



Office of State Procurement

Blanket Orders & One-Time Buys

Agency Training



Topics:

- What is a One-Time Buy?
- What is a Blanket Order?
- Site Visits
- Proprietary Specs
- Deficiency Complaints
- Small Purchase Executive Order
- Specification Examples – What's Missing?
- Quiz



What is a One-Time Buy?

- If an agency has a one-time, or infrequent need for a product or service that exceeds their DPA and is not on statewide contract, they must submit it to OSP for fax or sealed bidding, depending on the dollar amount.
- Fax bids can be performed on any 1-time bid file estimated to be less than \$25,000.00. If the cost exceeds, or is close to \$25k, OSP will need to do a sealed, advertised bid.
- Common Examples: equipment; supplies needed for a specific project; repairs not available from an Authorized Dealer





One-Time Buy Notes - Quantities

One-Time Buy quantities are generally fixed, with only a few exceptions.

One example of an exception would be a bid for a truckload of grain. You may estimate that you need 1500 bushels, but you may not receive exactly that amount, due to the type of commodity. In general, however, most one-time buys do have a set quantity.





One-Time Buy Notes – Repurchase Options

Repurchase Option:

If an agency sends in a shopping cart for OSP to bid a one-time buy, but believes this may be an item that they could possibly need again within the next year, OSP can add a Repurchase Option to the bid.

A Repurchase Option allows us – upon agreement by the vendor – to purchase the same item(s) again within one (1) year, at the same price, terms, and conditions, without having to re-bid it.

OSP does not automatically add Repurchase language, as this can sometimes cause the vendor's bid price to increase. Agencies should request this if they want OSP to include the language.



1-Time Buy Notes – Repurchase Options

How do I utilize a Repurchase Option?

If a bid was published with a Repurchase Option, this language will be included on the final PO issued by OSP. To utilize the option later (within 1 year), agencies have to send in a new shopping cart, and reference the Repurchase Option and the PO No. that it was originally included on.

Ex: In shopping cart notes (or Proact Comments): “Requesting to utilize repurchase option on PO #2000123123”

At that point, OSP will do market research and send a letter to the vendor, to see if they are willing to hold their prices. If they agree, and the market doesn't show a drastic price decrease, we will issue a PO directly, without having to re-bid the item(s).



One-Time Buy Notes – Repurchase Options

Can I use a Repurchase Option more than once?

In most cases, an agency can request up to double (100%) the amount on the original order.

Example: A PO is awarded for 100 cases of an item, with a 1-year repurchase option.

The agency can send in another shopping cart for an additional 100 cases. OR they could send in 2 shopping carts within a year, each for 50 cases.

Exception: If the original PO was awarded through the fax bid process (under \$25k), and the repurchase will cause the total expenditure to exceed \$25k, it cannot be utilized.



What is a Blanket Order?

- If an agency has a need for a product or service that they know they will be using throughout the year, instead of doing multiple 1-time buy bids, they may choose to have a blanket order set up instead.
- Blanket orders have estimated quantity clauses, and are either set up on a delivery schedule, or on a “called-for-as-needed” basis. Most of the time, when an agency sets up a blanket order, they have an idea of how much they typically order for each shipment, or how much they use per month, but it is not always an exact set amount.
- Common Examples: uniform clothing; janitorial services; lawn maintenance; equipment maintenance; lab supplies





Blanket Order vs Agency Term

Blanket Order

- Funds are encumbered
- The same PO number is used all year
- Actual orders to the vendor for shipments can be placed via phone, fax, email, etc.

Agency Term Contract

- Funds are not encumbered
- Multiple PO numbers will be issued against the contract
- Each time an order for shipment or payment is needed, a PO has to be entered into LaGov



Blanket Order Notes – Renewal Options

Renewal Options:

Blanket Orders are generally bid out for a 1-year period, with two 1-year renewal options, not to exceed 36 months. There are rare exceptions for longer contracts, but these require special approval from the Director of OSP.

Most Blanket Orders run concurrently with the fiscal year, for ease of budgetary purposes, but this is not required.

Unless the PO has a built-in clause that allows for price variations and a method to calculate this, most Blanket Orders must be renewed at the same prices, terms, and conditions as on the original PO.



Blanket Order Notes – Renewal Options

How do I utilize a Renewal Option?

If a Blanket Order PO was awarded with renewal options, near the end of the contract period (usually a few months before FY end), the agency will need to send in a new shopping cart for the next year, and reference the prior PO number.

