METHODS OF PROCUREMENT

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**STRATEGIC CONSIDERATIONS FOR METHODS OF PROCUREMENT**

- Do you have time to conduct a competitive procurement or do you have a time-sensitive need?
- Could your resources be better spent on procurements that are unique to your agency?
- Are the competitors in the marketplace all able to deliver quality supplies or services so price is the determining factor?
- Would you like to use a cooperative or GSA/federal agency contract?
**WHO IS MAKING THE PURCHASE AND WHEN?**

A condition precedent to determining the method of procurement is a determination of who is making the purchase:

- **Single agency**
  - *The Illinois Procurement Code applies* 30 ILCS 500

- For agencies subject to the jurisdiction of the CPO-GS, an GS agency and at least one other governmental unit or qualified not-for-profit agency
  - *The Governmental Joint Purchasing Act applies* 30 ILCS 525
PROCUREMENT METHODS AVAILABLE UNDER THE CODE

- Invitation for Bids (IFB)
  - Multi-step Sealed Bids
- Request for Proposals (RFP)
- Request for Proposal Professional & Artistic (P&A)
- Sole Source (SS)
  - Sole Economically Feasible Source (SEFS)
- Emergencies
- Small Purchases
INVITATION FOR BID - IFB

- Competitive Sealed Bidding is the default method for procurements valued over $100,000
- Solicitation document must be posted on the IPB for no less than 14 days
- Bids are opened publicly and recorded
- In order to be considered for award, bidders must be responsive and responsible
- Price is only other consideration

No late bids are accepted
Responsive & Responsible

- **Responsive** – an offer that conforms in all material aspects to the specification.

- **Responsible** – “Responsible bidder, potential contractor, or offeror” means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. 30 ILCS 500/1-15.80
MULTI-STEP SEALED BIDDING

- Conditions for Use
  - The multi-step sealed bidding method may be used when it is determined in writing by the SPO that it is not practical to prepare initially a definitive purchase description that will be suitable to permit an award based on price.

- Two phase process
  - Unpriced technical offers
  - Award based on price

- May be used when its considered desirable to
  - to invite and evaluate possible diverse technical offers
  - to conduct discussions for the purposes of facilitating understanding of the technical offer and purchase description requirements

REQUEST FOR PROPOSAL (RFP)

- When the purchasing agency determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the State, a contract may be entered into by competitive sealed proposals 30 ILCS 500/20-15 (a)
- Evaluation team ranks proposals by predetermined criteria
- Pricing is opened only after all technical proposals have been scored and ranked
**RFP Professional & Artistic (P&A)**

- *Professional and artistic services means those services provided under contract to a State agency by a person or business, acting as an independent contractor, qualified by education, experience, and technical ability*

- Proposals shall be evaluated only on the basis of evaluation factors stated in the RFP. Pricing is not opened until the process is complete.

- If the low price is submitted by the most qualified vendor, the SPO may award to that vendor.

- If the price of the best qualified vendor exceeds $100,000, the SPO must state why a vendor other than the low priced vendor was selected and that determination shall be published in the Bulletin.
RFP P&A

- Contracts for services primarily involving manual skills or labor are not professional and artistic services contracts.
- Architect, engineering and land surveying services shall be procured pursuant to the procedures of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act. 30 ILCS 535.
SOLE SOURCE

- Only one Vendor can provide supply or service
  - Sole Economically Feasible (SEFS)
- Agency completes *Sole Source Justification Form (SSJF)*
- Requires notice of public hearing to be published in the IPB 14 days prior to hearing date
- If no one requests a hearing, the hearing may be cancelled
SOLE SOURCE JUSTIFICATION FORM (SSJF)

- Part 1 must to be completed in order to schedule hearing and publish notice.
- Part II will be submitted to CPO after Hearing or Cancellation of Hearing. It must be published to IPB upon completion of required approvals.
- SSJF is a Procurement Policy Board document

http://www.illinois.gov/ppb/Pages/Resources.aspx
EMERGENCY

- Threat to public health or safety
- Immediate expenditure is necessary for repairs to State property in order to protect against further loss or damage to State property
- Prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues
- To ensure the integrity of State records.

30 ILCS 500/20-30
EMERGENCY PROCUREMENT REQUIREMENTS

- Emergency Statement
- Notification to Auditor General
- BidBuy Notice
- Cannot exceed 90 days
**Emergency Cannot be Concluded in 90 Days**

- Notification of extension hearing must be published in BidBuy 14 days prior to public hearing
- In addition to standard emergency procedures an Emergency Extension Justification Form must be completed
- Unlike sole source, this hearing will occur regardless of public interest
- Extension should be long enough to complete project

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**THE CHIEF PROCUREMENT OFFICE FOR GENERAL SERVICES**

**NOTICE OF HEARING**

- X Emergency Extension

The Chief Procurement Office for General Services will hold a public hearing to hear testimony and receive comments on the proposed contract(s) as described below.

