

# Executive Order 20

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## Small Business Enhancement



FORUM2014

# Objectives

- ❑ Discuss Executive Order 20 initiatives
- ❑ Review APSPM policies to implement EO20
- ❑ FAQs, scenarios, award examples
- ❑ Questions



# Small Business Enhancement

DGS/DPS in support of the Governor's Executive Order 20 *Advancing Equity for Small, Women, and Minority Owned Businesses* took action to continue and advance the small business enhancement on a race-neutral and gender-neutral basis.

DGS/DPS implemented new functionality in "eVA" to:

- allow for the designation of procurements to be set aside for micro and small businesses
- add the new vendor designation of micro business (O)
- provide reports on spend to micro businesses.

The Division also updated procurement regulations in the *Agency Procurement and Surplus Property Manual (APSPM)*.



# Executive Order 20 Initiatives

- Increase small businesses spend goal > 42%
- Create Micro Business designation
- Expand set-aside up to \$100,000
- Require a Small Business sub contracting plan from contractors
- Produce all subcontracting data
- DSBSD and DGS conduct vendor outreach

# Executive Order 20 Initiatives

- Review small business enhancement tools (unbundle contracts, relax mandatory pre-bid, allow more time for vendor response, etc.)
- Utilize eVA at point of requisitioning
- Each agency designate SWaM Champion
- Evaluation on small business purchasing goals

# Reporting

## Small Business Subcontracting and Evidence of Compliance

- Each prime contractor who wins an award over \$100,000 in which a subcontracting plan was a condition of award must report evidence of compliance with the small business subcontracting plan.
- If over \$200,000, the prime contractor must report the use of all subcontractors.\*

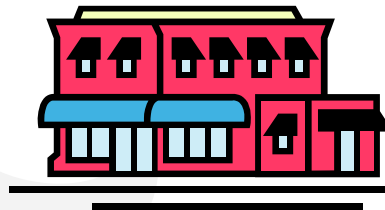
*Special T&C 36 B. C.*



# APSPM

Procurements shall follow applicable procedures in Chapter 5 and include a tiered award clause as specified in *Special Term and Condition 2.L or 2.M.*

Award of a contract shall be made in order of the **Small Business Enhancement Award Priority**



# APSPM

- Purchases **\$100,000 & under**  
\$5,000 & under = Single Quote from micro if available  
Over \$5,000 - \$100,000 = Quick Quote unless too complex

- Set Aside Award Priority  
Micro Business Set-Aside Award Priority  
**under \$10,000**
  - 1) Micro Business
  - 2) Small Business
  - 3) Open to all

- Small Business Set-Aside Award Priority  
**\$10,000 up to \$100,000**
  - 1) Small Business (including micro)
  - 2) Open to all





# APSPM

## General Term and Condition

Z. This solicitation is set-aside for award priority to DSBSD-certified micro businesses or small businesses when designated “Micro Business Set-Aside Award Priority” or “Small Business Set-Aside Award Priority” accordingly in the solicitation.

<b>Set-Aside?:</b>	<input checked="" type="checkbox"/>	<input type="text"/>
<b>* Request Title:</b>	<input type="checkbox"/>	Small Business Set-Aside Award Priority
<b>* Category:</b>	<input type="checkbox"/>	Micro Business Set-Aside Award Priority
<b>* Close Date:</b>	<input type="text" value="MM/DD/YYYY"/>	
<b>* Close Time:</b>	<input type="text" value="HH:MM"/>	<input type="text" value="AM/PM"/>
<b>Future Publish Date:</b>	<input type="checkbox"/>	



# APSPM

## *Special Term and Condition*

**2. AWARD OF CONTRACT:** All solicitations must specify the method of award. (*APSPM 5.6 a*)

**L. AWARD:** Award of the contract shall be made to the **lowest responsive and responsible bidder that is a DSBSD certified micro business if such a bid is received, provided that the bid is less than \$10,000** and the agency in its sole discretion determines that the bid price is fair and reasonable. **Otherwise, award of the contract shall be made to the lowest responsive and responsible bidder that is a DSBSD-certified small business if such a bid is received, provided that the bid is not more than \$100,000** and the agency in its sole discretion determines that the bid price is fair and reasonable. **If, in the agency's opinion, the criteria in the previous two sentences are not present, then award shall be made to the lowest responsive and responsible bidder of any size, provided the agency in its sole discretion determines that the price is fair and reasonable.**

