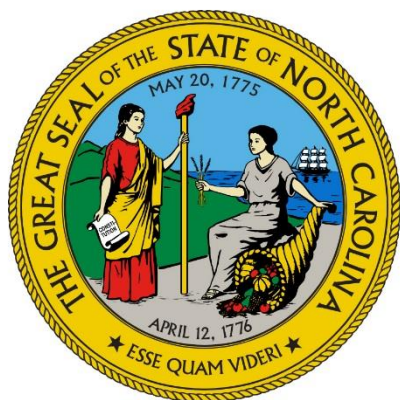


NC Department of Health and Human Services



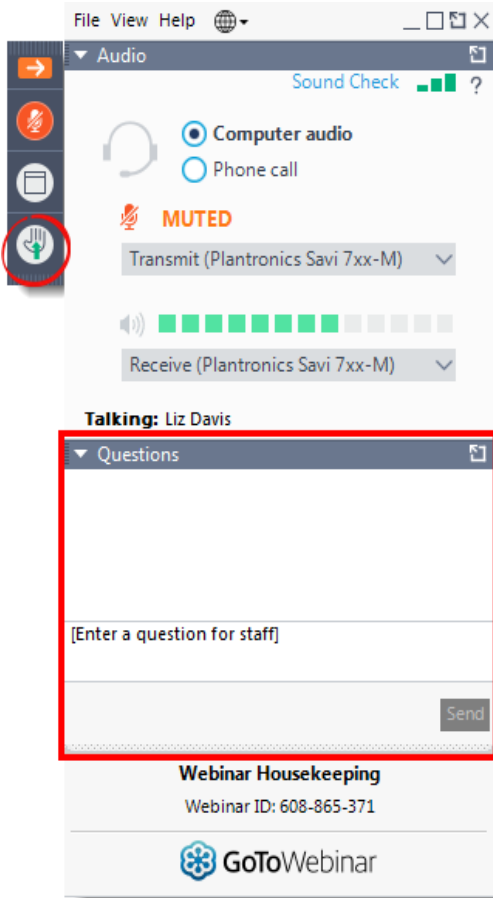
NC DHHS Purchasing Basics: Successfully Responding to RFPs, RFQs, RFIs

Iris Cooper, Assistant Secretary
Office of Procurement Contract and Grants

August 27, 2020

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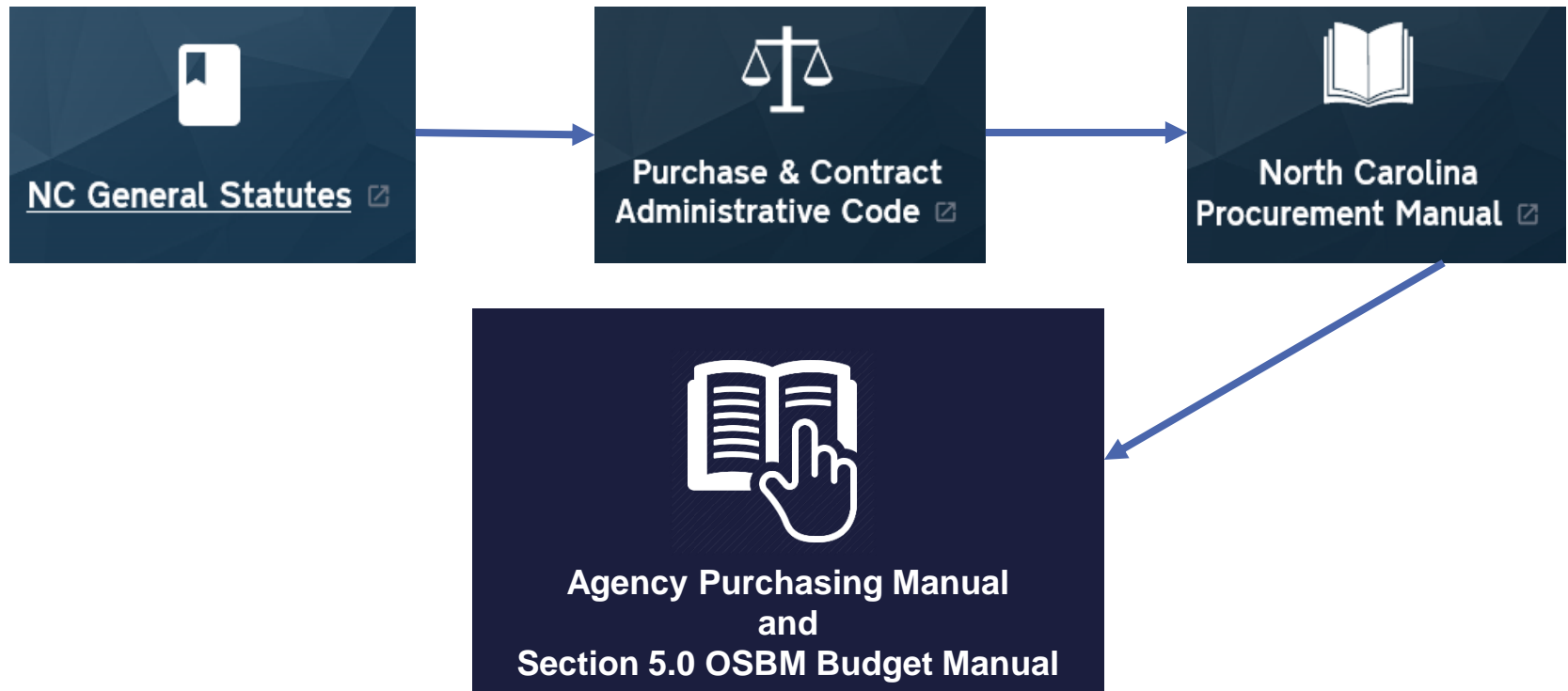


