

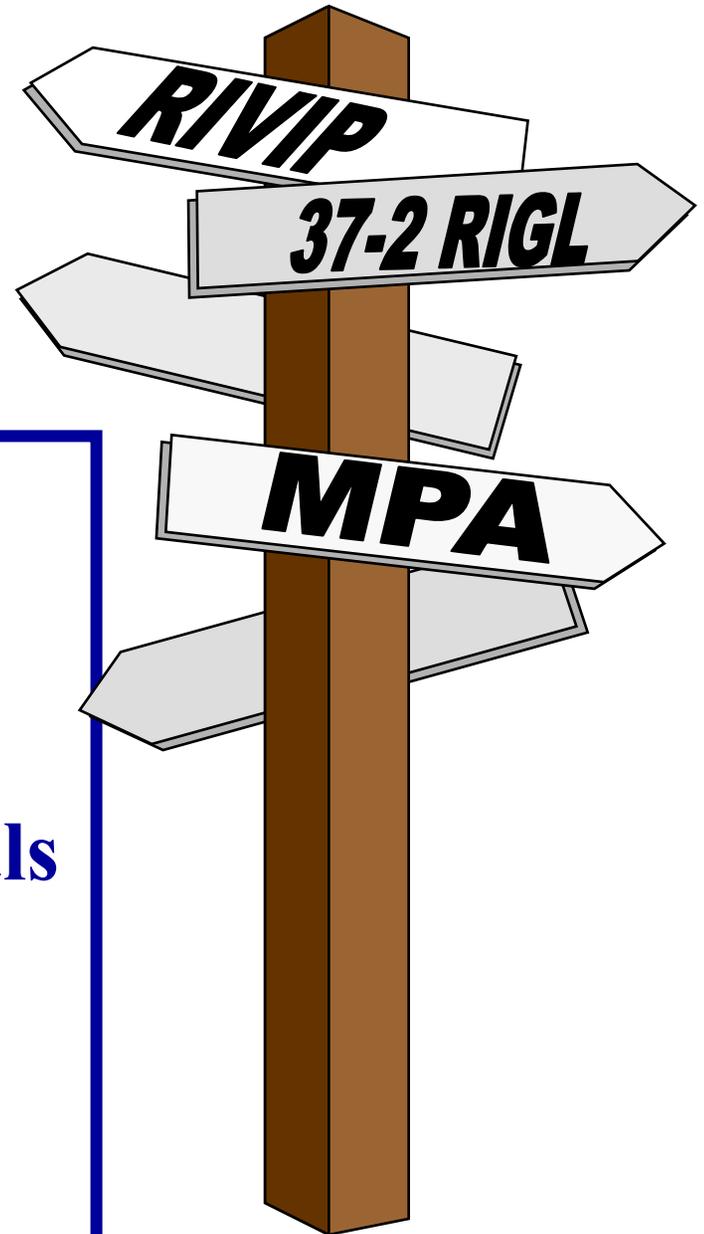
A topographic map of Rhode Island, showing the state's outline and internal terrain features. The map uses a color gradient from green to yellow to represent elevation, with higher elevations in the north and west. The state is surrounded by water, and the map is centered on a light gray background.

STATE OF RHODE ISLAND

PURCHASING LAW, RULES, REGULATIONS & PROCEDURES

GUIDE TO STATE PURCHASING

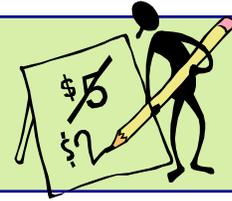
- **Governing Law & Regulations**
- **Policy**
- **Procedures & Approvals**
- **RIVIP - Rhode Island Vendor Information Program**



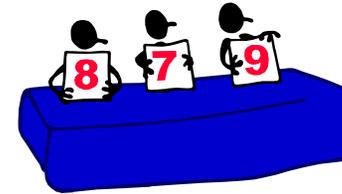
State Purchasing Requirements Pursuant to Rhode Island General Law 37-2

- Passed in 1989 based on American Bar Association Model Procurement Language to support the following principles:
 - Centralization of Contracting Authority
 - Open competition to encourage better pricing
 - Fair treatment of vendors
 - Written documentation of determinations to support audit trail
- Requires publication of Regulations and General Terms and Conditions for Contracts in accordance with RI Administrative Procedures Act
- Incorporates provisions of Law, Regulations and General Terms into all contracts
- Updated in 1997 to Require Use of **Rhode Island Vendor Information Program (RIVIP)** to Publish Purchasing Opportunities

