

INDIANA DEPARTMENT OF ADMINISTRATION METHODS OF SOLICITATION

Streamlining Program

All agencies have the delegation of authority to solicit their own quotations with an estimated dollar amount of less than \$5,000. However, certain agencies have special delegation under the streamlining program. The program consists of the delegation of purchasing authority up to \$25,000 or \$75,000 for agencies who qualify. These agencies are required to follow the same statutes, laws and policies that the Department of Administration, Procurement Division follows. Under IC 5-22-8, the Indiana Department of Administration may use Small Purchasing Procedures for all requisitions not exceeding \$75,000.

Agencies with the delegation of authority to procure under the new streamlining delegation have the authority to request telephone quotations and pay by Claim Voucher, a method of payment, directly to the Auditor's Office on Requests for Quotation with an estimated dollar amount of less than \$5,000 or \$25,000 depending on delegation authority. For quotations with an estimated dollar amount greater than \$2,500 and less than \$75,000, the requesting agencies have the authority to solicit their own quotations. However, these are still currently being processed through the Procurement Division for a Purchase Order, when they are above the agency's delegation. To find the delegation level for a specific agency, visit the IDOA Procurement Division website at <http://www.in.gov/idoa/proc/personnel.html> and click on the link titled Agency Purchasing Administrators.

Requests for Quotation (RFQ) - \$500 to \$2,500

Requests for Quotation less than \$2,500 are solicited by the agency. The agency may contact bidders by phone or in writing. The agency must contact bidders in writing for quotes for printing purchases within this dollar amount. The agency must select at least three (3) known vendors to contact concerning the Requests for Quotation, along with the specifications. There is not a set time frame by law that these quotations must be on the street. However, we ask the agencies to allow at least seven days whenever possible. After quotations are received by the vendor and they have responded, the agency reviews the quotations and makes an award. Upon an award, a purchase order is issued. The agency will make payment for POs within this dollar amount by claim voucher.

Requests for Quotation (RFQ) - \$2,500 to \$75,000

Requests for Quotation with an estimated dollar amount greater than \$2,500 but less than \$75,000 are solicited by the agency. The agency determines the need and writes the specification. The agency then selects at least three (3) known vendors to send the Requests for Quotation to, along with the specifications (IC 5-22-8-3(b)). The agencies must allow the solicitation to remain open for at least seven (7) days whenever possible. After quotations are received by the vendor and they have been reviewed, the agency awards the quote and creates the PO up to their authority. If the solicitation is above their streamline authority the agency sends the request with all necessary paperwork to the Procurement Division for processing. A Procurement Division Purchasing Administrator reviews the quotations and makes an award. Upon an award, a purchase order is issued. Agencies will make payment for the PO created by claim voucher up to \$5,000 or \$25,000 depending on their streamline delegation (\$25,000 or \$75,000). If the PO is above the streamline delegation the funds will be encumbered by Procurement with the Auditor of State.

Small Business Set-Aside Program

Created by IC 5-22-14, the Small Business Set-Aside program was put in place to promote the growth and success of small businesses. Commodities (including printing) (IC 5-22-14-4) identified below have been chosen to participate based on the small business community that is known to be capable of supporting the needs of the State, while still allowing fair and equitable competition in the procurement process. The program is applicable to commodity purchases between \$5,000 and \$25,000, and printing purchases between \$5,000 and \$15,000.

Soliciting quotations for purchases that qualify under the Small Business Set-Aside requirement should be done using the same documents and the same processes as would be used for any other purchase within these estimated dollar amounts. Indiana Code (IC) 5-22-14-6, however, dictates that only bidders who qualify as small businesses should be solicited. See Appendix G for definition of a Small business (IC 5-22-15-23).