- Audio is set to computer speakers by default. To hear by phone, click on the audio pane and select “Phone Call”. Dial-in information and the audio pin will be provided at that time.
- Questions can be asked any time during this webinar
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Agenda

- Understanding the Basics of Procurement Organization and Authorities
 - How the State purchases Goods and Services
 - eProcurement and the Interactive Purchasing System (IPS)
 - Types of Solicitations
 - Types of Evaluations & Understanding Evaluation Criteria
 - Other Things to Consider
 - Questions
-

Purchasing Rules Hierarchy



Purchasing Governing Authority

Purchase & Contract

- Goods & services
- General Statutes
 - Chapter 143
 - Article 3
- Administrative Code
 - Title 1
 - Chapter 5

Information Technology

- Goods & services
- General Statutes
 - Chapter 147
- Administrative Code
 - Title 9
 - Chapter 6

State Construction

- Construction, renovation, or alteration of physical properties
- General Statutes
 - Chapters 116, 143, & 153
- State Construction Manual

Potential Customers?

17 Executive
State Agencies

58 Community
Colleges

16 Public
Universities



2500+ Public
and Charter
Schools

100 Counties

500+
Municipalities

Open Market Purchasing Policy

TOTAL DOLLAR VALUE	BUSINESS NEED	METHOD/REQUIREMENT
> \$500 – Micro Purchase	Goods or Services	Procurement Card (P-card) is authorized
< \$2500 - Small purchase	Goods or Services	1 current Informal Vendor Quote
\$2500 - \$5000 - Informal Competition	Goods or Services	3 current Informal Vendor Quotes
\$5000 - \$10,000 - Formal Quotes	Goods or Services	Requires Vendor to Agree to NC T&Cs RFQ or Informal Quote PDF
\$10,000-\$25,000 - Formal Bid Under Agency Delegation	Goods or Services	Document posted to IPS (IFB/RFP) Agency Awards
>\$25,000 – Formal Bid Over Agency Delegation	Services	Document posted to IPS (IFB/RFP) Requires P&C or DIT approval before award.
>\$25,000 – Formal Bid Over Agency Delegation	Goods	Document posted to IPS (IFB/RFP) P&C/DIT Solicits and Awards

CONTRACT TERM: Standard 3 years. Any longer requires P&C approval.

Contracts estimated over \$1M must be reviewed by P&C/DIT Legal before posting and before award.