OPEN AND FAIR COMPETITION ENCOURAGES BETTER PRICING



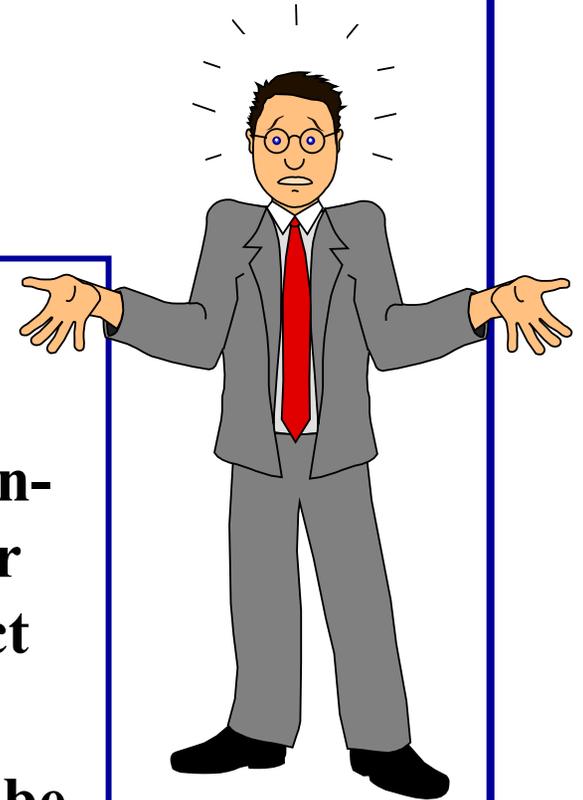
- Clear specifications to assure comparability of responses
- Sufficient time to respond
- Objective criteria for making determinations
- Requests for offers state what criteria will be used to make contract award determinations
- Public knowledge of opportunity for contracts
- Public knowledge of results
- Equal information to all participants throughout process
- Relationships with vendors avoid opportunities for influence



What is RIVIP?

Rhode Island Vendor Information Program

- **State Purchasing Law (37-2.17)** requires the implementation of an on-line computerized system for greater public access to government contract opportunities and information.
- **The legislation requires that RIVIP be readily accessible throughout the state.**



To Whom do State Purchasing Law and Regulations Apply?



APPLICABILITY OF 37-2

§ 37-2-4 Applicability. – This chapter shall apply to **every expenditure of public funds by any state governmental entity** except as otherwise provided by law, by this state, or a public agency under any contract or like business agreement, excepting only those contracts or like business agreements where the state purchases goods or services from its political subdivisions or other governmental entities. It shall also apply to the disposal of state supplies. Nothing in this chapter or in the regulations promulgated hereunder shall prevent any state governmental entity from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement except where such terms and conditions may conflict with requirements of law, including, but not limited to, the provisions of this chapter regarding competitive procurement.

§ 37-2-7(11) Definitions. "State governmental entity" means **any entity created as a legislative body or a public or state agency by the general assembly or constitution of this state**, except for municipal, regional, or county governmental entities.

§ 37-2-7(28) Definitions. "State agency" means any department, commission, council, board, bureau, committee, institution, or other governmental entity of the executive **or judicial branch** of this state not otherwise established as a body corporate and politic, and includes, without limitation, the board of governors for higher education except for purchases which are funded by restricted, sponsored, or auxiliary moneys and the board of regents for elementary and secondary education.

Comparison of How RIGL 37-2 Applies to State & Public Agencies

State Agencies

- Chief Purchasing Officer (CPO) is Director of Dept. of Admin.
- State Purchasing Agent created by law
- Central Purchasing Division for all State Agencies
- State agencies must use Central Purchasing
- Architect, Engineer & Consultant Services Committee Procedure to Advise CPO on Selections over \$20,000
- Must Use RIVIP to advertise bids and RFPs
- CPO Must publish Regulations for 37-2 per Admin. Procedures Act
- Small Purchase procedures established by CPO

Public Agencies

- Chief Purchasing Officer is Executive Director
- No Purchasing Agent created by law
- No Central Purchasing Unit for all Public Agencies
- Public agencies may elect to use Central Purch.
- No Architect, Engineer & Consultant Services Committee
- Must Use RIVIP to advertise bids and RFPs
- CPO Must publish Regulations for 37-2 per Admin. Procedures Act
- Small Purchase procedures established by CPO

State Governmental Entities Subject to 37-2

State Agencies

Director of Dept. of Administration is Chief Purchasing Officer and is only one authorized to issue Purchasing Regulations.