ITEM	UNSPSC CODE
First Aid/Safety Equipment	42170000, 42290000, 46180000
Hardware and relative items	24110000, 31162700, 46171500
Badges/Emblems	55120000
Hand Tools	27111500
Personal Computer Hardware/Peripherals	43000000, 26121600
Personal Computer Software	43190000, 43230000
Police Equipment	46000000
Plumbing Equipment	30180000
Building Maintenance Materials	72100000
Printing	82121500

Invitation for Bid (IFB) – Greater than \$75,000

Invitations for Bid vary from Requests for Quotation only in procedural requirements, and that the processing of IFB is done by the Procurement Division buyers. Invitations for Bid are issued and must be open for fourteen (14) days. They must be publicly advertised for two consecutive weeks. Bids obtained by Invitations for Bid rules are opened, read publicly and microfilmed at the bid closing date and time.

Negotiated Bidding – Greater than \$75,000

Negotiated Bids vary from an Invitation for Bid in several procedural requirements. Per IC 5-22-7.3, unlike an Invitation for Bid, Negotiated Bids are not opened publicly but opened by two (2) or more employees of the purchasing agency. Negotiated Bids are only for purchasing by agencies under the Executive Branch. The most significant difference is that a solicitation designated as a Negotiated Bids will allow the purchasing agency to conduct discussions with bidders before a contract is awarded. During the discussions with bidders all discussions must be consistent with fair competition among all bidders. Also, any bid that is released as a negotiated bid the bidders will be provided details of the process.

Request for Proposal (RFP) – Greater than \$75,000

The Request for Proposals method is used for procurements in which factors other than cost play a significant role. Per IC 5-22-9, when a purchasing agent makes a written

determination that the use of competitive sealed bidding is either not practicable or not advantageous to the governmental body, the purchasing agent may award a contract using this procedure instead of competitive sealed bidding. This provides a formal process for the procurement of goods and/or services for which price is not the sole factor in the selection of a vendor or vendors.

By using the RFP process, the State intends to award a contract to the responsive/responsible Respondent (s) whose proposal is determined to provide the "best value" to the State. Because the requesting agency determines the specifications of what is being solicited through the RFP, it allows the agency more control over the process, which in turn helps the agency to obtain the "best fit" for its needs. Because the evaluation criterion is explained throughout the RFP, Respondents have the opportunity to concentrate, in their proposals, on the areas most critical to the requesting agency. The RFP provides an agency with the opportunity to enter into contract negotiations with the Respondent or Respondents that submit the best and most cost effective proposal(s).

An Agency may choose to research information on a proposed RFP without having to commit to doing an RFP by doing a Request for Information (RFI). The RFI is used by agencies to gain information on specifications and pricing for new products, programs or services. The RFI strictly requests information and a contract will not result from the RFI. The RFI is not to be used as a tool to "pre-select" vendors. Responses to the RFI will remain confidential until after the RFP is complete. If no RFP is issued, the RFI responses become public information after the decision is made not to proceed with an RFP.

In order to ensure that state agencies are developing RFP's that are reflective of the latest technology and processes, and that the agency has input from local industry representatives a Pre-RFP Informational Session is required prior to the planned issuance of any RFP. In some cases, IDOA may determine a combined session of the Pre-RFP informational session and the pre-proposal conference may best suit the process. This session is a great opportunity for Indiana certified minority and women businesses to identify prime bidders they may wish to partner with.

A representative of IDOA Procurement will attend each session to discuss/explain the RFP process. A representative of the IDOA M/WBE Division will also attend to discuss/explain the M/WBE requirements in an RFP. The balance of the session is geared to sharing information with the vendor community and gaining their input on the best way to develop an RFP to assure the best possible responses from the vendor community. Once the Pre-RFP Informational Session meeting is complete the vendors will have generally a minimum of one (1) week before the RFP is advertised on the web. During the time between the Pre-RFP Session and RFP the vendors are encouraged to contact the Agency to ask more questions. Once the RFP is placed on the web the only contact the vendor can have is with the buyer associated with the RFP.

The RFP is advertised in two publications of general circulation for two successive weeks, it will generally remain "on the street" for a minimum of three to four weeks following the advertisements depending on the complexity of the RFP.

