

## Office of State Procurement

Purchasing 101

**Agency Training** 





- Guidelines (laws, rules, policies, executive order)
- Methods of Procurement
- Competitive Process
- Procurements with Special Requirements



## What Governs Procurement?



- La. Revised Statutes 39: 1551 1755
- Louisiana Administrative Code Title34
- Small Purchase Executive Order



## La. Revised Statutes 39: 1551 – 1755



- Louisiana Procurement Code
- Creates Central Purchasing Agency (OSP)
- Names State Director of Procurement as its head
- Gives Director the authority to procure all supplies and services needed by the state, unless otherwise provided by law
- RS 39:1572 Exempts certain Agencies from going through OSP
- Non-Exempt Agencies must follow OSP regulations





Promulgated by the Office of the Governor, Division of Administration, Office of State Procurement

#### Small Purchase Executive Order



- Defines "Small Purchase"
- States who is required to adhere to the directives set forth in the order
- Defines items that are exempt from the procedures established in the order
- States minimum procedures that are required
- Lists items that are considered small purchases regardless of price

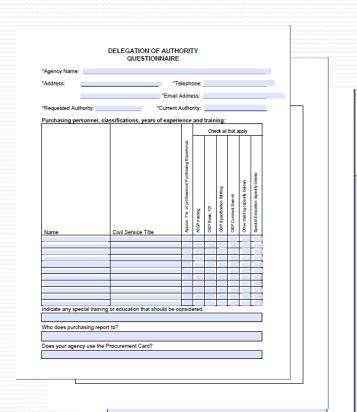
# Delegated Purchasing Authority (DPA)

What is a delegated purchasing authority?

A formal written delegation and amount from the Director of State Procurement

Usually limited to Small Purchases as defined by the Small Purchase Executive Order (not exceeding \$30,000)

Some commodities must be purchased through OSP regardless of the agency's DPA





- •Where can you find the forms?
  - •The Delegation of Authority forms along with the guidelines are located on OSP'swebsite under agency forms



## Steps in the Purchasing Process

#### 1. Identify Need

- An agency identifies its needs
- Determines which goods or services will satisfy those needs
- Gathers all information that will help simplify the procurement process, including specifications, sources, proper commodity class and estimated costs



#### 2. Determine Method of Procurement

- Statewide Contract
- Small Purchase
- Competitive Sealed Bidding
- Sole Source
- Proprietary
- Emergency



## STATEWIDE CONTRACTS

- OSP develops statewide contracts in various commodity areas in order to group the needs of the different agencies
- Statewide Contracts standardize, consolidate usage for lower prices and reduces administrative costs
- Allows agencies the convenience of purchasing items directly without having to competitively bid those items
- Most are not mandatory, however many do have minimum order requirements
- Contract purchases are not limited to the agency's DPA, unless there are internal limits within the agency



## STATEWIDE CONTRACTS

- Types Generic, Brand Name, LaMAS, Multi-State/Cooperative Purchasing
- Formats itemized, discount from price list, catalog
- Mandatory/Non-mandatory
- LAPS Louisiana Pricing Schedules
  - Applies to Brand Name, LaMAS and Multi-State Contracts
  - Must compare contracts for best value when total procurement is over \$25,000



## STATEWIDE CONTRACTS

Prison Enterprise and Sheltered Workshop Contracts

## Prison Enterprise

Contract No. 440000932

Agencies may issue a contract purchase order

## Sheltered Workshop

Contract No. 4400007380

Agencies may issue a contract purchase order



# Searching for Statewide Contracts LA eCat

Access from OSP's website / Agency Center/ LA eCat – Louisiana's Electronic Catalog

Office of State Procurement					
Louisiana's Electric Search tool for items on state	ctronic Catalog (LA eCa	t)	Help		
LaGov					
Contract	Vendor	Contract Line Item:	Catalog Items:		
Contract #	Name	Line #	MDM Catalog Reference #		
Contract Desc.	SEBD Any ∨ VSE A	Any Product Category	Supplier Part #		
T-Number Desc	SE/HI Any ✓ DVSE	Any ✓ Material #	Region		
T-number Lo	okup	Product Category/	Catalog Item Long Description		
Coop? Any		Line Item Description	Emergency Any		
- Search using singular word forms only Words separated by a space searches for items containing all words in any order Enclose a phrase in quotes to search for the exact phrase Words separated with OR searches for any of the words % can be used as a wildcard when searching					
LaPAC Public Menu					



#### **NON-CONTRACT PURCHASES**

When the Agency determines that the goods or services required are not available through a State Contract or they do not choose to utilize an existing contract, the agency may handle the purchase if within their DPA or submit a shopping cart to OSP for competitive bidding.