- Executive Departments - Administration, Human Services, Transportation, Environmental Management, etc.
- Boards & Commissions - Commission on Disabilities, Coastal Resources Management Council, Board of Design Professionals, Higher Education, Elementary & Secondary Education, etc.
- Judiciary Department
- Elected Officials - Treasurer, Secretary of State, Attorney General, Lt. Gov.

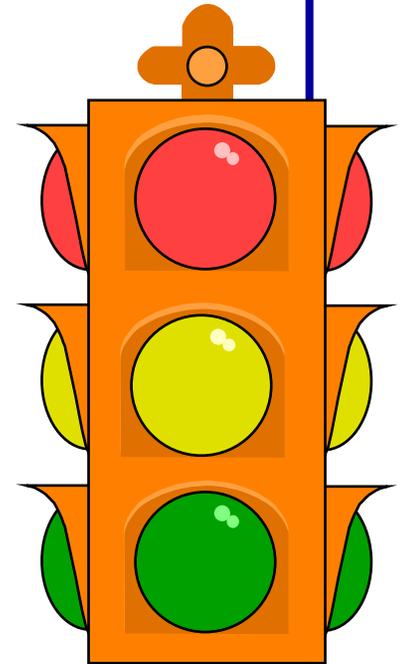
Public Agencies (Bodies Corporate and Politic)

Exec. Director of each entity is the entity's Chief Purchasing Officer and is only one authorized to issue Purchasing Regulations.

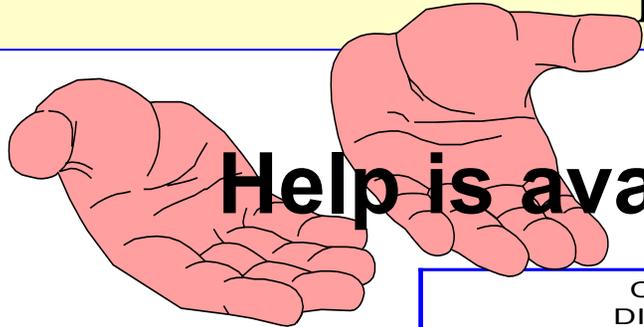
- Narragansett Bay Commission, Economic Development Corporation, Channel 36 Foundation, Resource Recovery Corporation, Airport Corporation, etc.

CENTRALIZED CONTRACTING AUTHORITY

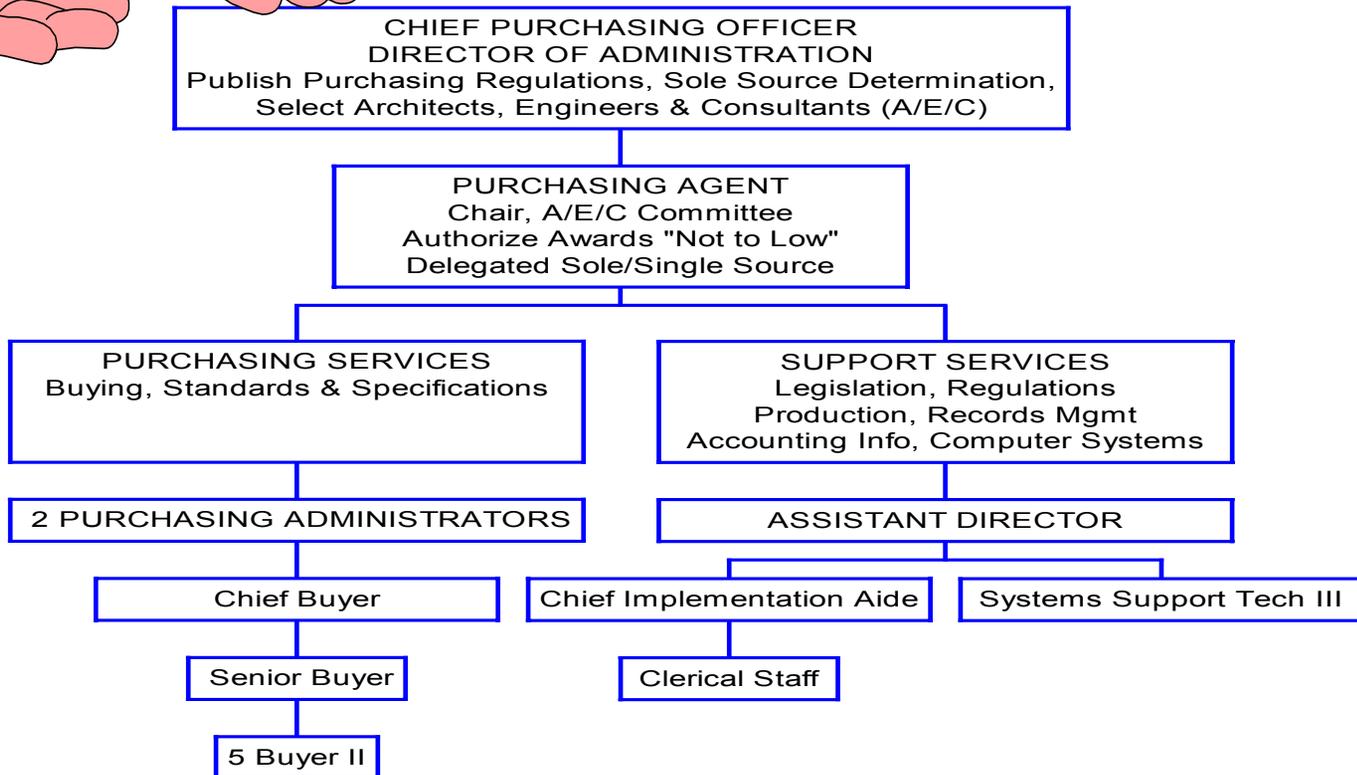
- No one other than the Chief Purchasing Officer or the Purchasing Agent has the authority to enter into contracts - including Department Directors or even the Governor
- The Chief Purchasing Officer may delegate authority set forth in 37-2 except for publication of regulations
- Current regulations delegate authority for small purchase contracts to users - including bidding - subject to all provisions of law and regulation



