuant to Subsection (e):

Notwithstanding the foregoing provision of this section, the Commissioner of Property and Procurement and procurement officer of all Virgin Islands government entities, including but not limited to, authorities, agencies, or semi-autonomous instrumentalities, may accept forms of surety from Preferred Bidders other than bid bonds or performance bonds, including one of the following means of guarantee:

- 1) a performance and payment bond in the amount of 100% of the amount mandated by subsections (c) and (d);
- 2) a separate performance and payment bond, each in the amount of 50% of the amount mandated by subsections (c) and (d);
- 3) a 20% cash escrow of the amount mandated by subsections (c) and (d); and
- 4) an irrevocable letter of credit for 10% of the total contract price provided it is subject to a monitoring and disbursement agreement with the government.
- 5) As outlined in the Government regulations, retainage of 35% of the total contract price for contracts not to exceed \$500,000, until satisfactory completion of the project.