- Small Purchase (≤ \$30,000)
- Competitive Sealed bid ITB Invitation to Bid
- Request for Proposals RFP



## Definition of a Small Purchase

Executive Order JBE 2020-21 establishes "Small Purchase" as any purchase not exceeding \$30,000 or any procurement of those items listed in Section 5 of the order, regardless of price



With the exception of 5(A)14, 16, 22, 24, 28 and 32, each of which has dollar limits

#### **Quotation Thresholds**



- \$10,000 or less (Section 4.A)
  - no competitive process required
- > \$10,000 but not > \$20,000 (Section 4.B)
  - 3 or more bona fide quotations by fax, phone or other means
  - Whenever possible, at least 1 from a certified small & emerging business, small entrepreneurship, or a veteran or service-connected disabled veteran owned small entrepreneurship
  - Soliciting 3 quotations may be waived
  - Awarded on the basis of the lowest quote



#### **Quotation Thresholds**

- > \$20,000 but not > \$30,000 (Section 4.C)
  - 5 or more bona fide quotations by fax or written means
  - Minimum of 3 working days allowed for receipt of quotations
  - Whenever possible, at least 2 from a certified small & emerging business, small entrepreneurship, or a veteran or service-connected disabled veteran owned small entrepreneurship (This requirement may be waived)
  - Awarded on the basis of the lowest quote



#### No Competitive Process required

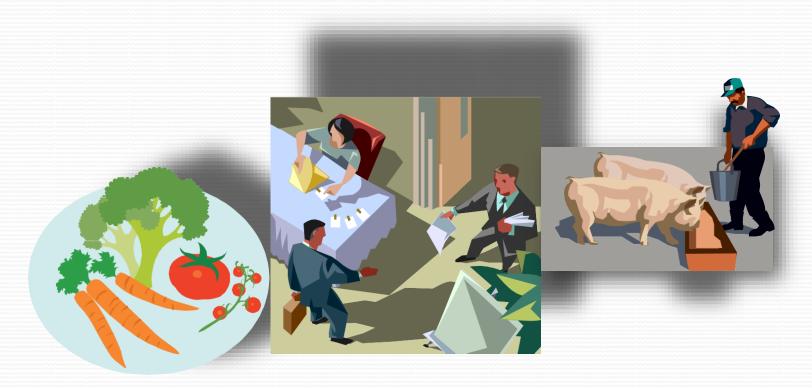
- Section 5.A of the executive order lists those procurements that are considered a small purchase regardless of price
- •Exceptions 5.A.14, 16, 22, 24, 28, and 32





#### Competitive Process Required

 Section 5.B requires 3 quotations for certain commodities





## Split Purchasing Prohibited



 Purchases shall not be artificially divided within a cost center to avoid the competitive process or the solicitation of competitive sealed bids.

## Purchases Exceeding Small Purchase Limit (>\$30,000)

- Competitive sealed bid (ITB)
  - Procedures per La. R.S. 39:1594.B; LAC Title 34, Part V5
  - Requires 10 day advertisement in newspaper and posted to LaPAC
- Request for Proposal (RFP)
  - Procedures per La. R.S. 39:1595
  - Requires 30 day advertisement in newspaper and posted to LaPAC



- Determine procedure based on estimated amount
  - Is it within your agency's DPA?
  - Is competitive process required?
  - What are the requirements of the process?
- Prepare Invitation-To-Bid
  - Include all pertinent information (delivery, special conditions, etc.
  - Specifications should be clear, concise, but not restrictive
  - Assign an opening date and time



- Addendum (if necessary)
  - Address any discrepancies, omissions or changes
  - Send to all vendors originally solicited
  - If advertised and BOD is extended more than one week, solicitation must be readvertised.
- Receipt of Bids/Quotations
  - Stamp with date and time received
  - Safeguard the confidentiality of the responses
  - Sealed Bids shall remain sealed until opening date/time
  - Quotations/Bids received after opening time shall be rejected