Ex: In shopping cart notes (or Proact Comments): “Requesting to utilize renewal option on PO #2000321321”

At that point, OSP will conduct market research, to make sure prices for that commodity / service have not drastically decreased in price – in which case it may be better to rebid the file. We then send a letter to the vendor, to see if they are willing to hold their prices. If they agree, we will issue a PO directly, without having to re-bid the item(s).



Blanket Order Notes – Renewal Options

If a PO has a Renewal Option, can I contact the vendor myself and issue my own PO?

No. Requests to renew a Blanket Order should always come to OSP as a shopping cart, never as a PO.

If a PO was issued by OSP, then OSP is the only ones with the authority to issue renewals of that contract.

Besides the market research that we do to check pricing, we also make sure that all documentation is in order and updated, such as licenses, insurance, Secretary of State registration, etc. We also check the bid file to ensure that there were no problems, protests, or issues that may indicate it would be better to rebid the file instead of renewing.



Blanket Order Notes – Renewal Options

What happens if a vendor rejects the renewal?



If a vendor rejects the option to renew a contract, OSP will notify the agency, and ask them if they want OSP to rebid the file. Sometimes agencies will want to make changes at this time, prior to re-bidding.

What happens if we don't want to renew with this vendor?

Agencies are not required to seek renewal with a vendor. *However* - OSP cannot prevent the vendor from submitting a bid on any rebid of the contract, unless the vendor is suspended from doing business with the State.

We will talk more about this a little later, when we discuss Deficiency Complaint Reports.



Blanket Order Notes – Renewal Options



Can I change *anything* on a Renewal?

As previously mentioned, some contracts have price escalation / de-escalation clauses built in, that are tied to some way to track the change, such as PPI / CPI. For the vast majority, however, we cannot increase the price on any renewal. However ... when our office does market research, if price trends for that service or commodity show a decrease, we do reach out to the vendor to let them know this, and we ask if the vendor is willing to give a discount. More often than expected – they actually will agree to a small reduction, in order to avoid the contract being rebid.

We can also adjust quantities, delete lines (you cannot add new lines), or change certain minor things such as: printing an updated year on a form.

Any changes made need to be notated on the shopping cart when you send it to OSP, because these changes have to be included on the Renewal request letter that we send to the vendor.



Site Visits

Any time we want a vendor to bid on something that will require work on the agency's site, it is beneficial to request that a site visit be part of the bid requirements.

Common Examples: Any service performed at the agency's location, such as janitorial, lawn maintenance, security guards, or equipment maintenance or repair.



Also - any equipment or item that either needs installation, or will require complicated delivery accommodations, such as: bringing heavy equipment upstairs with no elevator available; requires transportation over water, etc. Vendors need to be able to calculate all of these factors into their costs.



Site Visits

- Site Visits can be listed as being mandatory or non-mandatory on a bid. If it is stated that a site visit is mandatory, then OSP will not consider a bid from any vendor who does not complete a site visit.
- Forms are sent out with the bid that must be signed by both the agency and the vendor, confirming that they did complete the mandatory jobsite visit.
- One exception to this is that if a vendor has held the prior contract for a service, they can be exempted from attending a jobsite visit.



Site Visits

There are 2 types of site visits:

The first is a 1-day, 1-time jobsite visit. This is where all vendors who wish to bid on a job must attend at a certain day and time set by the agency, and listed on the bid. Vendors are shown the jobsite as a group. Any questions from vendors that affect specifications or scope of work are sent to OSP, and an addendum may be issued if necessary.

This type of jobsite visit is typically used if the location has limited access, or the agency has limited staff. Mandatory 1-day, 1-time site visits require justification from the agency, as this limits competition on a bid to only those vendors who can attend the site visit on that exact day & time.

The second type of jobsite visit is scheduled individually by vendors. Agencies supply a contact name & phone number, and vendors may call this person to set up an appointment to visit the site anytime while the bid is out on the street.



Site Visits

Site Visit vs Pre-Bid Conference:

A pre-bid conference functions somewhat the same as a 1-time site visit, but may or may not include an actual visit to the agency worksite location.

Sometimes, if specifications are very detailed or complicated, it may help to have all the vendors come together as a group around a table to discuss them, to discover any inconsistencies or areas that may need clarification. An OSP representative generally leads these discussions, with agency people on-hand to answer questions. OSP will then compile all questions and answers, and send out an addendum to the bid, if necessary.



