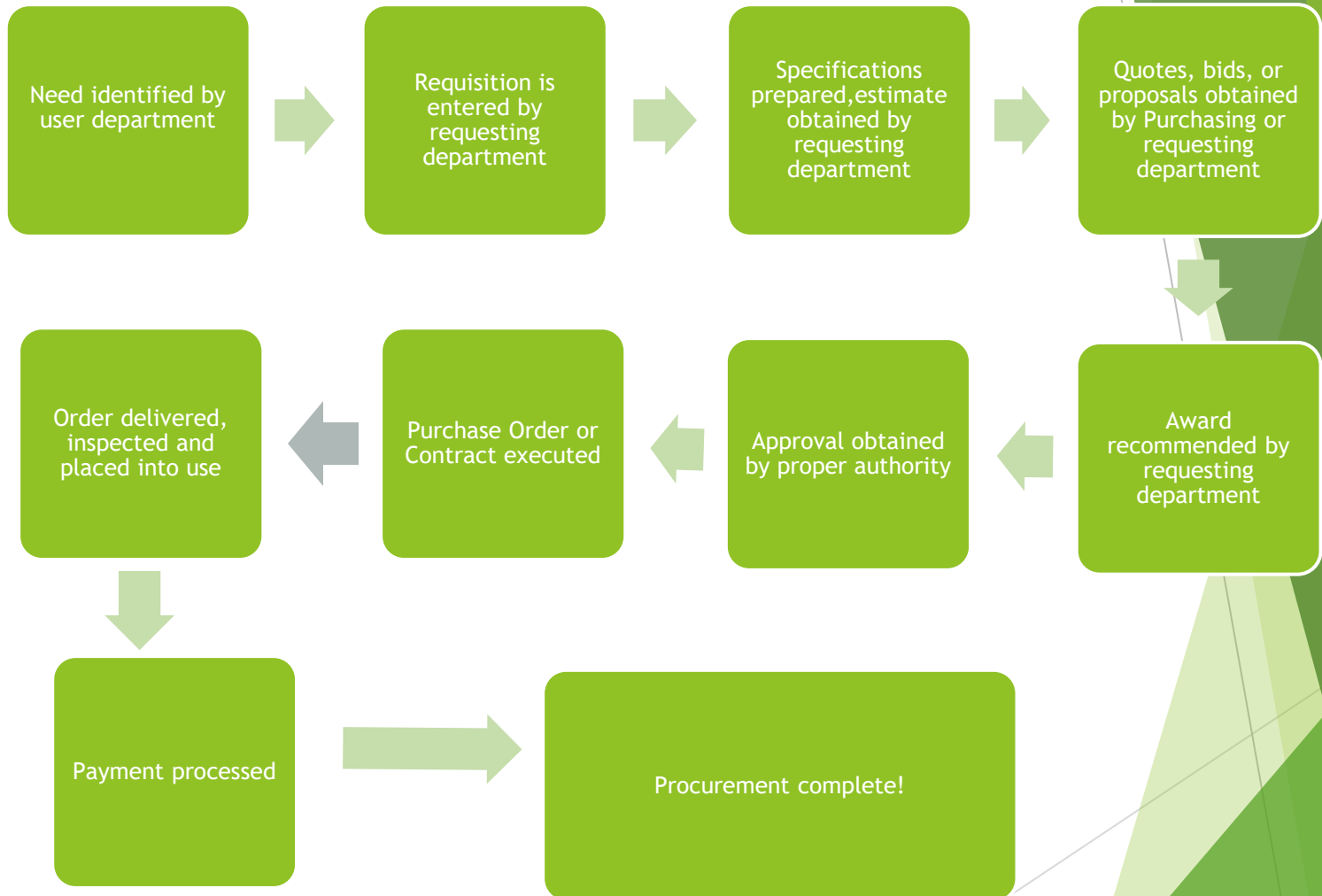


The Purchasing Process

Purchasing Process



Authorization and Approval Levels

Department Director

Up to \$5,000

City Manager

\$5,001-\$24,999

City Council

\$25,000 and up

Traditional Methods of Procurement

- ▶ Agency Purchase Order (APO)
 - ▶ Up to \$5,000
- ▶ Informal Quotations – Email Quotes, Best Bid
 - ▶ \$5,001 to \$24,999
- ▶ Competitive Sealed Bids, Competitive Sealed Proposals (RFP)
 - ▶ \$25,000 and over

Other Methods of Procurement

Any dollar amount, subject to approval

- ▶ Use of Cooperative and State Contracts
- ▶ Use of contracts from other governmental agencies (piggyback)
- ▶ Emergency Purchases
- ▶ Sole Source Purchases

Purchasing Process

- ▶ **Up to \$5,000 - APO**
 - ▶ Department obtain quote(s)
 - ▶ It is encouraged to obtain multiple quotes
 - ▶ Seek S/DBE bidders where available
 - ▶ Enter requisition and await approval of Purchase Order (APO)

Purchasing Process

▶ \$5,001-\$24,999:

- ▶ Obtain 3 quotes with 1 being a SBE if available and document award on Best Bid Form; or
- ▶ Identify a cooperative, or competitive contract from another governmental agency (piggyback) or
- ▶ Complete a Sole Source Form; or an Emergency Justification Form
- ▶ Enter requisition and await Purchase Order approval from Purchasing Department
- ▶ Awards are recorded on the Small Purchase Report and sent to City Manager monthly