- Tabulation of Bids/Quotations
  - File shall contain list of all vendors solicited
  - Record responses and maintain in file
- Evaluation
  - Administrative Review
    - Is bid/quotation complete and responsive
    - Check for signatures
  - Price and Specification Review
    - Reduce prices to a common denominator
    - Apply Preferences (U.S. or La.) and Cash Discounts
    - Criteria not set forth in the ITB may be used
    - Determine lowest responsive, responsible bidder that meets the criteria outlined in the ITB



#### Award

- If the low bid meets specifications and is acceptable, it is indicated on the tabulation or in the file and the bid is awarded
- If the low bid is rejected, reasons must be documented and the process repeated for the next low bidder until an award is made.
- Award is made to the lowest responsive, responsible bidder.
- Bids cannot be negotiated



## Other Methods of Procurement

- **Sole Source** (La. R.S. 39:1597; LAC Title 34, Part V, Chapter 9; PHB Section 27)
- Proprietary Purchase (La. R.S. 39:1655; LACTitle, Part V, Chapter 1; PHB Section 27)
- Used Equipment (La. R.S. 39:1600.C; LAC Title, Part V, Chapter 9
- Emergency Purchase (La. R.S. 39:1598, LACTitle, Part V, Chapter 11; PHB Section 31)



**Telecommunications Information Technology Vehicles Elevator Maintenance Equipment Financing Printing** Labor and Material Projects – over \$10k



## Deficiency/Complaints

- The State expects to receive goods and services in accordance with the specifications and terms and conditions of contracts.
- Poor performance or non-compliance should be reported.
- It is **too late** to rule out vendors at rebid if problems have not been previously addressed.



## Deficiency/Complaints

- Agency encounters problems
  - Late delivery, inferior merchandise, product substitution, etc.
- 2. Agency attempts to resolve with contractor
  - Document verbal communications and follow up with vendor until resolved
- 3. Complete Deficiency/Complaint Form
  - State facts not personal opinions. Include documentation of events
- 4. Send to State Procurement
  - Agency will receive a copy of vendor's response and the logged complaint will not close until the agency is satisfied with the resolution



## Emergency Procurement Guide

#### **HELPFUL INFORMATION**

**ABOUT** 

LOUISIANA EMERGENCY PROCUREMENT



Developed June 2006 (Revised September 2020)

# How to Locate Emergency Contracts

Office of State Procurement					
Louisiana's Electronic Search tool for items on state contracts.			Help		
LaGov					
Contract	Vendor	Contract Line Item:	Catalog Items:		
Contract #	Name	Line #	MDM Catalog Reference #		
Contract Desc.	SEBD Any VSE Any	Product Category	Supplier Part #		
T-Number Desc	SE/HI Any V DVSE Any	Material #	Region		
T-number Lookup		Product Category/	Catalog Item Long Description		
Coop? Any		Line Item Description	Emergincy Any		
- Search using singular word forms only Words separated by a space searches for items containing all words in any order Enclose a phrase in quotes to search for the exact phrase Words separated with OR searches for any of the words % can be used as a wildcard when searching					
1-25 of 108 1 2 3 4 5					
Contract # 4400003919 EMERGENCY NOTIFICATION 4400003922 EMERGENCY NOTIFICATION 4400005818 DOTD Emergency Transport 4400006306 FM RADIO BASED EMERGEN 4400006368 Mgmt, Staff & Oper Sycs En	I SERVICE ON TI tation Contract TMS L NCY ALERT GOHSEP GLOBA	Vendor Name  LVE INTERMEDIATE HOLDING CO  ME TELECOM, INC.  .OGISTICS LLC  AL SECURITY SYSTEMS LLC  NY'S ALLIANCE HOLDINGS, INC	T-number Effective From - To P-card  92587 04/10/2013 - 04/09/2019 No  92587 04/10/2013 - 04/09/2019 No  DOT11 12/01/2014 - 11/30/2019 No  92768 02/01/2012 - 01/31/2022 No  DCF08 06/01/2014 - 05/31/2019 No		
4400006371 Mgmt, Staff & Oper Svcs En	<u> </u>	CASCADE COMPANY	DCF08 06/01/2014 - 05/31/2019 Yes		



#### **CONTACT INFORMATION:**

OSP Main Number: 225-342-8010

**OSP Website:** 

http://www.doa.la.gov/Pages/osp/Index.aspx

OSP Help Desk - Purchasing: <u>DOA-OSPhelpdesk@la.gov</u>