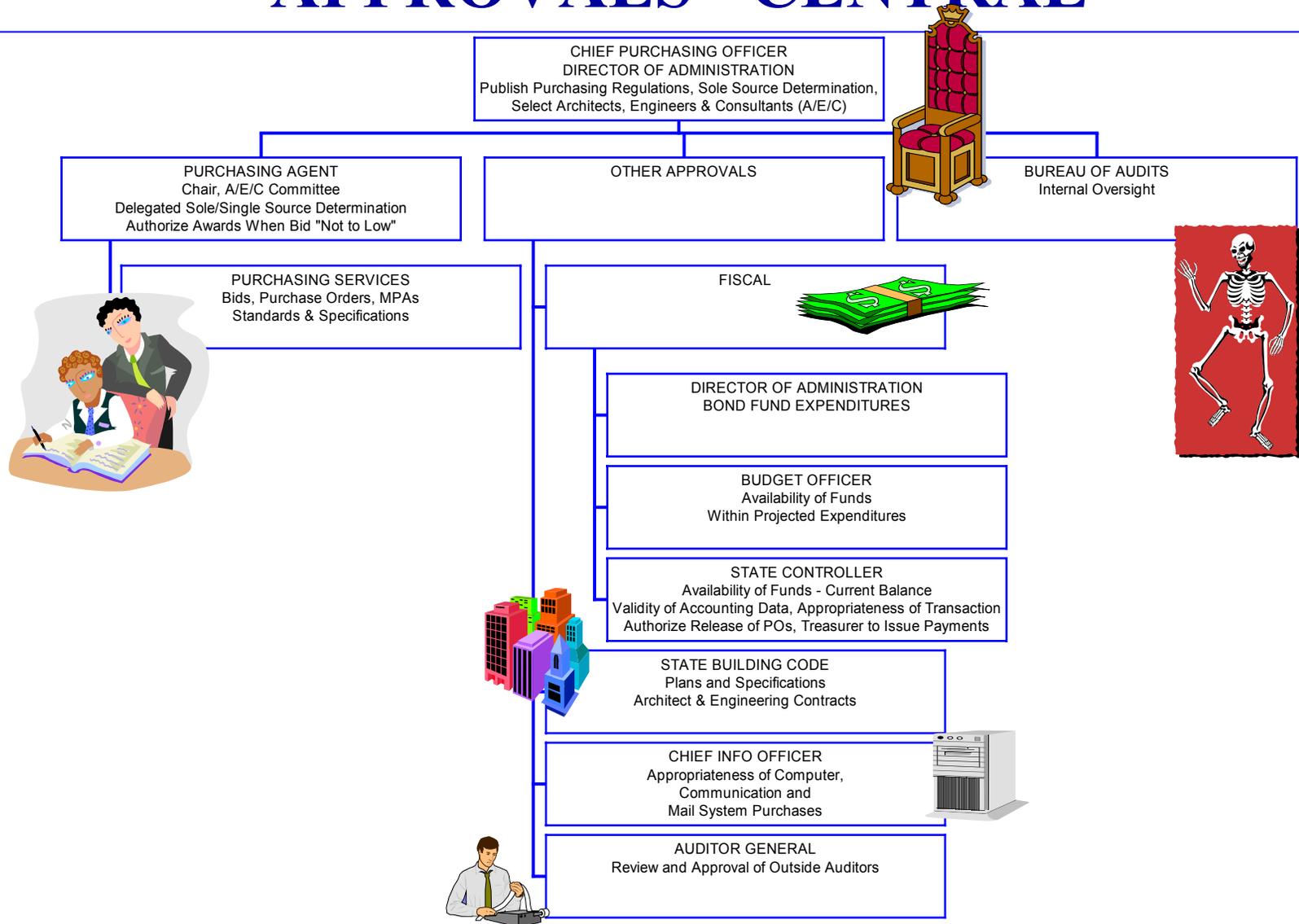
DIVISION OF PURCHASES/CENTRAL PURCHASING