Best Bid Forms

- ▶ This is the most preferable purchasing justification
- ▶ Offers the most opportunity for competitive pricing
- ▶ Shows all companies that bid (minimum of three) and their contact information
- ▶ At least one quote should be obtained from an SBE firm whenever possible
- ▶ Shows item table including quantity, description, and pricing
- ▶ Describes what the item(s) will be used for
- ▶ Indicates bidder(s) selected for award with Department Director Approval
- ▶ Award should be to lowest responsive and responsible bidder
- ▶ If lowest bidder is not awarded, a justification must be submitted to Purchasing for approval

Sole Source

This justification is used when purchases are made from a sole source (only one vendor can provide the specific good or service needed by the City)

- ▶ This justification is used when purchases are made from a sole source (i.e. no other vendor can provide what the City needs)
- ▶ A Sole Source form is submitted to Purchasing which includes the following:
 - ▶ Details indicating item/service being purchased, its use and name of the sole source vendor
 - ▶ Justification detailing the reason for the sole source
 - ▶ Requesting Department Director's approval

Emergency

This justification is used when purchases are made in an emergency situation

- ▶ An Emergency justification form is submitted to Purchasing which includes the following:
 - ▶ Vendor name and cost
 - ▶ Description of the emergency and the goods or services needed
 - ▶ An outline of steps that will be taken to avoid the same emergency in the future
 - ▶ Explanation of rationale for why that vendor was chosen
 - ▶ Department Head approval

Purchasing Process

▶ \$25,000+:

- ▶ Department enters requisition and submits specifications to Purchasing
- ▶ Purchasing will work with Department to determine the appropriate Purchasing Method (Bid, RFP, Sole Source, Cooperative, Piggyback)
- ▶ After Purchasing Method is decided, bids and specifications are reviewed for compliance
- ▶ Award is recommended for City Council approval, then Purchase Order/Contract is issued.

Bid vs Request for Proposals (RFP)

Bids

- ▶ Used when the user department knows exactly what it is it wishes to procure, and multiple vendors can provide that good or service.
- ▶ Awarded to the lowest responsive, responsible bid
- ▶ Justification is needed by Department if the lowest bidder is not chosen

Bid vs RFP continued

RFP

- ▶ Used when the City is seeking a solution (proposal) to a need or a problem and the delivery of that proposal varies
- ▶ Evaluation Committee is selected to review proposals
- ▶ Qualifications and other criteria in addition to cost are used to evaluate
- ▶ Awarded to the highest ranked proposer
 - ▶ Points for Local and DBE participation will be added if applicable
- ▶ Requires an evaluation matrix with recommendation

Bids and RFPs - Process

- ▶ A need has been established within a department
- ▶ Department drafts specifications for the Bid or RFP and submits them to Purchasing for review
- ▶ Purchasing sends the Specifications to the Office of Business Opportunity(OBO)so that SBE/DBE goals can be established
- ▶ OBO reviews the specifications and establishes SBE/DBE goal for this specific event.
- ▶ Purchasing finalizes and publishes the event

Period of Non- Communication

- ▶ While responses are under evaluation, the requesting department should not contact proposers; all communication between the City and proposers must go through Purchasing to maintain fairness and transparency of terms and conditions.
- ▶ Those intending to respond to this event, their employees, agents, and attorneys, shall not make contact with City Council members, or with City staff outside of the Purchasing Division regarding this event during the bidding process and evaluation phase.

Bids and RFPs Process

- ▶ Bids and RFPs are published for a minimum of 3 weeks
- ▶ All registered suppliers will be notified of the bidding opportunity
- ▶ Pre-bid/pre-proposal meetings are held
- ▶ Responses are opened publicly, after which Purchasing will check to ensure all required attachments/submissions were included in each bid/proposal
- ▶ Bid tabulation is posted to website within 48 hours of event closing and bids/proposals are sent to requesting department for evaluation

Bids and RFPs Process

- ▶ If a DBE goal was established for an Event the pricing is not opened
- ▶ Proposals are sent to the OBO for compliance review
- ▶ If the bid is deemed compliant with the established goal or a Good Faith Effort was determined, the pricing will then be opened. If not, the bid will be rejected.
- ▶ Bids are sent to Department to determine if they meet specifications
- ▶ If an RFP, proposals will be sent to Evaluation Committee for review

Bids and RFPs Process

- ▶ Recommendation is sent to Purchasing (RFPs must have a matrix)
- ▶ Purchasing submits the event for the proper approval level (City Manager or Council)
 - ▶ Items that need to be approved by Council must be received in the Purchasing Department thirty (30) days before the Council Meeting at which it is to be approved
- ▶ After obtaining approval, a Purchase Order or contract is issued

Contracts and Purchase Orders

- ▶ All awards result in either a contract or a Purchase Order
- ▶ Purchase Orders are issued for one-time purchases
- ▶ Annual contracts are executed for items that are purchased frequently throughout the year
- ▶ Contracts typically will have renewal options
- ▶ The number of renewals is noted in the specifications and is determined by the user department

SAVANNAH



Questions?