Term Contracts

- **Standard Term Contract:** binding agreement between the purchaser and the vendor to buy and sell certain commodities, printing, or services at certain prices and under stipulated terms and conditions.
 - **Statewide Term Contract:** (STC) are contracts established by the Division of Purchase and Contract for use by all agencies, unless exempted by statute, rule, or special terms and conditions specific to the contract.
 - Can be mandatory or convenience contracts
 - Searchable list with Contract Manager information on P&C Website
 - Lower Prices, good quality products, shorter delivery times
 - **Agency Specific Term Contracts:** are term contracts for use by a specific agency for a specific amount of time.
 - Indefinite Quantity
 - Award is based on historical data
-

E-Procurement Basics



- Electronic Ordering System used by most State Agencies
- NC E-Procurement provides a single point of access for North Carolina government organizations
- Increased order accuracy through receipt of electronic orders with a consistent purchase order format
- Many State Term Contracts have uploaded searchable catalogs within the system for easy purchasing access
- Vendors are charged 1.75% fee for GOODS only

E-Procurement FAQs



- Why is my company required to pay a 1.75% fee?
 - Allows the State to conduct business electronically
 - Vendors are able to market business with State entities and also benefit from the process and time savings that are possible with E-Procurement
 - The fee offsets the expenses of the development, maintenance and ongoing operations of NC E-Procurement @ Your Service
- How does my company benefit by using E-Procurement?
 - Increased access to North Carolina government markets
 - A single point of access to government entities, public schools, and community colleges
 - Increased order accuracy and consistency through the delivery of electronic purchase orders
 - Potential for supplier cost savings in the areas of processing, marketing, and administrative costs

North Carolina Electronic Vendor Portal (eVP)



- Free Registration
- Automated business opportunity notifications based upon Vendor-selected commodities
- Vendor keeps information updated
- One stop registration for E-procurement to receive purchase orders, IPS notifications for formal solicitations, and Vendor search

eVP Registration



To start the eVP process you will need:

- Internet access
- Your Federal Tax ID/ Employer Identification Number (EIN)
- A valid email address in order to initiate the eVP and HUB certification process

Link to eVP login page: <https://vendor.ncgov.com/vendor/login>

- Click “Vendor Not Registered, Register Now”
- Complete the registration process
- For help with eVP Registration please contact:
 - NC e-Procurement Help Desk
 - Monday-Friday, 7:30-5:30pm
 - Phone: 888-211-7440
 - Email: evphelpdesk@its.gov

Interactive Purchasing System



- Used to post FORMAL (IFB&RFP) solicitations
- Allows **State Agencies** to:
 - Advertise solicitations for goods and services
 - Seek open and fair competition
 - Post tabulation of bidder's prices, once bids are opened
 - Post notices of contract award
- Allows **Vendors** to:
 - Market goods and services
 - Search for business opportunities 24/7
 - Free eVP registration allows for free notification of business opportunities
 - View tabulation and award information

Seeking Competition

Types of Solicitation
Documents

How to Submit a Bid or
Proposal

Requirements vs. Evaluation
Criteria

Informal Quote PDF



- Goods or services
- Used for Purchases up to \$10,000
- Able to add language and specifications
- Buyer is able to select from list of Registered Vendors
- Quote sent directly to Vendor with no time of response restrictions
- 4 page document
- Vendor agrees to North Carolina Terms and Conditions

Request for Quotes (RFQ)

A Request for Quotes is a solicitation document normally used for non-advertised procurements (sole source or waiver of competition).

- Document sent directly to a specific vendor (requires justification)
 - Vendor agrees to NC Terms and Conditions
 - Can be used for seeking competition (<\$10,000 instead of Informal Quote PDF)
 - Responses opened upon receipt
 - Can also be used as a Request for Qualification (RFQ)
 - *Most recently used in pre-qualifying vendors for contact tracing, testing and laboratory reserve capacity*
 - *Does not create a binding contract*
-

Invitation for Bids (IFB)

An Invitation for Bids (IFB) is a formal solicitation document used to seek competition for *well-defined goods* and *simple services*

- Used for purchases estimated over \$10,000
- Used where bids will be evaluated and award will be based on the lowest responsive bid meeting specifications and requirements
- Posted to IPS for minimum of 10 days
- Public bid openings and potential site visits
- Currently conducted virtually



Request for Proposals (RFP)

A Request for Proposals is a formal solicitation document typically used for seeking competition and obtaining offers for more *complex services* or a *combination of goods and services* used for competitive procurements estimated over \$10,000 total dollar value.