*(use M for unsealed competitive negotiations)*



# APSPM

- Award made to lowest responsive and responsible bidder or highest ranking offeror in accordance with the **Small Business Enhancement Award Priority**.
- A bidder/offeror shall be considered a small business or micro business if and only if they are certified as such by DSBSD on the due date for receipt of bids or proposals. *(APSPM 5.1)*
- Solicit a minimum of four (4) DSBSD certified micro business from \$5,000 but less than \$10,000, and four (4) DSBSD certified small businesses (including micro) from \$10,000 - \$100,000. *(Annex 5-E)*
- If two or more DSBSD-certified small businesses cannot be identified to set-aside the procurement, the file shall be documented with efforts made to obtain required number of sources. *(APSPM 5.1)*



# Frequently Asked Questions

- Do I still have the option to set aside procurements over \$100,000?
  - No
- Can I award to other than the lowest bidder if I use the appropriate term and condition?
  - No

# Frequently Asked Questions

- Can a non-small business respond to a set aside procurement?
  - Yes
- Do I need to cancel and resolicit to move to the next award priority?
  - No

# Frequently Asked Questions

- How do I determine fair and reasonable price?
- What if I use my SPCC?
- *APSPM 4.10*
- Micro business if available, then small business award priority

# Frequently Asked Questions

- How do I handle existing contracts?
- Continue in accordance with current contract terms.

# Scenarios

## Single Quote under \$5,000

If a bid is received from a vendor who is certified both micro and small but the price is not fair and reasonable, does that mean I can then award to a non certified business?

Or do I need to obtain a second quote from a small?



# Scenarios

Answer Yes

5.3 a If prices do not appear to be fair and reasonable, the agency shall document the procurement file to that effect, including stating the basis for the determination, and then obtain additional quote(s) in accordance with the Small Business Enhancement Award Priority.

# Scenarios

## Quick quote \$10,000 - \$100,000

Set aside for award to small business

4 responsive bids received as follows:

Bidder 1    Micro    \$30,600

Bidder 2    Small    \$30,500

Bidder 3    Large    \$35,400

Bidder 4    Small    \$36,000

How do I award?



# Scenarios

## Quick quote \$10,000 - \$100,000

### Answer

Bidder 1    Micro    \$30,600

**Bidder 2    Small    \$30,500**

Bidder 3    Large    \$35,400

Bidder 4    Small    \$36,000



# Scenarios

## Quick Quote

You issue a quick quote thinking it would be under \$10,000 so you designate it as “Micro Business Set-aside Award Priority”. However, the bids all come in over \$10,000.

Can you still award?

# Scenarios

## Answer

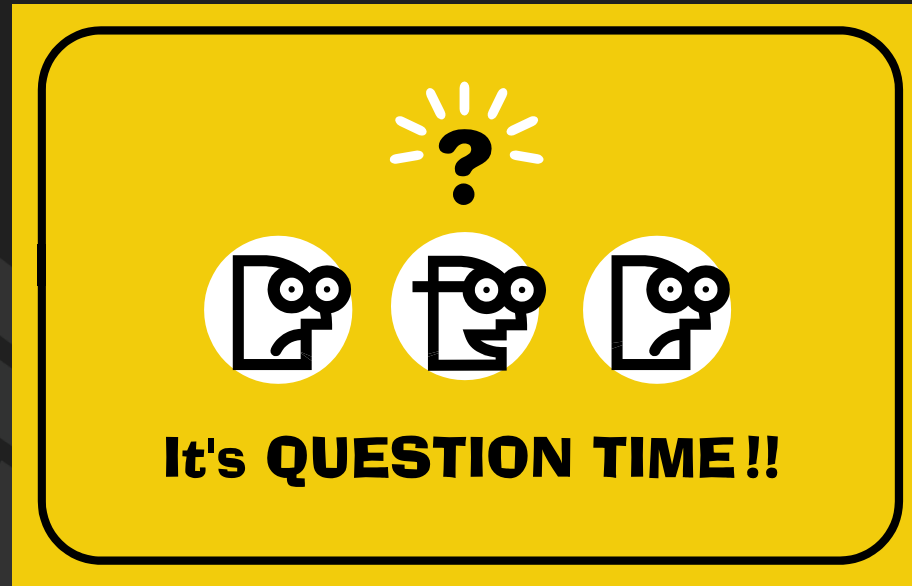
**Yes**

L. **AWARD:** Award of the contract shall be made to the lowest responsive and responsible bidder that is a DSBSD certified micro business if such a bid is received, provided that the bid is less than \$10,000...

Otherwise small if not more than \$100,000

If neither of the above, then award to any size bidder





Contact your DPS Account Executive if you need further assistance.