As with mandatory 1-day, 1-time site visits, mandatory pre-bid conferences require justification from the agency.



Proprietary Bids

What is a Proprietary Bid / Specification?

A proprietary specification is one that lists a specific brand name, model number, or some other designation that identifies a specific product to be purchased, exclusive of any others. The bid will not include the words “or equal” after the brand listing.



A proprietary purchase is similar to a sole source, in that a particular product is the only one that will meet the needs of the agency, but the manufacturer has chosen to distribute its product through more than one distributor.

Proprietary purchases must be bid.



Proprietary Bids

Since the use of a proprietary specification limits competition and is therefore restrictive, when your agency requests a proprietary bid, they must submit the following:

- Written justification as to why the purchase must be restricted to one manufacturer / brand / model. This justification should be on agency letterhead, and can be attached to your shopping cart, or in Proact. The buyer working the file will route the justification up to management for approval.



Proprietary Bids

Once approved, a proprietary bid will contain language in the solicitation notifying vendors that it is proprietary:

- *This solicitation has been approved as a proprietary purchase, and only bidders meeting these exact specifications / brands will be considered for an award.*

Common Examples:

- Employee uniform clothing
- Equipment replacement parts for stock
- Furniture to match existing inventory
- Accessories / expansions for existing equipment, for compatibility





Deficiency Complaints:

What should I do if a vendor does not deliver as specified, or has poor quality service?

Anytime a vendor is not performing their contract properly, whether it be for a 1-time buy, a blanket order, or any sort of PO – agencies should take the following steps:

1. First, contact the vendor directly and see if you can resolve the issue internally. Document any correspondence or meetings.
2. If this does not resolve the problem, agencies should fill out a Deficiency Complaint Form. This can be found on OSP's website, Agency Center / Agency Forms.

<https://www.doa.la.gov/osp/agencycenter/forms/submit/deficiencycomplaint.pdf>



Deficiency Complaints:

Fill out the form, providing enough relevant detail, including dates and who you were in contact with at the vendor's place of business.

At the bottom of the form, click the "Submit" button, which will send the form electronically to our office.

A form should be sent as soon as possible to the time of the occurrence of the problem. Don't wait until the end of a contract period to document poor performance over the past year.

State of Louisiana
DIVISION OF ADMINISTRATION
Office of State Purchasing
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

DEFICIENCY/COMPLAINT REPORT			
<small>Complete this form to report complaints against vendors, commodities, or to report any unsatisfactory service by the Purchasing Section. Be sure to furnish all necessary detail so that a satisfactory settlement of the complaint can be made. Please verify all information to insure accuracy. Complaint reports become a permanent record of the commodity or vendor concerned and must be accurate to guarantee an equitable settlement to serve as a guide for future action.</small>			
*Agency		*Name and Address of Vendor	
*Date of Complaint			
Contract Number	*Purchase Order Number		
*Commodity or Service Covered by Complaint:			
NATURE OF COMPLAINT (check all that apply)			
DELIVERY	QUALITY	OTHER	
<input type="checkbox"/> Delivery not made on date ordered or promised	<input type="checkbox"/> Quality of Commodity is inferior	<input type="checkbox"/> Invoice price higher than authorized	
<input type="checkbox"/> Delivery made at an unsatisfactory hour	<input type="checkbox"/> Unsatisfactory and unauthorized substitute	<input type="checkbox"/> Weight received at variance with invoice or shipping ticket	
<input type="checkbox"/> Delivery made to wrong destination	<input type="checkbox"/> Unsatisfactory workmanship in installation of commodity	<input type="checkbox"/> Quantity delivered in excess of order	
<input type="checkbox"/> Improper method of delivery	<input type="checkbox"/> Commodity lacks required inspection stamps	<input type="checkbox"/> Quantity delivered less than ordered	
<input type="checkbox"/> Unauthorized delivery made before issuance of order			
<input type="checkbox"/> Delivery in damaged condition			
*REMARKS			
<small>NOTE: Give detailed explanation of complaint in this space. Indicate manner in which you suggest complaint be settled. Be specific. If necessary to submit additional documentation, please include a copy of this form with your faxed or mailed documents.</small>			
INSTRUCTIONS TO AGENCY <small>Print copy for your records prior to submittal.</small>	*Complaint Initiated By (Name)	*Title	*Phone No.
	*Complaint Form Executed By (Name)	*Title	*Phone No.
	*Your Email Address:		

Action Taken

Submit



Deficiency Complaints:

- As mentioned earlier, simply sending in a deficiency report on a vendor does not mean that, if we rebid the contract, that vendor won't be allowed to bid.

