
Procurement 101 –

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Why Market to State Government?

- Open Competitive Opportunities
 - Fair and Reasonable Treatment
 - Reliable Customer
 - Prompt Pay
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Common Procurement Methods

- Request for Quotation (RFQ)
- Invitation for Bid (IFB)
 - Multi-Step Competitive Sealed Bid
- Request for Proposal (RFP)
- Request for Information (RFI)

Less Common Methods: RFR, SOIQ

Common Procurement Methods

Request for Quotation (RFQ):

- Uses:** Low Dollar/Risk, May be Written or Verbal (Telephone, Email Quotes)
- Method of Award:** Low Cost



Request for Interest (RFI):

- Uses:** Surveying the marketplace to determine a variety of factors
- Method of Award:** None



Common Procurement Methods

Invitation for Bid (IFB):

- Uses:** Solicitations where requirements are well defined and detailed - Goods and/or Services - Formal Process, Written Documents, Public Openings
- Method of Award:** Determine which bidder can provide the goods and/or services in accordance with the specifications, in the time required, at the lowest price.

Bid Evaluation and Award

Award Criteria:

- Award criteria is set forth in each solicitation.
- Award is made to the *responsive* and *responsible* bidder whose bid meets or exceeds the requirements and criteria set forth in the solicitation.

Bid Evaluation and Award

Responsive Bidder:

- A bidder whose bid meets or exceeds administrative requirements, technical specifications, and contractual terms and conditions.

Responsible Bidder:

- Bidder has the ability in all respects to successfully perform the contract requirements.


Common Points of Bid Evaluation

- Compliance with Mandatory Bid Requirements
 - Timely
 - Signatures
 - Required Forms
 - Bid Security
- Compliance with Minimum Specifications
 - Product
 - Experience
 - Expertise
 - Delivery

Bid Evaluation and Award

Responsive Indicators:

- Specifications and terms and conditions
- Signing bid and any other documents
- Bonding requirements
- Delivery time
- License requirements - Current and Active
- Product testing (meeting specifications)
- Samples



Evaluation and Award

Responsible Indicators:

- Proven Ability to Perform - Experience
- Inventory
- Staff and/or Technical Support
- Equipment, Resources, and Facilities
- Financial Resources

Common Procurement Methods

Multi-Step Competitive Sealed Bid

Uses: Obtain benefits of the competitive sealed proposal procedure through the solicitation of technical offers.

Combination of the RFP and IFB process
RFP - Technical evaluation process
IFB - Award process

Method of Award: Two phase/step process
Step one - Technical Proposal
Step two - Bid Pricing

Common Procurement Methods

Request for Proposal (RFP):

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|--|--|
| <ul style="list-style-type: none"><input type="checkbox"/> Uses:<ul style="list-style-type: none">• Variable Specifications• Several Possible Solutions<input type="checkbox"/> Method of Award: Best Solution/ Best Value<ul style="list-style-type: none">• Point Based Evaluation• Evaluation Team | <ul style="list-style-type: none"><input type="checkbox"/> Evaluation<ul style="list-style-type: none">• Technical Evaluation• Cost proposal Evaluation• Opportunity for Best and Final Offers? |
|--|--|

Sole Source Purchase

- Manufactured and marketed by a person or persons having exclusive right to manufacture and sell the product.
- Multiple distributors (Not a Sole Source, Should be Competitively bid)
- Purchases require written justification from the using agency.



Single Source Purchase

- Item is unique and possesses specific characteristics that can be filled by only one source.
- Purchases require written justification from the using agency.



Documentation for Sole Source & Single Source

- Is product or service unique and easily established as one of a kind?
- Can program requirements be modified so that competitive products or services may be used?
- Is product available from only one source and not merchandised through wholesalers, jobbers or retailers?
- Must items be interchangeable or compatible with in-place items?

Cooperative Purchasing



- Cooperative purchase agreement allows the use of a contract by other specified purchasers
 - Municipality, county, local government entities
- Benefits:
 - Volume Purchases - reduce product cost
 - Reduction in administrative expenses
 - Advertisement (Solicitation) & Development
 - Acquisition Time

Types of Contracts

Term Contracts

- Term Contract - establishes a "source of supply" for the purchase of goods and/or services made over a specified period of time.
- Term of Contract:
 - Usually one year, dependent on external factors (commodity, market conditions, compatibility)
 - Multi-year contract (- Extension options yearly)
- Other terms familiarly associated with these types of contracts are "Open-ended Contracts, Blanket Contracts, Requirements Contracts, or Purchase Agreements."

