



Oversight, Transparency & Administration Subcommittee

January 12, 2017
9:00 AM – 11:00 AM
Morris Hall

Meeting Packet

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Oversight, Transparency & Administration Subcommittee

Start Date and Time: Thursday, January 12, 2017 09:00 am
End Date and Time: Thursday, January 12, 2017 11:00 am
Location: Morris Hall (17 HOB)
Duration: 2.00 hrs

Overview of state agency procurement and contracting

Panel discussion on state agency procurement and contracting

NOTICE FINALIZED on 01/05/2017 4:04PM by Larson.Lisa

State Agency Procurement and Contracting

Florida House of Representatives
Oversight, Transparency & Administration Subcommittee
January 12, 2017

Overview

- Competitive Solicitations
 - Statutory Procurement Categories
 - Competitive Solicitation Methods, Stages, and Requirements
 - Response Evaluations
- Contract Requirements
 - Budget and Contract Requirements
 - Resources and Form Language

Competitive Solicitations

STATE AGENCY PROCUREMENT AND CONTRACTING

Competitive Solicitation

Competitive Solicitation means “the process of requesting and receiving two or more sealed bids, proposals, or replies submitted by responsive vendors in accordance with the terms of a competitive process, regardless of the method of procurement.”

Statutory Procurement Categories

- Category one: \$20,000
- **Category two: \$35,000**
- Category three: \$65,000
- Category four: \$195,000
- Category five: \$325,000

The primary factor used by an agency to determine whether a purchase must be competitively solicited is the total amount spent on the prospective goods or services.

State Term Contracts and Exceptions

- State Term Contracts
- Exceptions – those not required to be competitively solicited. Examples include:
 - Emergency Purchases
 - Single Source
 - Artistic Services

Competitive Solicitation Methods

- **Invitation to Bid (ITB)** – Used when an agency determines that standard services or goods will meet needs, wide competition is available, and the vendor's experience will not greatly influence the agency's results
- **Request for Proposal (RFP)** – Used when the procurement requirements allow for consideration of various solutions and the agency believes more than two or three vendors exist who can provide the required goods or services
- **Invitation to Negotiate (ITN)** – Used when the procurement involves a request for highly complex, customized, mission-critical services and negotiations are determined to be necessary to obtain the best value

Competitive Solicitation Stages

- Stage One: Need Identification
- Stage Two: Pre-Solicitation Strategy
- Stage Three: Solicitation Preparation
- Stage Four: Solicitation Process
- Stage Five: Response Evaluation Process
- Stage Six: Contract Award Process
- Stage Seven: Contract Management Process

Competitive Solicitation Requirements

- The Department of Management Services provides uniform commodity and contractual service procurement policies, rules, and procedures and prescribes the methods of securing competitive sealed bids (ITBs), proposals (RFPs), and replies (ITNs).
- All competitive solicitations must include:
 - Name of the procurement officer
 - Timeline of events
 - Response submission instructions
 - Due date and time and location for the public opening of responses
 - Evaluation criteria and basis of award criteria
 - Contract terms and renewal information (if any)
 - Technical specifications and scope of services
 - Any other necessary information

Response Evaluation

- Phase One: Open Responses
 - Public meeting that must be noticed
- Phase Two: Review for Responsiveness
 - ITB: Procurement officer completes a bid tabulation sheet and selects the vendor with the lowest bid who is responsive and responsible
 - RFP and ITN: Procurement officer compiles the proposals or replies of each responsive and responsible vendor and forwards to the evaluation team
- Phase Three: Evaluate the Responses

Contract Requirements

STATE AGENCY PROCUREMENT AND CONTRACTING

Contract Contingency Requirement

No executive branch public officer or employee may enter into any contract on behalf of the state, which contract binds the state or its executive agencies for the purchase of services or tangible personal property for a period in excess of 1 fiscal year, unless the following statement is included in the contract:

The State of Florida's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature.

Budget Requirements

- Contracts that require the expenditure of funds in excess of appropriation are null and void. A signatory to such a contract commits a first degree misdemeanor.
- Contracts in excess of \$5 million must identify the specific appropriation of state funds from which the state will make payment under the contract in the first year of the contract.
- Section 113 of the 2016-2017 implementing bill prohibits an agency from initiating a competitive solicitation if the completion of the solicitation would require:
 - A change in law; or
 - A change to the agency's budget other than an authorized transfer unless the initiation of such competitive solicitation is specifically authorized in law, in the General Appropriations Act, or by the Legislative Budget Commission.

Contract Provisions

- The Department of Management Services created two forms in rule, PUR 1000 and PUR 1001, to assist agencies with standardized contract provisions.
 - PUR 1000 contains general contract conditions
 - PUR 1001 contains general instructions to respondents
- Agencies must use both forms for all competitive solicitations, whether ITB, RFP, or ITN.

The End