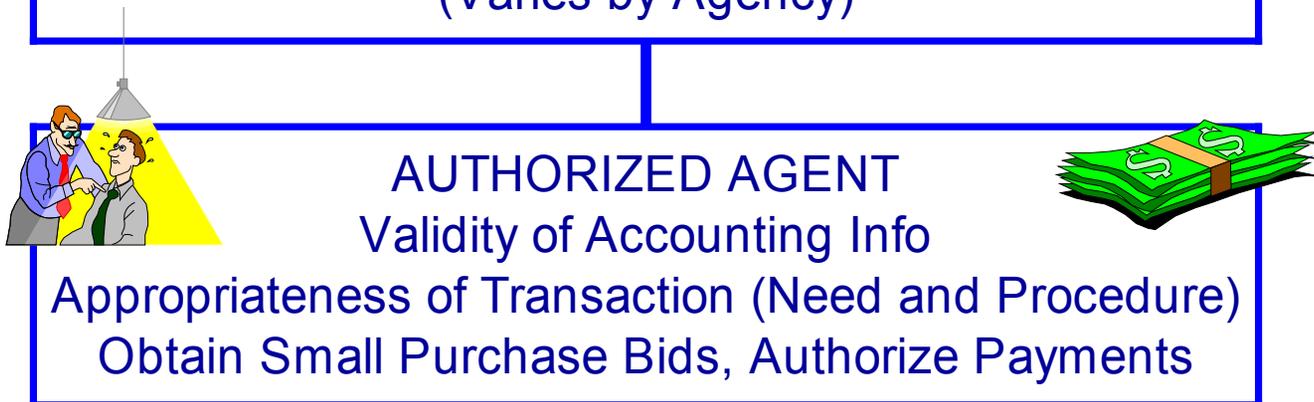
Help is available.



PURCHASING TRANSACTION APPROVALS - CENTRAL



PURCHASING TRANSACTION APPROVALS - DEPARTMENT





ENFORCEMENT

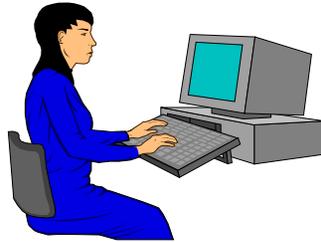
Failure to comply with state purchasing law and regulations may result in:

- Debarment or Suspension of Vendors
- Cancellation of Contracts
- Nonpayment of Vendor
- Removal of Authorized Agent Status

How Does State Purchasing Operate?