**HEARING DETAILS:**
- DATE: 
- TIME: 
- LOCATION: 

**HEARING CONTACT PERSON:**
SMALL PURCHASE

- Individual procurements of $100,000 or less for supplies or services
- Procurements for construction and construction related services of $100,000 or less
- Construction Management $25,000 or less
- Quality Based Selection $25,000 or less
SMALL PURCHASE

- The CPO-GS has established policies and procedures to manage use of the small purchase method of source selection (CPO Notice 2018.10)

- Designated to Agency:
  - All purchases less than $10,000
  - The executed *State Agency Small Purchase Designation* serves as written determination for awarding the contract

- SPO reviews and approves:
  - Greater than $10,000 up to small purchase threshold
WHO DOES THE GOVERNMENTAL JOINT PURCHASING ACT APPLY TO?

- Applies to governmental units and qualified not-for-profit agencies
- Who are governmental units?
  - State of Illinois
  - State agency as defined by 1-15.100 of the Illinois Procurement Code
  - Officers of the State of Illinois
  - Any public authority which has the power to tax
  - Any other public entity created by statute
- Who are qualified not-for-profit agencies?
  - They are commonly referred to as State Use vendors
  - See 30 ILCS 525/2(b)
GOVERNMENTAL VS. NON-GOVERNMENTAL JOINT PURCHASING

Why is this important?
- It determines available methods of procurement

The classification as governmental or nongovernmental joint purchasing is determined by the entity conducting the solicitation
- If the entity conducting the solicitation is a governmental unit, the procurement is classified as governmental joint purchasing
- If the entity conducting the solicitation is a non-governmental unit, the procurement is classified as non-governmental joint purchasing
METHODS OF PROCUREMENT WHEN A STATE AGENCY IS THE LEAD

When an State agency is the lead governmental unit (conducting the procurement), this is governmental joint purchasing and the following methods of procurement are available:

- Invitation for bids
- Request for proposals
- Small purchase
- Sole source/sole economically feasible source
- Emergency
METHODS OF PROCUREMENT WHEN A STATE AGENCY IS THE PARTICIPANT

When a State agency is a participant governmental unit with any officer of the State of Illinois, State of Illinois agency, or State of Illinois public institution of higher education, this is governmental joint purchasing and the available methods of procurement are:

- Invitation for bids
- Request for proposals
- Small purchase
- Sole source/sole economically feasible source
- Emergency
METHODS OF PROCUREMENT WHEN A STATE AGENCY IS THE PARTICIPANT CONTINUED

When a State agency is a participant governmental unit with a State of Illinois local unit of government, such as a city or county, this is governmental joint purchasing and the available methods of procurement are:

- Invitation for bid
- Request for proposal
- Small purchase
METHODS OF PROCUREMENT WHEN A STATE AGENCY IS THE PARTICIPANT CONTINUED

- When a State agency is a participant governmental unit with any non-Illinois governmental unit, the method of procurement must be competitive. . .
  - Invitation for bid
  - Request for proposal

- What are examples of a non-Illinois governmental unit?
  - State of Indiana
  - City of Indianapolis
METHOD OF PROCUREMENT IF THE AGENCY WAS NOT INVOLVED IN THE PROCUREMENT

- The only method of procurement available to an agency that did not either (1) conduct the procurement, whether as a single agency procurement or a joint purchase with other governmental units, or (2) participate in a solicitation for a joint purchase from the beginning of the solicitation is piggyback.
WHAT IS PIGGYBACK?

- NIGP, in its Principles and Practices of Public Procurement, states piggyback “is a form of intergovernmental cooperative purchasing in which an entity will be extended the same pricing and terms of a contract entered into by another entity. Generally the originating entity will competitively award a contract that will include language allowing for other entities to utilize the contract, which may be to their advantage in terms of pricing, thereby gaining economies of scale that they would otherwise not receive if they competed on their own.”
WHAT ARE ILLINOIS’ PIGGYBACK REQUIREMENTS?

The Governmental Joint Purchasing Act’s requirements are:

- Supplies or services have already been procured
- Procured during a competitive process by
  - Federal agency and GSA
  - Consortium of governmental, educational, medical, research, or similar entities
  - Group purchasing organization of which the CPO or State agency is a member or affiliate
- May be procured by other means if the CPO determines it is in the best interest of the State
- 30 ILCS 525/2(a-10)
SUBTYPES OF PIGGYBACK

- **Governmental piggyback** means the lead entity is a governmental unit
  - NASPO ValuePoint
  - US Communities
  - Federal agency/GSA

- **Nongovernmental piggyback** means the lead entity is not a governmental entity
  - Many research and educational cooperatives that include not-for-profit universities who lead the procurement
  - Group purchasing organization actually conduct the procurement
QUESTIONS

- For Procurement Code questions
  - Your agency’s SPO

- For joint purchasing questions
  - Please check the FAQ document first that is available on the UPP page on the CPO-GS webpage
  - Please email questions to CPO.UPP@Illinois.gov