Term Contracts

Key Agency Benefits

- Volume Discounts and Increased Competition
 - Administrative and Time Savings
 - Advertisement (Solicitation) & Development
 - Acquisition Time
 - Standardization and Higher Quality
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Term Contracts

- Estimated purchase requirements for the contract period
 - Prior Purchases, Agency data, survey, vendor reports

Do **NOT** guarantee any purchases will be made against contract (indefinite quantity)

- Contract variations or different arrangements which include, but are not limited to:

Definite quantity for a definite period
Indefinite quantity for a definite period
Indefinite quantity for an indefinite period

Agency Term Contracts

Agency term contracts are established for individual agencies which have a specific need for a product or service which is **not applicable** to other state agencies.

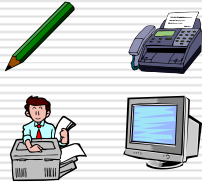
Golf Equip (Environment and Conservation)
Uniforms (Correction)
Guard Rails (DOT)
Advertising/Marketing



State Cooperative Contracts

Established for products or services which are common to all agencies:

- Office Supplies
- Paper Products
- Vehicles
- Copy Machines
- Food
- Temp Services



(Definite period & Indefinite quantity)

Term Contracts

Methods of Awarding Term Contracts

- Single Award
- Groups of line Items
- Line Item
- Percentage Discount from Catalog
- Geographic Location
- Multiple Award/ Multiple Listings

Other Contracting Methods

- | | |
|---|---|
| <input type="checkbox"/> Preferences | <input type="checkbox"/> GSA Contracts |
| <input type="checkbox"/> Particular Groups | <ul style="list-style-type: none">■ May require Statutory authority;■ Terms and Condition Conflicts |
| <ul style="list-style-type: none">■ Those with Disabilities■ Correctional Industries■ In-State / Reciprocal | <input type="checkbox"/> Negotiation |
| | <ul style="list-style-type: none">■ May require Statutory authority;■ May be limited to individuals. |

Variety of Pricing Structures

- Firm Price
 - Without Price Adjustment
 - With Price Adjustment allowance
- Firm Percent
 - Discount(s) off published price list
 - Price List may change
 - Percent Discount does not change

Variety of Pricing Structures

- User Cost + Plus or Minus % of predefined cost
 - Well defined and auditable cost.
- Time and Materials
 - Time: Labor hours at specified fixed hourly rate includes wages, overhead, admin cost, and profit
 - Materials: At cost, includes handling cost (if allowed)
 - (many States utilize fed travel rates: mileage, airfare, lodging)

Agency Delegations

- Grants agency authority to purchase under the same procedures as Central Purchasing
- Delegations usually granted for specific:
 - Commodity Code (description)
 - Perishable Commodity (Fresh Fruits & Veg.)
 - Dollar amount
 - Time Frame

Agency Local Purchases

Agency authorized to purchase product/service under specific guidelines:

- Where product/service is not available from an existing term contract.
 - Established dollar threshold
 - Competitive bidding requirements
 - < \$1,000 - Agency may purchase w/o competitive bid
 - \$1,000-\$5,000 - Agency obtains three competitive bids
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Tips for Winning State Contracts

- ✘ Visit NASPO Website
 - ✘ Get "Vendors Guide: How to Do Business with the States"
 - ✘ Register with state(s) – Check out their Website
 - ✘ Visit State procurement officer(s)
 - ✘ Meet with state agencies(s)
 - ✘ Daily review of solicitations
 - ✘ Active in user groups - trade shows
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Tips for Winning State Contracts

- ✘ Preparing the Bid or Proposal
 - ✘ Carefully read the solicitation
 - ✘ Sign the bid document
 - ✘ Review previous bid information
 - ✘ Ensure your response is complete
 - ✘ If applicable, attend pre-bid conferences
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Tips for Winning State Contracts

- ✘ Preparing the Bid or Proposal - (Cont.)
 - ✘ Submit complete, timely responses
 - ✘ Understand the evaluation system
 - ✘ Understand the state law on "Trade Secrets"
 - ✘ Do not change or take exception to Terms and Conditions (T's & C's)
 - ✘ Ask questions
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Tips for Winning State Contracts

- ✘ Evaluation of Bids or Proposals
 - ✘ Don't assume proposals will be negotiated
 - ✘ Ask questions about process (most RFP evaluations are not public until award announcement)
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Tips for Winning State Contracts

- ✘ Review competitor's Bids or Proposals
 - ✘ Review the bid or proposal file and competitors bid and proposals
 - ✘ Determine timing of next requirement

 - ✘ Market your Products or Services
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