RISAIL ELECTRONIC SYSTEM WORKFLOW



DEPARTMENT USERS

- Requisitions
- Dept. Purchase Orders
- Status Information
- Payments
- Reports

CENTRAL PURCHASING

- Bids
- Bid Evaluation
- Purchase Orders
- MPAs
- Vendor Records and Data
- Reports
- Transfer of Accounting Encumbrance Info

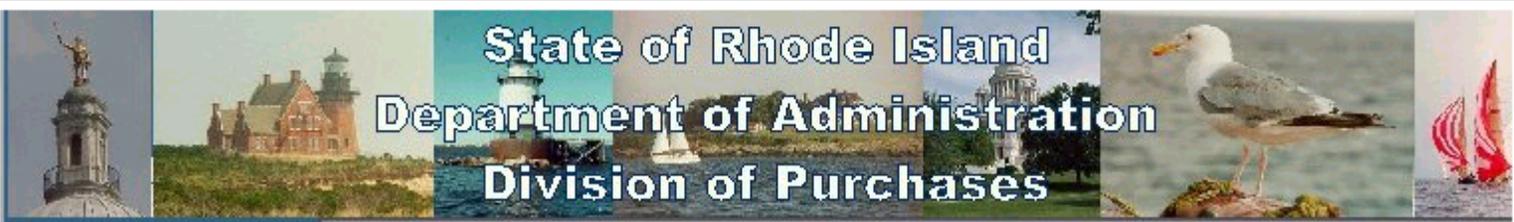


Vendor Information Program Server (RIVIP)

Vendors, Public Agencies, Municipalities, Public Info

- Bids
- Vendor Registration
- Bid Schedule
- Bid Results
- Vendor Lists
- Laws, Rules & Regulations
- Prevailing Wage
- Tutorials





State of Rhode Island Department of Administration Division of Purchases

- [SIGN IN] ←
- Home
- General Information
- Vendor Center
- Public Bid Opportunities
- RI Department of Transportation
- Quasi-Public / Municipalities
- Agreements (MPAs)

Welcome to the Rhode Island Vendor Information Program (RIVIP) Website

This website contains a variety of Rhode Island State Purchasing Information. To navigate our website, use the menu bar at the left. If you haven't got a clue what to do check out our [Quick Start Guide](#) or [Tutorials](#). This website requires at least [Internet Explorer 4.0](#) or [Netscape Navigator 6.2](#) and you must have [Adobe Acrobat Reader](#) (version 4.0 or greater) installed. Please read our [disclaimer](#).

New Features Now Available

Continuous Recruitment

A new method of recruiting qualified vendors is now available. All users can browse the Continuous Recruitment listings within Public Bid Opportunities to see what duties/positions we are recruiting for. Simply register, sign-in, download a cover form and CR PDF document, and mail it to us to be qualified for a certain duty/position for future bids.

Information Available on RIVIP

- Bids/Requests For Proposal Solicitations
- Bid Results
- State Agency Bid/RFP Schedules and Announcements
- Quasi-Public and Municipal and School Bid/RFP Announcements
- State Purchasing Rules and Regulations
- State's General Terms and Conditions
- Master Price Agreements
- Vendor Data Base
- NIGP Commodity Code Lists
- Prevailing Wage Rates
- IRS W-9 Forms
- Access to other State Purchasing Sites



REQUISITION, PUBLIC BIDDING AND PAYMENT PROCEDURE



USER CREATES REQUISITION.
AUTHORIZED AGENT APPROVES FUNDS, APPROPRIATENESS OF PURCHASE.



APPROVALS BY BUDGET, DIR. OF ADMIN (BONDS), CHIEF INFORMATION OFFICER
(COMPUTER, COMMUNICATION), BUILDING CODE (VERTICAL CONSTRUCTION)

CENTRAL PURCHASING

CENTRAL FINANCE



BUYER DEVELOPS BID AND BID IS
MADE PUBLIC ON RIVIP COMPUTER



VENDOR DELIVERS AND FORWARDS
INVOICE FOR PAYMENT TO AGENCY



VENDORS DOWNLOAD BIDS AND MAIL
RESPONSES TO DIVISION OF PURCHASES



AGENCY RETRIEVES INFO & CREATES
INVOICE VOUCHER IN COMPUTER



PURCHASING OFFICIALS PUBLICLY
OPEN BIDS, READ OFFERS



AGENCY PRINTS AND SIGNS HARD
COPY OF VOUCHER & SENDS TO
CONTROLLER AUTHORIZING PAYMENT



BID INFORMATION ENTERED
INTO RISAIL COMPUTER



CONTROLLER'S OFFICE REVIEWS & APPROVES
FOR PAYMENT. CONTROLLER'S
SETS "CHECK RUN."



BUYERS ANALYZE BIDS AND AWARD
PURCHASE ORDERS AND CONTRACTS



TREASURER PRINTS CHECKS &
MAILS TO VENDOR.



PURCHASE ORDERS REVIEWED &
APPROVED BY BUYER OR SUPERVISOR
BEFORE MAILING TO VENDORS.