- Division knows end result but Vendor proposes best solution
- Evaluation Method can be other than lowest cost
- Best Value Source Selection
- Posted to IPS for minimum of 10 days
- Public bid openings and potential site visits



Request for Information (RFI)

- Purpose:
 - Gather information
 - Ascertain level of interest of potential vendors
- NOT a solicitation document
 - No award or offer will result from response
 - State's terms and conditions not required
- After response period, **CANCELED** in IPS



Solicitation Schedule

Event	Responsibility	Date and Time
Issue Solicitation	State	
Hold Pre-Bid Meeting OR Site Visit	State	
Submit Written Questions	Vendor	
Provide Responses to Questions	State	
Submit Bids	Vendor	
Contract Award	State	
Contract Effective Date	State	

Vendor Questions

- Vendors may only contact the Purchasing Staff listed on solicitation during the solicitation process.
- Submit questions in writing per the directions in the solicitation document.
- Questions are generally answered via addendum to all potential bidders.
- All Vendor questions submitted by the deadline will be answered and posted to IPS in an Addendum.

2.5 BID QUESTIONS

Upon review of the IFB documents, Vendors may have questions to clarify or interpret the IFB in order to submit the best bid possible. To accommodate the Bid Questions process, Vendors shall submit any such questions by the above due date.

Written questions shall be e-mailed to **bid.inquiry@doa.nc.gov** by the date and time specified above. Vendors will enter "IFB #13-MS21607864 – Questions" as the subject for the email. Questions submittals will include a reference to the applicable IFB section and be submitted in a format shown below:

Reference	Vendor Question
IFB Section, Page Number	Vendor question ...?

Vendor Requirements

- Specifications that a Vendor must meet or submit with its proposal to be found responsive.
- Requirements are “Yes/No” and not evaluated
- Examples:
 - Vendor must deliver product within 15 consecutive calendar days
 - Vendor must submit with its proposal a copy of its General Contractor License
 - Vendor must submit with its proposal 3 references where it has performed similar work
 - Vendor must provide product service manual



Evaluation Criteria

- Evaluation criteria is the “**HOW**” the Vendor plans to complete project.

Possible Evaluation Criteria:

- **Technical Approach:** (How the Vendor will meet State’s business requirements.) Vendor’s proposal shall include, in narrative, outline, and/or graph form the Vendor's approach to accomplishing the tasks outlined in the Scope of Work section of this RFP. A description of each task and deliverable and the schedule for accomplishing each shall be included.
 - **Vendor Experience:** (Relevant Past Performance) In its Proposal, Vendor shall demonstrate experience with public and/or private sector clients with similar or greater size and complexity to the State of North Carolina.
 - **Staffing Plan:** (Who will perform the work) Vendor shall provide information as to the qualifications and experience of all proposed staff to be assigned to this project, including resumes citing experience with similar projects and the responsibilities to be assigned to each person.
 - **Price**
-

Documents of Change

- **Addendum** – Changes made to a solicitation document before opening (also used for answers to Vendors questions)
- **Requests for Clarification** – sent to the Vendor to confirm offer during evaluation stage
- **BAFO (Best and Final Offer)** – Sent to the Vendor to confirm negotiations during the evaluation stage
- **Amendment** – Changes made to a contract after award



What Vendors Should Know About the Process

- Understand what is being solicited and how
 - Registration in the Electronic Vendor Portal (eVP) is critical for notification of opportunities
 - Understand your Commodity Code, i.e. your area of expertise
-

Understanding the Solicitation

- Carefully read the solicitation – IFB/RFP/RFQ
 - Pay special attention to the solicitation schedule
 - Take advantage of the question deadline
 - You are encouraged to submit question(s) if you do NOT understand a provision/requirement in the solicitation
 - Carefully review the State's responses which will be posted via Addendum
 - Ensure that you can meet ALL requirements in the solicitation
 - Pay attention to the evaluation criteria as that will inform how you organize your response/proposal
 - Adhere to the deadline for submission
-