However ... there ARE instances where a deficiency can lead to a vendor getting suspended from doing business with the state.

- Example: If you ordered a product that your agency urgently needs, and the awarded vendor has not delivered, we can take steps to cancel the PO and award it to another vendor who can make the delivery. If this costs the agency more than the original PO, we can then surcharge the difference in cost to the deficient vendor, and until they pay that charge, they are not allowed to bid on any solicitations from our office.
- Also, deficiencies in the past have led to us finding things out that led to immediate cancellation and suspension – such as forged documents, a vendor losing a required license or certification, etc.



Small Purchase Executive Order

Currently, we operate under Small Purchase EO JBE 17-18

The Small Purchase EO governs purchases that are between \$5000 & \$25,000 and other special procurements that are exempt from the competitive sealed bidding requirements.

NOTE: It does not include public works contracts greater than \$5,000 or items on statewide contracts.



EXECUTIVE DEPARTMENT
EXECUTIVE ORDER NUMBER JBE 2017 - 18

SMALL PURCHASE PROCEDURES

WHEREAS, the Louisiana Procurement Code, in La. R.S. 39:1506, authorizes the governor to establish procedures for the procurement of small purchases with the caveat that "procurement requirements shall not be artificially divided so as to constitute a small purchase under this Section;"

WHEREAS, the Louisiana Procurement Code exempts small purchases from the competitive sealed bidding requirements of the code;

WHEREAS, Louisiana businesses are a driving force in the Louisiana economy;

WHEREAS, Executive Order No. JBE 16-39, signed July 25, 2016, established the procedure for the procurement of small purchases in accordance with the statutory guidelines of the Louisiana Procurement Code; and

WHEREAS, it is necessary to update the guidelines established in Executive Order No. JBE 16-39 through the issuance of a replacement Executive Order.

NOW THEREFORE, I, JOHN BEL EDWARDS, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1: All departments, institutions, boards, commissions, budget units, and agencies of the executive branch of state government, and the officers and employees thereof, (hereafter "agency") shall observe, be guided by, and implement the specific directives on small purchase procedures set forth in this Order. This Order in no way affects or changes the purchasing authority delegated to an agency by the chief procurement officer as defined in La. R.S. 39:155(6). No provision of this Order shall be construed as a limitation on the number of quotations to be solicited prior to making a purchase or procurement. Louisiana businesses, especially small and emerging businesses, small entrepreneurships, and veterans or service-connected disabled veterans-owned small entrepreneurships should be utilized to the greatest extent possible when soliciting prices.

SECTION 2: Unless the context clearly indicates otherwise, the words and terms used in this Order shall be defined as follows:

A. "Small purchases" means (1) any procurement of supplies or operating services not exceeding twenty-five thousand dollars (\$25,000), or (2) any procurement of those items listed in Section 5 of this Order, which are exempt from the competitive sealed bidding requirements of the Louisiana Procurement Code, as provided in that Section.

B. "Certified small and emerging business" means a business certified as a small and emerging business by the Division of Small and Emerging Business Development, Department of Economic Development, in accordance with the Provisions of the Small and Emerging Business Development Program, La. R.S. 51:941 *et seq.*



Small Purchase Executive Order

- Section 4A of the EO states that no competitive process is required for purchases that do not exceed \$5000 per single purchase transaction. These are typically purchased by agencies on their p-card.
- If a purchase is between \$5k and \$25k, and it does not fall under one of the special commodities in either Section 5A or 5B of the EO, it is then governed by Section 4B. Most of the time, agencies will submit these purchases to OSP on a shopping cart for our office to do a fax bid.



Small Purchase Executive Order

Section 4B – Agency Quotes:

- Purchases over \$5k but less than \$15k require at least 3 quotation from bona fide, qualified vendors. Whenever possible, at least 1 of the vendors should be an SEBD (small & emerging business).
- Purchases over \$15k but less than \$25k require at least 5 quotations from bona fide, qualified vendors. Whenever possible, at least 2 of the vendors shall be an SEBD.

Agencies should contact OSP via phone or email for permission to obtain quotes prior to bidding any item over your agency's DPA. If approved, OSP will issue an authorization number. The agency will then obtain quotes (make sure they are "apples to apples") and submit this documentation with your shopping cart, referencing your authorization number. OSP will then issue a PO.