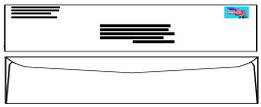
AUDITORS REVIEW TRANSACTIONS
TO ASSURE COMPLIANCE WITH
LAW, REGULATION, POLICY

CENTRALIZED SMALL PURCHASES

**Between \$5000 and \$10,000 for
Construction and between \$2500
and \$5000 for other**

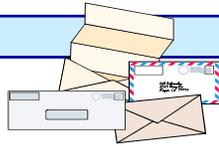


BUYER SELECTS THREE VENDORS,
ONE OF WHICH MUST BE MINORITY FIRM
AND, WHERE POSSIBLE, OTHER
VENDORS ARE LOCAL BUSINESSES.



WRITTEN QUOTES ARE
OBTAINED BY MAIL ONLY

VENDORS MAIL OR
HAVE BIDS DELIVERED.



PURCHASING OFFICIAL OPENS
BIDS IN PUBLIC CEREMONY,
IF REQUESTED.

BUYER ANALYZES BIDS.
PURCHASE ORDER APPROVED BY
SUPERVISOR OR HIGHER OFFICIAL,
DEPENDNG ON BUYER AUTHORITY.



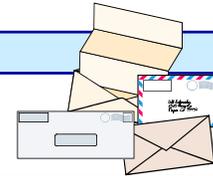
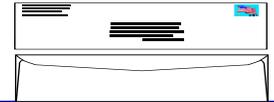
DELEGATED SMALL PURCHASES

**Under \$5,000 for Construction
and under \$2500 for other**



AGENCY SELECTS THREE VENDORS,
ONE OF WHICH MUST BE MINORITY FIRM
AND, WHERE POSSIBLE, OTHER
VENDORS ARE LOCAL BUSINESSES.

QUOTES ARE OBTAINED BY
TELEPHONE, FAX OR MAIL



VENDORS MAIL OR
HAVE WRITTEN BIDS DELIVERED
WHEN OVER \$1000.

AGENCY OFFICIAL OPENS
BIDS WITHOUT PUBLIC CEREMONY.



AGENCY ANALYZES BIDS. DIRECT
PURCHASE ORDER ISSUED BY
AUTHORIZED AGENT.



State Purchasing Contracts are issued in two forms:

- **MASTER PRICE AGREEMENTS (MPAs)** cover requirements for broad categories of items for a period of time on a State-wide basis - State and Quasi-Public Agencies order their requirements for these items individually, as the need arises. State law permits municipalities and school districts to "piggy-back" the state's pricing contracts, at the vendor's discretion.
- **PURCHASE ORDERS (POs)** are for a specific quantity and price and are issued as a notice to the vendor to proceed in accordance with the terms of the solicitation and offer.

State agencies may issue **"DIRECT PURCHASE ORDERS" (DPOs)** for goods and services within the small purchase authority cited above or for goods and services covered by Master Price Agreements established by the Division of Purchases. MPA DPOs are called "releases against the blanket master."

CONTRACT AWARD

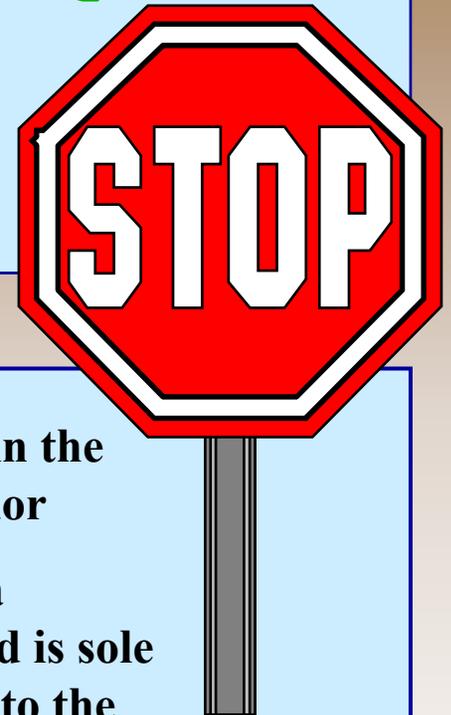
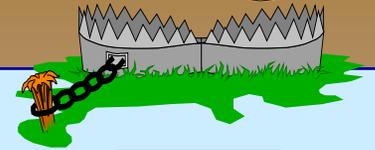
- Award of contract to lowest priced responsive and responsible offeror
 - Responsive - offers what is requested, provides all required documentation
 - Responsible - financially sound, good track record
- By law all contracts awarded as result of
 - Competitive Sealed Bidding
 - Competitive Negotiation
 - Noncompetitive Negotiation
 - Requests for Proposals or Qualifications
 - Small Purchase Procedures
- Balancing act between pricing and other factors



