



STATE PURCHASING

Quarterly Connection

VOLUME 1, ISSUE 3

SPRING 2010

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Mr. Bill's Blog...

Welcome to 2010! I hope that your holiday season was enjoyable and I look forward to working with all of you in this New Year.

With the New Year, I thought it was the proper time to pull open our division strategy and see where we had been; but more importantly, where we are going. The items at the top of the list related to continued improvement in purchasing processes, increased training for our statewide purchasing professionals, consolidation of redundant state operations, increasing efforts to be self-funded and continued open communication with our people, customers and vendors. These will remain our focus.

From the State Purchasing perspective, we are in the piloting stage of Best Value procurement processes; a new process for service solicitations and vendor/state contract management. Several organizations and their people will be undergoing training to develop and implement this process with future service procurement opportunities across the state.

In the short term, we also see some old and new items rolling out. In an effort to standardize, common templates regarding sole source (see Mark Little's article), RFP's and ITB's are undergoing final review. From the professional development standpoint, purchasing training classes have now been scheduled statewide with some external courses being offered. In March, we will host our second Purchasing Forum for purchasing agents and their managers from across the state to enhance cross-communication within the state purchasing community.

We will also continue to focus on efficiency and effectiveness of our other operations. In an effort to consolidate redundant state operations, our Central Postal Services group will be taking on the postal services for Boise State University. This transformation will take place over the next few months. Our State Records organization is completing its space reduction program and our Copy Center is gearing up for the current legislative session. In addition, the Federal Surplus Program is showing significant financial improvement as a result of relocation and focused customer service.

All of these efforts come from folks wanting to take opportunities to create increased value from the work that they do. I thank them for their continued results. Although we have a long way to go, the 2010 journey will be challenging and rewarding for all of us...working together as one statewide team. Please continue to provide feedback on how we can improve our service to you or your organization.

Bill



Making Cent\$ - Utilizing State Contracts

Office Supplies

The long awaited WSCA office supply contract is finally completed; Idaho will contract with Office Max. There are a few changes that will apply to the new contract.

A. The new contract will include paper. Our current paper contract with Corporate Express/Staples will cease at the end of February. The Office Max pricing is approximately 7% less than the current contract for standard #20 bond paper.

B. The new contract will exclude furniture. We have three contracts in place to procure any of your furniture needs.

We will be working closely with the Office Max team to transition to the new contract. For the most part the process should be fairly seamless to the end users, the Office Max reps will remain the same, the web page will have a few changes and the service should continue as usual.

WSCA Lab Equipment

"The current WSCA contract for Lab Equipment and Supplies with Fisher Scientific, SBPO01118 (administered by Idaho), has been extended through June 30, 2010.

Idaho is leading a proposed NASPO Lab Equipment and Supplies Contract, with Sourcing Team members from several other states, including Arkansas, Colorado, Kentucky, Louisiana, Nevada, North Carolina and South Dakota; as well as subject matter experts from Idaho.

Mary Ann Stoll, Lab Materials Supervisor at ISU, and Matthew Gammette, Forensics Lab Quality Manager for the Idaho State Police, are actively participating on the Sourcing Team, providing a much-needed "real world" perspective, along with much-appreciated subject-matter expertise. Many thanks to them for their expertise and willingness to participate.

It is the goal of the Sourcing Team to have new contracts in place by July 1, 2010. If you have any questions, or would like additional information please contact Sarah Hilderbrand at 332-1612 or sarah.hilderbrand@adm.idaho.gov.

Furniture Contracts

Herman Miller/SBPO 1320, SteelCase/SBPO 1322, Kimball/SBPO 1321

In order to provide more information about these contracts we are providing a spreadsheet for each contract with the detail about product warranties for the various brands each vendor offers, the different levels of delivery services available, ordering information and return policies. In addition there have been some personnel changes at some of the dealership's and the list is now updated. Please refer to the information on our web site for more information.



Best Value Procurement

The State's first RFP procurement using Arizona State University's Best Value Procurement for Student Health Insurance Plan for Boise State University, Idaho State University and Lewis Clark State College - this process is now down to the final days - we have been through the evaluations, issued the Letter of Intent to Award and had the final Pre-Award Meeting. We will now present this to the Board of Education and then issue a contract. Once the contract has been issued we will have an update on the process through completion in detail for the newsletter.

If you would like more information, please contact Diane Robinson at 332-1631 or diane.robinson@adm.idaho.gov.



The World According to “Mark”



Happy New Year to you all!

I realize it is a bit late to be proclaiming this, but this is the first newsletter of the New Year so it seemed appropriate. We can look back at 2009 with a well-earned sense of achievement and look forward with excitement to what we can accomplish this year. To say we are living in exciting times would be an understatement. We could easily change the word “exciting” to challenging, interesting, or even trying. Regardless of the word chosen, it is clear we have our work cut out for us; necessitating the need to work closer together, find ways to leverage our aggregated spend where it makes the most sense, buy smart, and be mindful of taxpayer dollars.

