Purchases 101

Let’s Put the Pieces Together

Presentation July 31, 2016
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State
Purchases
Act
Flow Chart
Overview

Mission
To obtain the best value for the taxpayer by providing an "equal playing field" for all potential vendors, enhancing opportunities for small businesses, minority/women owned businesses, and disability business enterprises, and by leveraging State purchasing power on all procurements.

  “State Purchases Act”
- Procurement Regulations and General Conditions of Purchase
- Public procurement concepts
- Determining the procurement method
Public Procurement Concepts

- Full & open competition
- Transparency
- Established procedures
- Support of socioeconomic goals
Step 1

DOA / Purchases Avoidance
Step 1: DOA / Purchases Avoidance
Master Price Agreements “MPA’s”

- Universal need for goods / services
- Create your own release / direct purchase order - Read MPA user guide specific to the MPA - $0 (zero dollar) purchase agreement requisition often required
- Multi-state cooperative agreements
- MPAs listed on www.purchasing.ri.gov
Step 1: DOA / Purchases Avoidance

Continuous Recruitments “CR’s”

**Continuous Recruitment**

***This offer may not be considered unless a signed RIVIP generated CR/RFQ Certification Cover Form is attached. The signed Certification Cover Form must be attached to the front of the offer. You will not receive a cover form unless you have signed in.***

**Column Key:**
- CR = Continuous Recruitment

CR designates solicitations that may have open enrollment periods. Agencies, suppliers, and potential suppliers are encouraged to view each solicitation for details.

### CR Qualified Vendors

<table>
<thead>
<tr>
<th>CR Number</th>
<th>CR Title</th>
<th>Agency Name</th>
<th>Buyer Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR-10</td>
<td>CR-10 LABOR MANAGEMENT, ARBITRATION/INTERIM MEDIATION SERVICES (MPA-4005) (3 POS)</td>
<td>DLT - Labor and Training</td>
<td>Moynihan</td>
</tr>
<tr>
<td>CR-16</td>
<td>CR-16 PUBLIC ARTS PROJECTS MANAGEMENT TEAM (15 POS)</td>
<td>DLT - Labor and Training</td>
<td>Moynihan</td>
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<tr>
<td>CR-19</td>
<td>CR-19 PRIVATE INVESTIGATIVE SERVICES - MPA-490</td>
<td>AIA</td>
<td>Wally</td>
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<td>CR-2</td>
<td>CR-2 CONSTABLE SERVICES (MPA-2514) CONTINUOUS RECRUITMENT - CR-2 (5 POS)</td>
<td>DOA - Administration</td>
<td>Moynihan</td>
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<tr>
<td>CR-23</td>
<td>CR-23 ENERGY PERFORMANCE CONTRACTING SERVICES - QUALIFIED PROVIDER LIST (14 POS)</td>
<td>DOA - Administration</td>
<td>Moynihan</td>
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<td>CR-20A1</td>
<td>CR-20A1 ENERGY PERFORMANCE CONTRACTING SERVICES - QUALIFIED PROVIDER LIST - ADDENDUM #1 (1 POS)</td>
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<td>Moynihan</td>
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<tr>
<td>CR-21</td>
<td>CR-21 ESCROW AND TITLE SERVICES (5 POS)</td>
<td>DOA - Administration</td>
<td>Moynihan</td>
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<tr>
<td>CR-26</td>
<td>CR-26 ESCROW AND TITLE SERVICES ADDENDUM #1 (1 POS)</td>
<td>DOA - Administration</td>
<td>Moynihan</td>
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<tr>
<td>CR-23</td>
<td>CR-23 FIRE ALARM/SPRINKLER SVCS &amp; RELATED RENOVATIONS FOR GROUP HOMES (MPA-405) (33 POS)</td>
<td>DLS - Human Services</td>
<td>Moynihan</td>
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<tr>
<td>CR-24</td>
<td>CR-24 FIRE ALARM/SPRINKLER SVCS &amp; RELATED RENOVATIONS FOR GROUP HOMES (MPA-405) - ADDENDUM #1 (1 POS)</td>
<td>DLS - Human Services</td>
<td>Moynihan</td>
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<tr>
<td>CR-25</td>
<td>CR-25 AJUDICATION SERVICES (7 POS)</td>
<td>DLT - Labor and Training</td>
<td>Walsh</td>
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<td>CR-26</td>
<td>CR-26 CONTINUOUS RECRUITMENT - DISASTER RECOVERY SERVICES - MPA-4307 (7 POS)</td>
<td>MultiAgency</td>
<td>Gill</td>
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<tr>
<td>CR-28</td>
<td>CR-28 Continuous Recruitment for Historic Preservation Contractors</td>
<td>DOT - Transportation</td>
<td>Hiil</td>
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<tr>
<td>CR-29</td>
<td>CR-29 DYNAMIC MESSAGE SIGNS (DMS) AND PORTABLE VARIABLE MESSAGE SIGNS (PVMS) SERVICES (25 POS)</td>
<td>DOT - Transportation</td>
<td>Hiil</td>
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<td>CR-30</td>
<td>CR-30 DYNAMIC MESSAGE SIGNS (DMS) &amp; PORTABLE VARIABLE MESSAGE SIGNS (PVMS) SVCS ADD 1 (2 POS)</td>
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<td>Hiil</td>
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<td>CR-31</td>
<td>CR-30 DYNAMIC MESSAGE SIGNS (DMS) &amp; PORTABLE VARIABLE MESSAGE SIGNS (PVMS) SVCS ADD 2 (11 POS)</td>
<td>DOT - Transportation</td>
<td>Hiil</td>
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<td>CR-32</td>
<td>CR-30 DYNAMIC MESSAGE SIGNS (DMS) &amp; PORTABLE VARIABLE MESSAGE SIGNS (PVMS) SVCS ADD 3 (3 POS)</td>
<td>DOT - Transportation</td>
<td>Hiil</td>
</tr>
</tbody>
</table>
Small Purchases Delegated Authority