NONCOMPETITIVE SOURCING TRAP



NO state governmental entity official has the authority to make sole source purchasing determinations except the Chief Purchasing Officer or his Designee the State Purchasing Agent



- **Emergency purchases require written documentation in the contract file as to the basis for the selection of the vendor**
- **It is inappropriate for an agency to name a vendor in a federal grant application and then claim that the award is sole source because the grant requires the funds to be paid to the named vendor/grantee**

SOURCE SELECTION

Vendors are suppliers or “sources” for goods and services. The State Purchasing law provides for obtaining information for the purpose of evaluating sources:

- Qualification and Prequalification

- Financial responsibility
- Expertise
- Experience
- Equipment
- Education
- License/Certification
- Workload

- Vendors can be qualified as Part of Bid Solicitation, Letter of Interest, Request for Proposal, Request for Qualification or Prequalification

- Vendors indicate what goods or services they supply by enrolling on the Rhode Island Vendor Information Program and registering to sell various commodities (select NIGP Codes)

- Lists of Suppliers can be obtained from the RIVIP or potential vendors recommended by User Agencies which have researched the commodity they are purchasing

Competitive Pricing		Professional Services
BIDS	RFPs	LOIs/RFQs
<p>Clear Specifications</p> <ul style="list-style-type: none"> •Commodities, simple services and construction projects 	<p>General Scope of Work</p> <ul style="list-style-type: none"> •Complex services and development projects •Responses are scored objectively according to evaluation criteria set forth in solicitation •Contract award based on combination of lowest price and qualifications, proposed project approach offered by responsive and responsible vendor 	<p>Experts/Policy Advisors</p> <ul style="list-style-type: none"> •Complex advisory services •Contract is awarded based on the experience, knowledge and expertise of vendor as determined by track record •Pricing is based upon industry standards and negotiation •Physicians and Attorneys are selected based on expertise, need and availability of State staff but are not subject to A/E/C Committee approval
<p>Award to lowest responsive and responsible offeror.</p>	<p>Over \$20,000, approach and criteria are scored along with price and Architect, Engineer & Consultant Services Selection Committee advises CPO.</p> <p>Under \$20,000 CPO chooses.</p>	<p>Over \$20,000 Architect, Engineer & Consultant Services Selection Committee always reviews and advises CPO.</p> <p>Under \$20,000 CPO chooses.</p>

Architectural, Engineering and Consultant Services Selection Committee



- A/E&C Services Selection Committee consists of
 - **State Purchasing Agent** or his designee
 - a **Public Member** (permanent) appointed by the Governor
 - the **User Agency Director** (variable) or designee
- Chair (or his designee) is the Purchasing Agent

State Agency Architectural, Engineering and Consultant Services Selection Process Final Selection Over \$20,000



CHIEF PURCHASING OFFICER

Purchasing Agent
Notifies User Agency

Architectural, Engineering & Consultant Services Selection Committee

Recommends no more than 3 vendors



Technical Review Committee

(Appointed by User Agency Director &
Approved by Chair of A/E&C Services Selection Committee)

Reviews & Evaluates Responses to LOI's and RFP's, including
proposed pricing based on criteria established by law and submits scores
or evaluation summaries.



STATE AGENCY ARCHITECT, ENGINEER & CONSULTANT SERVICES SELECTION

- **Agency Initiates Action by Submitting Requisition Describing a Scope of Work**
- **Under \$20,000**
 - Three firms are considered. A written offer is required.
 - A recommendation is made to CPO by Purchasing Agent
 - Final selection upon the written determination of the CPO
- **Over \$20,000**
 - Public Advertising (RIVIP or RIVIP and Newspaper)
 - Technical Review Committee Evaluates Responses
 - Technical Review Committee reports to A/E/C Committee
 - Sometimes A/E/C Committee interviews candidates
 - A recommendation is made to CPO by Committee
 - Final selection upon the written determination of the CPO
 - Contract negotiated with finalist



ACCESS TO RIVIP

www.purchasing.state.ri.us

For RIVIP Assistance

Call 222-2142 x 134

or

Fax (222-6387) or Mail letter providing

email helpdesk@purchasing.state.ri.us