Proposals in response to RFPs should be delivered to the Indiana Department of Administration, reception desk no later than the due date and time. Late proposals will not be accepted. The RFP number and due date are to be clearly indicated on all packages submitted to the Procurement Division in response to the RFP.

Once all proposals are processed the requesting agency will complete the evaluation of the

proposals using the evaluation criteria listed in the RFP and determine the recommended respondent, or determine that additional discussions, orally or in writing, should be conducted, after which a Best and Final Offer (BAFO) may be solicited.

The State selects a group of personnel to act as a proposal evaluation team. Subgroups of this team, consisting of one or more team members, will be responsible for evaluating proposals with regard to compliance with RFP requirements. All evaluation personnel will use the evaluation criteria stated in RFP. The Commissioner of IDOA or his designee will, in the exercise of his sole discretion, determine which proposals offer the best means of servicing the interests of the State. The exercise of this discretion will be final.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 1.) Each proposal will be evaluated for adherence to requirements on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements may be eliminated from consideration.
- 2.) Each proposal will be evaluated on the basis of the categories included in Section 3.2 of the RFP. A point score has been established for each category and scoring may vary in the categories of Management Assessment/Quality and Price in some solicitations.
- 3.) If technical proposals are close to equal, greater weight may be given to price.

Only after the Commissioner of IDOA or designee has approved the recommendation can the vendor or vendors be contacted to commence contract negotiations. Upon approval of the recommendation signed by the Director of Procurement and the Commissioner of IDOA or designee, the RFP staff will send notification of acceptance to the selected respondent(s) and notification of declination to respondents whose proposals did not meet the agency's needs.

Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, taking into account all of the evaluation factors, may be selected for further action, such as contract negotiations. If, however, it is decided that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, IDOA may begin contract preparation with the next qualified Respondent or determine that no such alternate proposal exists.

Quantity Purchase Agreement (QPA)

The Quantity Purchase Agreement (QPA) is an opportunity for the State, or a particular agency, to enter into an agreement by which a selected vendor provides an estimated quantity of goods and services at a stated unit price guaranteed for a specific time frame, usually a year.

Products or services available on QPA must be purchased from these contracts. *There are two exceptions:* a substantial cost savings or the agency functional requirements can't be met.

If a substantial cost savings can be realized by purchasing outside the QPA, justification must be provided documenting the estimated per item cost savings, and how that figure was determined. Use of the Fair Market Value principal may help determine the overall

savings. If the QPA product or service does not meet the agency's functional requirements, justification must also be provided indicating specifically which specifications are inadequate.

The State establishes ASA (All State Agency) QPAs, from which any agency may submit a Purchase Order to receive a commodity. The processing time of a QPA Purchase Order is much less than those of a purchase order – an average of only 2-5 days once it reaches the Procurement Division.

All current QPAs are listed on the Procurement page of the State's web site. (<http://www.in.gov/idoa/proc/qpa.html>). Even though QPAs are generally in effect for only two years, they may be renewed according to the terms of the original contract, with the State generally limiting the length of a QPA to four years total (original term plus renewals).

Contracts

A contract contains these essential elements: competent parties, lawful subject matter, sufficient consideration and consent of minds. A contract creates a "state procurement relationship". In other words a procurement contract should be used whenever the state agency wishes to buy, lease, or exchange property or services for the **direct benefit of a state agency**. Also, when a state agency's principal purpose is to **acquire an intermediary's services**, which ultimately may or may not be delivered to an authorized recipient, then a contract is required.

Special Procurements

Competitive open solicitation is required for any purchase over \$500 but in situations as provided for by Indiana Code IC 5-22-10, Special/Emergency purchasing methods may be used when unique circumstances exist, allowing standard practices to be circumvented. The need for this type of purchase must qualify under at least one of the criteria defined in IC 5-22-10 sections four (4) to nineteen (19). The Source Selection Authorization for Special Procurement document and justification must be provided explaining why this type of procurement is necessary on the Special Procurement Recommendation of Award document.