- New requirements November 2014
- Amounts between $500 and $5000 for goods & services
- Amounts between $500 and $10,000 for construction services
- Use of MPA, MBE/WBE and local vendor when possible

Delegated Purchase Authority For Agencies

- Request for limited delegated authority to DOA Director as Chief Purchasing Officer
- Authorization letter from DOA Director/Chief Purchasing Officer
- Program/Agency specific
Under $20,000
R.I. Gen. Laws §37-2-69

- Agency attains 3 written quotes
- Agency recommends award to lowest responsive, responsible bidder
- Every effort should be made to contact Rhode Island vendors and at least one Minority Business Enterprise ("MBE") vendor
- Agency sends requisition, quotes, and recommendation to DOA / Purchases
- DOA Director has final approval
Small Purchases
Delegated Authority

DO NOT Artificially Divide Procurement
If there is no MPA/Does not fall within Small Purchases Delegated Authority
Step 2: Interface with DOA / Purchases

• The Purchase Requisition
  ❖ Tell us what you want

• Statement of Need
  • Provides a funding source
  • Provides a description of goods/services
  • Authorizes the Purchasing Agent to act on behalf of the agency
  • Created on-line in RIFANS
Methods of Public Solicitation

- Invitation to Bid “ITB” / Request for Quotations “RFQ”
- Letter of Interest “LOI”
- Request for Proposals “RFP”
- Request for Information “RFI” – No Award
Methods of Public Solicitation

- The Invitation to Bid “ITB”/ Request for Quotation “RFQ”
- Specifications – failure to adhere to all specifications means bid is rejected.
- Award to lowest responsive / responsible bidder
- Example: motor vehicle procurement
RFQ / ITB

Specifications – specific as to performance / design

Bid Opening – public, all data available to other bidders

Evaluation – based exclusively on technical specifications

Discussion – yes or no on meeting specification

Changes – none; no discussions

Award – lowest responsive & responsible offer
• A proposal (bid) which conforms in all material respects to the solicitation.

• Determination takes place at the time of offer evaluation.
Offeror has the capability, in all material respects, to perform the contract.

**Capability includes:**
- Experience
- Integrity
- Reliability
- Capacity
- Facilities
- Equipment
- Financial resources & management capability
Methods of Public Solicitation

- Letter of Interest “LOI”/Letters of Interest
- Government details what is to be done and seeks vendor qualifications
- Cost may be one of the evaluation factors
- Example: MPA 229 - Computer Training
Methods of Public Solicitation

- **Request For Information “RFI”**
  - Public notice to gather information
  - No award will be made
  - Learn from proposals received
  - Create specifications for future Request For Proposals “RFP”
What’s in the Leftovers?

