

Requirement to Submit a Bona Fide Bid

The Competitive Bidding Program regulations require that each bidder must submit a bona fide bid that complies with all the terms and conditions specified in the request for bids (RFB) (see 42 CFR 414.141 (b) (4)). Bid amounts for each item must be bona fide (i.e., when the bid is considered by itself without considering bids submitted for the other items in the product category, it passes scrutiny as a rational and feasible payment for furnishing the item). If a supplier submits a non-bona fide bid for a single item in a product category, the supplier is eliminated from competition for the entire product category.

All bids submitted under the program are screened and evaluated to ensure they are bona fide. The Competitive Bidding Implementation Contractor (CBIC) may ask suppliers to submit additional information, such as manufacturer invoices, to verify that they can furnish an item for the bid amount. If a supplier does not provide information to verify that a bid is bona fide, that supplier will be eliminated from competition for the given product category and competitive bidding area (CBA).

Possible factors that may result in a determination that a supplier submitted a non-bona fide bid include the following:

- Submitting a rental bid when the RFB instructions require a purchase bid amount, or vice versa, for one or more of the items in a product category.
- Entering an incorrect bid inadvertently.
- Submitting a “loss leader” bid (an infeasible bid for one item within the product category even though the bids for other items in the product category are feasible). Suppliers should not submit a bid for an item at a loss just to improve their chances of winning a contract, even if they believe they will have no problem furnishing all items within the product category when considering all of their bids as a whole.
- Submitting a \$0 bid or no bid for any item in a product category.
- Submitting a bid amount that exceeds the fee schedule amount for any item in a product category.

Please check your bids carefully before you certify in the online bidding system (DBidS). Suppliers may change their bids while the bid window is open, but bids cannot be changed after the bid window closes.