Small Purchase Executive Order

- Section 5A lists specific items that are considered small purchases, and for which no competitive process is required. However, please note that a few of these items have dollar limit “caps” on them. If your purchase exceeds the cap, you must either obtain quotes, or submit it as a sole source.

Commonly used 5A exemptions are:

- Authorized Dealer repairs and parts for equipment
- Purchasing transactions between governmental entities
- Publications or copyrighted materials purchased directly from the publisher or copyright holder
- Educational training, including instructor fees & related resources, and including membership in and accreditations by professional societies and organizations
- Advertising, where permitted by law, to reach targeted audiences



Small Purchase Executive Order

- Section **5B** lists specific items for which the agency must solicit competition, but that only require obtaining telephone or fax quotes from at least 3 bona fide, qualified vendors, regardless of dollar amount – unless that item has a dollar limit “cap” on it.

Whenever possible, at least one of the vendors should be an SEBD (certified small & emerging business)

Commonly used 5B exemptions are:

- Farm products, such as fresh vegetables, eggs, milk, & fish
- Gasoline & fuel purchases (not on state contract, & not exceeding \$25k)
- Livestock feed commodities (not exceeding \$25k)
- Convention & meeting facilities, provided that any associated food or lodging is in accordance with Travel Regulations PPM49



What's Missing / Wrong?

- Work Boots:

Quantity: 880 each

Specifications –

Brown

Genuine Leather

Rubber Soles

Moisture Protected

Triple Cushion Insole

Full Toe

Height – approximately 6 – 6.5”





What's Missing / Wrong?

- Grounds Maintenance:

Quantity: 12 months

Specifications –

Services are to be “as needed”

Mow grass

Use edger or weed eater to trim grass from
sidewalks and parking lots

Blow-off cut grass

Weed the beds & trim ground cover

Trim all ornamental shrubs & trees – twice per year

Trim limbs from fence lines & keep off of buildings

Apply fertilizer to promote healthy lawn as needed

Apply weed control on parking lot & sidewalk cracks as needed





Quiz

- The standard time-frame in which to utilize a Repurchase Option is what?
One Year
- If a PO is awarded for \$15,000 with a Repurchase Option, what is the maximum amount you could buy, using the repurchase?
\$9,999.00
- Which would be best-suited to be set up as an agency Blanket Order? 2-way radio batteries or ice machines
2-way radio batteries



Quiz

- My agency has a blanket order contract that is due to expire in 2 months – should I send a letter to the vendor to ask if they will want to renew the contract?

No – the renewal letter must come from OSP

- If I know that only 1 vendor is likely to bid on my janitorial service contract, and the company is familiar with the jobsite, I don't need to request a jobsite visit in my specs, do I?

Yes – you should. We can exempt the prior contractor from the site visit, but you can never be sure when a new vendor may decide to submit a bid. We cannot ever assume no one else will bid.



Quiz

- If my agency has used a particular brand & model of oven in the past, and liked it, is it ok to bid out only that brand/model if I need to replace the oven?

No – under most circumstances, for this type of purchase, you can list the specs you want the equipment to meet, but you couldn't limit it to only 1 brand/model.

- My agency has a piece of lab equipment that runs tests on water contamination. We need to purchase a \$6,000 accessory for the equipment. Can we specify only the brand/model that we need?

Yes – although we will still need a proprietary justification letter, this is easily justified for compatibility purposes.



What's Missing / Wrong?

- An agency requests and receives approval from OSP to obtain quotes for the following job:
“Running coax cable on a radio tower”

3 vendors come out and look at the jobsite, and give quotes for the work. Take a look at the copies of the quotes, and tell us what you think OSP would question the agency about ...

Your Company, Inc. **SALES QUOTATION**

Name
Address

TO:

F.O.B.
TERMS
DELIVERY
NUMBER

*Thank you for your inquiry dated: January 27, 2016
We are pleased to quote you the following:*

ITEM	QUANTITY	DESCRIPTION	UNIT PRICE	DELIVERY DATE
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

We will be happy to supply any further information you may need and trust that you call on us to fill your order, which will receive our prompt and careful attention.

PLR DATE



Office of State Procurement

OSP Main Phone Number:
225-342-8010

Professional Contracts Help Desk:
DOA-PChelpdesk@la.gov

Purchasing Helpdesk:
DOA-OSPhelpdesk@la.gov