If you ask for beef, you could get shank.

Learn your options.

If you ask for prime cut beef, you get prime cut beef.

“...and a side order of leftovers.”
Contact Center Volume and Service Levels
November 2015 - June 2016

http://www.purchasing.ri.gov/bidding/BidDocuments.aspx
?BidNumber=7549521&Isridot=False&Status=Canceled

Average Speed to Answer

<table>
<thead>
<tr>
<th>% Calls Handled</th>
<th>Average Speed to Answer</th>
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<tr>
<td>Nov-15</td>
<td>Dec-15</td>
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<tr>
<td>Inbound Calls</td>
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<tr>
<td>45%</td>
<td>47%</td>
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Average Abandonment Rate

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Average Handle Time

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<th>Average Handle Time</th>
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</table>
Methods of Public Solicitation

- **Request for Proposals “RFP”**

- Government knows end result. Solicitation to determine best approach to resolution

- Evaluation Criteria: Experience, approach, methodology, work plan & cost
Methods of Public Solicitation

- **Request for Proposals “RFP”**

- Evaluation criteria subjective - sliding scale

- Cost or budget justification

- Example: purchase & integrate software
Request For Proposals “RFP”

- **Specifications** – end results oriented by statement of work
- **Bid Opening** – offers are acknowledged; no details discussed
- **Evaluation** – weighted values on multiple criteria (usually technical 70%, Cost 30%)
- **Discussion** – among review team and offeror
- **Changes** – offeror’s ideas may be used in best and final round
- **Award** – best value, maybe not lowest price
• What is a *Sole Source*?

• Submit Sole Source Justification with Requisition

• Detailed response for every justification question required
Emergency Procurements
37-2-21 (b)

- Exists a threat to public health, welfare or safety
- Written detailed description of the basis for the emergency required
- Inadequate anticipation of need shall not be considered justification for “emergency” purchases
2.2.3.1 - Delegated purchase authority shall mean the transfer of purchasing authority from the Chief Purchasing Officer to another state official.

2.2.3.1.4.1 - Names and titles of individuals authorized by an agency director to commit funds on behalf of an agency.

Delegated purchase authority may be revoked if at any time a user agency is deemed to be in violation of purchasing rules and regulations, policies and procedures.

Purchase order, batch payment, must be outlined in the request for delegated purchase authority.

Subject to review by Bureau of Audits.
Agency Specific Delegated Authority

- Requisition
- Delegated authority letter
- Vendor-agency agreement
- Send to Director of Administration/Chief Purchasing Officer
GRANTS

- $ distributed specified in grant
- $ distributed by formula
- $ distributed by competition
- Requisition to DOA/Purchases with supporting documentation
- Delegated authority letter required in many cases
• **Standard Purchase Order:**
  - Total award $ specified
  - Funds encumbered

• **Blanket Purchase Agreement:**
  - $ capped
  - Term stated
  - Lines established with unit price and unit of measure
  - Funds encumbered at release “Blanket Release”

• **Contract Purchase Agreement:**
  - $ capped
  - Term stated
  - No lines in RIFANS on a contract purchase agreement
  - Funds encumbered at release (contract release identified as Standard Purchase Order in RIFANS with supplier site of “99”)
Change Orders
Issued by DOA/ Purchases

• Change funding amount - increase or decrease; how much?
• Change contract term - is the term extendable?
• Modify scope of work - add or delete services.

➢ No vendor work until issuance of change order by the Division of Purchases
Poor Vendor Performance
The Deficiency / Complaint Process

- Agency attempts to resolve first

- Notify DOA / Purchases if unresolved

Complaint form available at
www.purchasing.ri.gov “ARC”

- Resolution: compromise, suspend, debar, legal action
PROCUREMENT ETHICS

• Executive Order 15-1
  “Ethics and Integrity in Government”

• Procurement Regulation 3
  “Code of Ethics and Professional Behavior”
Congratulations!

You’ve completed Purchasing 101