As procurement professionals it is our goal to make our end-users successful and help them accomplish their mission in the most expeditious and fiscally responsible way possible.

In this newsletter I want to focus on Sole Source procurements.

This topic constantly comes up in discussions as a sourcing strategy. Idaho Code §67-5720, Acquisition in Open Market—Emergency Purchases” covers sole source procurements. Subparagraph 2 refers to the authority for such procurements and the DOP rules (IDAPA 38.05.01.045) provide guidance. The circumstances for this type of procurement are clearly delineated in Idaho Code: “...there is only one vendor for the property to be acquired.”

Sole source procurements are just one of the tools available.

However, these procurements must be used judiciously, in accordance with applicable statutes and rules; and not as a shortcut. The following are a few common examples of requests that attempt to circumvent the statutorily-required process:

- The end-user has “researched all available sources and this product (or supplier) is the only one that can best fit the need.”
~ This is not a sole source. The justification of “best fit” implies that other solutions can fit the need; it does not imply that this is the “only” solution.
- The agency comes to DOP with an “end of the quarter” push to justify a sole source. This is where the end-user says that company XYZ is offering a substantial discount if we buy their widget by the end of the month. ~ This too is not a justification for a sole source.
- The agency asks for a particular brand or model of equipment.
~ While there may be a “brand name” justification, if more than one vendor can supply that brand/model, this is not sole source.

If research tells us company X is the “best fit,” the competitive process will tell us the same thing. If a discount is available today, it will be there tomorrow; and it should be part of the solicitation process.

By Idaho Code §67-5733(1)(d) sole source determinations can be appealed; which involves a determinations officer. The cost of a determinations officer is the responsibility of the requesting agency. With this in mind, we feel it is important, and cost effective, to make certain the sole source request is truly “sole source”.

Ultimately, the requestor is responsible for justifying a sole source purchase, and a true sole source is not difficult to justify. Rule 45 (IDAPA) helps to determine a sole source.

Additionally, as authorized by Idaho Code § 67-5720(2), we are instituting an electronic notice process to comply with the mandatory sole source advertisement requirement. As of February, we will post the sole source announcements on the DOP website. This will save both time and money (as it is the agency’s responsibility to pay for the sole source advertisement), resulting in a more efficient use of resources.

To further assist agencies, you can access the new Sole Source Request document at:

http://purchasing.idaho.gov/sole_source.html.

Once you are logged in, scroll down to “forms” and select “Request for Sole Source”.

EPAC - What Does This Mean????

The Division of Purchasing has successfully filed our annual report with the Department of Energy our Energy Policy Act (EPAAct) for the 2009. The EPAAct program encompasses the State Alternative Fuel Provider program, which requires covered fleets to acquire alternative fuel vehicles (AFVs) as a percentage of their annual light-duty vehicle acquisitions. The state exceeded the required goal of 75% AFV requirements, including Bio-diesel usage, and was able to bank six additional credits. Thank you all for your reports and Alternative and Flex Fuel Vehicle information.

Were You There??

On December 2, 2009, the Division of Purchasing held its first statewide business meeting. With the help of ITD headquarters and the ITD district offices in Coeur d'Alene, Lewiston, Shoshone, Pocatello, and Rigby. We had a total of 75 people attend this event. Bill Burns updated us on the first Purchasing Council meeting. Mark spoke on Statewide Contract usage and Idaho Code § 67-5726 (4) and § 67-5734 Prohibitions and Use Law IC §67-2319 and how it applies to all of us.

Presentations were given by Marci Bailey and Susie Totman of Goodwill Staffing, and Steve Klauser and Chris Bradley of Gem State Paper.

We also had furniture organization presentations by Herman Miller (Anthony Pepe), Kimball (Julie Wissler) and Steelcase (Mark Rogers).



For our first attempt at teleconferencing, we think we did ok. One of the suggestions that came back from the district locations was to set up the meeting so the remote locations would be able to view the attendees in the Boise location. With these and other ideas, we will try to make the next meeting even better.

We are working on the next meeting and will have the information and location out soon, so stayed tuned!!



Kudos, Kudos, Kudos, Did You Know??

A round of applause in recognition to the following for completing their NIGP CPPB certification!

Marcia Todd, Contract Officer, Department of Environmental Quality

Tina McBride, Senior Buyer, City of Boise

Let Federal Surplus Help You



Look to the Idaho Federal Surplus Property program to save money and find what you need. We can get just about anything from adapters to zippers.

For example, the City of Emmett was in need a small pickup truck. We were able to find them a 1996 Dodge Dakota with only 63,000 miles on it. We then recently received four cases of baby shampoo that we were able to sell to the U of I veterinary department to help clean animals.

We are excited to be in our new location. So come over when you can and take a look around. Make sure to check our out our website at <http://fsp.idaho.gov>.

To learn more about this valuable program and how you can save, contact Brent Barton at brent.barton@adm.idaho.gov.



