Procurement Procedures

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Background

• Procurement Code
• Procurement Regulations
• Best Practices
• Methods of Procurement
• Types of Procurements
State Purchasing Purpose

Perform Purchasing Activities in Accordance with the State Procurement Code and Ensure the Acquisition Process provides “Best Value”
Legal Methods of Procurement

- Competitive Acquisition
  - Invitation to Bid
  - Request for Proposal
- Sole Source
- Emergency
- Cooperative Agreements
  - Mirror of General Services Agreements
  - Mirror of Cooperative Agreements (WSCA)
Types of Procurements

- Tangible Goods
- Services
- Professional Services
- Hybrids
Procurement Dollar Thresholds

• Tangible Goods, Services & Hybrids
  – <$10,000          Best Obtainable
  – $10,000-$20,000   Three Valid Quotes
  – >$20,000          Formal Procurement

• Professional Services
  – <$50,000          Best Obtainable
  – >$50,000          Formal Procurement
Competitive Acquisition

- Preferred Method
- Establishes Market Price
- Must be Fair and Open
- Higher Level of Effort
- Methods
  - Invitation To Bid
  - Request for Proposal
Competitive: Invitation To Bid

- **Used** for Commodity Items and Services with Many Sources
- Fastest Competitive Turn-around
- Public Opening and Reading
- Information Publicly Available upon Opening
- Bid Tabulation
- Evaluation (Meets Specifications and Mandatories)
- Award
Invitation to Bid Requirements

- Completed User Request
- Refined Specifications/Statement of Work
- Requisition
- Ten (10) Day Notice Period
- List of Potential Vendors
- Applicable Commodity Code(s)
- Advertisement-3 Papers or 1 Paper
- Public Opening
Competitive: Request for Proposal

- Used for Complex Procurements
- Judgment Decisions
- Most Time Consuming Method of Procurement
- Required for Professional Services
- Evaluation Committee
- No Public Opening
- Public Viewing After Award
Request For Proposal

Requirements

- Completed Authorization Form
- Requisition
- Ten (10) day Notice Period
- Three (3) Newspapers or One (1)
- One Page Notice
- Applicable Commodity Codes and Potential Vendor List
- Final RFP
- No Public Opening
- Evaluation Committee
- Evaluation Scoring and Report
Sole Source Procurement

- Used Where **Only One** Provider Exists
- Least Desirable Method
  - Single Vendor; No Competition
  - No Negotiation Position
  - No Control on Costs, Terms or Conditions
- Documentation Required
- Short Term if Possible
Sole Source Requirements

• Request and Justification
• Validation Letter from Vendor
• Requisition
• Quote from Vendor
• Documentation of Sole Source Justification; May Include Google Search
Emergency Procurement

• Used When Threat to Life, Property, Public Well-being
• Immediate Response Required
• No Dollar Threshold
• Documentation Developed Afterward
• Frequently Abused
Cooperative Agreements

• General Services Administration Agreements
  – Authorized to Mirror by Procurement Code
  – Used for Short Periods, Limited Use
  – Pricing May be Less Competitive Based on Volume

• Other Cooperative Agreements
  – Western States Cooperative Alliance
  – Other Cooperatives
Cooperative Agreement Requirements

- State Purchasing Agent Approval
- Participation in Procurement
  - Advertisement
  - RFP Development
  - Evaluation
- Request for Agreement Usage
- Requisition
Protests and Procurement Violations

• Protests
  – Happen
  – Follow Process and Document and Vast Majority Ruled in Your Favor

• Procurement Violations
  – Work Outside of Contracts (Verbal Commitment or Unauthorized) i.e. No Purchase Order in Place
  – Inability to Pay
  – Explanation Letter
  – Potential Audit Required
Resources

• State Purchasing Website
  – Purchasing Guide
  – RFP Procurement Guide
  – http://www.generalservices.state.nm.us/spd/index.html

• NASPO
• NIGP
• NMPPA
• NCMA