Evaluation Criteria

- Less complex requirements are generally focused on technically acceptable/low price criteria, i.e. vendors are evaluated based on their ability to meet the technical requirements and the selection is based on low price
 - More complex requirements, such as services or information technology solutions will use a Best Value Source Selection scheme
 - Under “Best Value” the State has the flexibility to pay more for a superior service/technical solution
 - Conversely, the State may award to the lower priced offeror when technical solutions are relatively equal
 - In Best Value, pricing becomes the “trade off” factor
-

Best Value Source Selection

- In a “Best Value” source selection, evaluation criteria should be listed in descending order of importance such as
 - Technical/Management Approach
 - Past Performance
 - Price
 - This means that the State will weigh technical/management approach higher than past performance and generally the two factors combined will be weighted higher than price
 - Your proposal should be organized accordingly, meaning the emphasis in your proposal should be on your technical/management approach, followed by relevant past performance and then price
-

How to Respond

- Familiarize yourself with the “Response” section in the solicitation
 - Submit every document that is required
 - Sign your offer
 - Sign every Attachment where signature is required
 - The proposal submission date/time is absolute
 - If submission by 2pm is required, proposals submitted after 2pm will NOT be considered for evaluation
 - Due to COVID-19, all proposal submission are electronic – do not start transmitting/emailing at 1:59pm and expect all submissions to be received timely
-

What Happens After Proposal Submission?

- The Contract Specialist listed in the solicitation will review all timely proposal submissions for “responsiveness”
 - Non-responsive proposals will not be considered for evaluation
 - What does “non-responsive” generally mean?
 - Unsigned offers
 - Missing attachments
 - Documents not submitted as required (i.e. do not send a link to a proposal – submit as required)
 - Missing addenda or unsigned addenda if so required
 - Responsive proposals are provided to a trained evaluation team which will evaluate proposals consistent with the criteria listed in the solicitation
 - Once a consensus rating is achieved, the team prepares an award recommendation which is reviewed/approved consistent with procurement policy
-

Clarifications and BAFOs

- **Requests for Clarification:** Sent to the Vendor to confirm offer during evaluation stage
 - Usually a Yes/No confirmation
 - Clarifying something unclear in Vendor's proposal
 - State cannot ask the Vendor to provide additional information not already submitted with proposal
 - Vendor cannot alter proposed price submitted in proposal
 - **Best and Final Offer (BAFO):** Sent to the Vendor to confirm negotiations during the evaluation stage
 - State must reject all offers to enter into negotiations
 - State does not have to negotiate with all Vendors
 - Vendor is requested to submit best and final offer
-

Other Things to Consider

- Provisions in the Solicitation such as the “Confidentiality and Prohibited Communications During Evaluation”
 - Once proposals are received, the State enters a “silent period” – do not contact anyone to obtain information regarding the solicitation – it could disqualify you
 - Professional Response
 - Hand-written proposals
 - Grammatical and spelling errors
 - Price Proposal errors
 - Inflated experience
 - Sales brochures vs actual proposal
-

Historically Underutilized Businesses (HUB)

- Per Executive Order 25, Governor's Advisory Council on Historically Underutilized Businesses and General Statute 143-128.2
 - The aspirational goal for HUB participation is 10% (for both construction spending and goods and services)
 - Executive Order 143, Addressing the Disproportionate Impact of COVID-19 on Communities of Color
 - Requires an Exemption for awards to non-certified HUB vendors by the Secretary of Administration at any dollar value
 - Does not apply to ALL contract actions or grants
-

Advice

- Don't dilute your expertise by registering for every commodity code
 - Focus on your specialty/area of expertise and grow your business
 - Search IPS for recently awarded contracts for subcontracting opportunities
 - Network – if you cannot meet a requirement on your own, but have expertise, build partnerships
 - Do not sign a contract knowing you will not be able to meet ALL requirements
-

Questions



Website Resources:

- Statewide Purchase and Contract - www.pandc.nc.gov
- Statewide DIT Procurement - <https://it.nc.gov/resources/statewide-it-procurement-office>
- NC eVP - <https://vendor.ncgov.com>
- IPS - www.ips.state.nc.us
- E-Procurement - <http://eprocurement.nc.gov/>
- HUB Certification - <https://ncadmin.nc.gov/businesses/hub/hub-certification>