Central Postal & BSU Merge



Central Postal Services is entering into a partnership with Boise State University to consolidate mailing facilities. The mail service transition will begin in mid-March 2010, with the formal transfer of service to the Department of Administration to likely occur at the beginning of the fiscal year, pending Legislative approval. This merger will result in the consolidation of Boise State University Mail Services with operations completely phased to the Department of Administration by July 1, 2010.

Among the benefits BSU will gain is that all barcode mail be run through FastForward, which will enable them to get corrected addresses for updating of their databases. We're excited about this consolidation and the overall benefits to the State.

If you have any questions, feel free to contact Sharon Whitson at 332-1951 or sharon.whitson@adm.idaho.gov.

IT Services Commodity Strategy

The Division of Purchasing is currently in the process of rebidding the statewide Information Technology Services contracts. Using a new approach for these procurements, a commodity team has been formed to develop and document a commodity strategy for the purchase of IT services.

The IT Services Commodity Team is comprised of representatives from DOP, the Office of the CIO, PERSI, IDHW, ITD, Labor, and IDOC as well as engaging our current contract holders (private sector) so that we make sure our strategy is in line with the marketplace. The team is well into the process of "Defining and Documenting the Current Commodity Environment", "Defining and Documenting the State Customer's Perspectives & Expectations", and "Defining the 'To Be' Environment." The team hopes to have an RFP on the street sometime in March. To ensure a quality effort, the current contracts may be extended until the new contracts are in place.

Upcoming Events!!! Plan to Attend

The following training classes have now been scheduled for February thru July. Please review and select the classes you wish to attend. For information about each class go to <http://purchasing.idaho.gov/training.html>.

Date	Location	Class Description
Feb 23-25	Boise	Legal Aspects of Public Procurement - NIGP
Mar 23-25	Boise	Contract Administration - NIGP
Apr 20-22	Boise	Developing and Managing Requests for Proposals - NIGP
May 26-27	Boise	Risk Management in Public Contracting - NIGP
Jun 11	Boise	Intro to Public Procurement ****DOP
Jun 23	Boise	Protests and Disputes: What's a Buyer to Do? - NIGP
July 13-14	Boise	Fundamentals of Leadership and Management - NIGP

REGISTRATION INFORMATION:

NIGP will be collecting registration for all NIGP courses scheduled. You can register for one or all of the classes at the same time (preferred, as some classes fill up quickly). Specific training room sites will be announced as we fill the classes. Registration information can be accessed by viewing the NIGP Seminar Schedule located at <http://www.nigp.org/eweb/StartPage.aspx?Site=NIGP&webcode=SemSched>

***For the Intro to Public Procurement class, please register directly to Bonnie.Sletten@adm.idaho.gov

On the Move

Dick Franks—Purchasing Agent at ISP will be retiring March 12th. ISP will celebrate Dick's retirement on March 11th at ISP headquarters. For further information contact John Riggins 884-7031.

Rod Knopp—Purchasing Agent at IDOC will be retiring February 19th.

Changes to the Way Renewals are Processed

On October 1, 2009 the Division of Purchasing (DOP) instituted an administrative fee for Purchase Orders (POs), Contract Purchase Orders (CPOs) and Blanket Purchase Orders (BPOs) which DOP issues on behalf of the State Executive Agencies.

The administrative fee for BPOs is similar in operation to the one that has always been in place for Statewide Blanket Purchase Orders; the Contractor will add 1.25% to the contract pricing, and collect and remit this 1.25% to the Division of Purchasing on a quarterly basis, along with a usage report.

The administrative fee for CPOs is structured a little differently. This fee is included in the Contractor's pricing, and the Contractor remits 1.25% of the value of the contract to IPRO.

What, you may ask, does this have to do with renewals? ...which was the title to this little blurb, right?

The administrative fee applies to contract renewals, as well.

In order to account for these administrative fees in contracts which are being renewed, and which did not originally contain a reference to the administrative fees (predominantly those contracts issued prior to October 1, 2009); applicable language must be added to the contract at the time of renewal.

To facilitate this process for the renewing agency, the Division of Purchasing has instituted the following revised procedure for processing renewals:

1. DOP will notify Agencies approximately 120 days in advance of the possibility of renewal of expiring BPOs and CPOs.
2. Agencies will conduct an evaluation of the current contract and determine whether renewal is in the best interest of the state.
3. If an Agency determines to pursue renewal, it will notify DOP within 90 days of contract expiration.
4. DOP will issue a letter to the Contractor requesting renewal. This letter will alert the Contractor to the administrative fee language, and ask for Contractor approval of the additional language to move forward with the renewal.
5. Once DOP receives a response from the Contractor, a copy of the response will be forwarded to the Agency so that they may submit a requisition in IPRO for the renewal.

What does this mean for the Agency? If you have a contract to renew, DOP will notify you just as before, with a slightly longer lead time. You will no longer send a letter to the Contractor; DOP will send the request for renewal to the Contractor, and DOP will notify you when a response from the Contractor has been received.

If you have any comments or questions on the newsletter, please feel free to contact Bonnie Sletten at Bonnie.Sletten@adm.idaho.gov