



Small Purchase Challenges

Presenters:

Clarence Wilson, CPPO, CPPB, VCO

Angel A. Rodriguez Serrano, CEPP, VCO

Procurement Management Account Executives, DGS/DPS



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Small Purchase Challenges Survey

Describe in as much detail as you would like, a particular challenge you faced in the area of "Small Purchases."

- Was it a problem with vendors?
- With subject matter experts?
- End users?
- Other departments within your Agency?



Survey Result of Your Challenges

- Set-aside
- Requirements can be more restrictive
- Vendor Issues
- Disconnect among Experts, Buyers & Users
- Cost effectiveness vs Small micro requirement
- Software Issues



Survey Result of Your Challenges

- Documentation Price Reasonableness
- Over the Counter Purchase
- Suppliers in Remote Areas
- Single Quote Threshold
- Sole Sources, Emergency, Exceptions



Scenarios/Challenges

Set-aside

- “Trying to purchase really small amounts, while observing all rules for micro/small purchase. If an agency has an important event, and needs something like basic refreshments for a very small group of people, it is much more cost effective to simply go to a grocery store than contract with a micro caterer. The Commonwealth really needs to look at exempting purchases under \$100 from SWAM rules and the Governor's Executive Order.”



Scenarios/Challenges

Set-aside

- “Finding and using local certified Micro and Small business for point of sale purchases. Getting our local businesses to certify with DSBSD.”



Scenarios/Challenges

Set-aside

- “The biggest challenge is to locate a microbusinesses that's available in various commodity codes and to document your efforts. Also, awarding to a small business is not always advantageous when you do a cost comparison (e.g. conference planning).”



Scenarios/Challenges

Set-aside

- “One of the biggest challenges we face is the time it takes firms to obtain their micro and small certifications through DSBSD. Vendors are not permitted to submit their applications for re-certification until 60 calendar days prior to expiration, but DSBSD is currently stating that the process takes 60 business days after all documents are submitted. Our agency has been tracking the expiration date for most of our frequently used micro & SWaM vendors. An email is sent to the vendors by the purchasing staff several months prior to the expiration date in an effort to help the vendors maintain their certification. DSBSD indicates they are moving to a new system. Hopefully this will result in process improvements.”



Scenarios/Challenges

Requirements can be more restrictive:

- “Although the agency I work for has a \$1k small purchase threshold, the expectation is that we get a minimum of two quotes on every purchase, unless we are using a cooperative contract. I find this to be very frustrating and inefficient because a lot of times the savings doesn't cover the cost of staff time to obtain the quotes.”



Scenarios/Challenges

Vendor Issue

- “I find that a lot of vendors I have worked with don't read the full solicitation, especially the terms and conditions and they seem surprised when they have to meet a requirement that they should have known about had they only read it...especially when it comes to insurance!”



Scenarios/Challenges

Vendors Issue

- “I have had challenges with vendors particularly in the area of online ordering. One particular office supply vendor charged my SPCC three times for one order. In a different event, the same vendor sent in an incorrect product and lost another product in the process of shipment. My particular challenge was wanting to discontinue the use of this vendor, though certain items that our office needed were only available with this vendor. I would like to explore best practices of how to discover other vendor options provided through eVA.”



Scenarios/Challenges

Vendors Issue

- “I always have trouble getting receipts. It seems like some vendors are done with you once you have paid them. I am constantly explaining that I have a state credit card and I must have a receipt, a correct one, to attach to this purchase record. I feel like we have no leeway or leverage either. I often have to use the same vendor on a regular basis and getting a correct receipt in a timely manner is ALWAYS an issue, its not like I can say to them because you cannot provide me with a correct receipt in a timely manner, I can no longer use my credit card to pay you, you'll have to wait until it processes through our AP department to get paid.”



Scenarios/Challenges

Disconnect among Subject Matter Experts, Buyers and End Users

- “There seems to be a disconnect between subject matter experts, purchasing staff and end users. Subject matter experts know too much, end users often times don't know what they want and it's left up to the buyer to connect the dots.”



Scenarios/Challenges

Disconnect among Subject Matter Experts, Buyers and End Users

- “End users who refuse to accept that there are policies and procedures that must be followed.”



Scenarios/Challenges

Disconnect among Subject Matter Experts, Buyers and End Users

- “When agencies can be accountable for not following procedures as written? Example - Agency has a contract renewal to complete. Vendor has been notified and have given a written yes they want to renew. PO is established for Agency approvals. PO completed in eVA and denied because copy of contract is not attached. When this become necessary? We have never received signatures before approval in eVA. No notice given this would have to happen when Vendor is on vacation. Prior communication could have prevented the delay.”



Scenarios/Challenges

Disconnect among Subject Matter Experts, Buyers and End Users

- “My greatest challenge in the area of "Small Purchases" is subject matter experts. I have found there are many experts who have a different method to reach the same conclusion and it depends on which expert you contact on how you learn to process "small purchases". You train your staff in the method learned and believe everything will work, until the individual either take a day off or leaves the company and you are directed to another "expert". It would be helpful if all the subject matter experts processed small purchases the same way and if there is even the slightest change pass the information down to other agencies.”



Scenarios/Challenges

Disconnect among Subject Matter Experts, Buyers and End Users

- “Biggest challenges are with cardholders being compliant. A portion of the reason so many are often found non-compliant with certain purchases is because they are being instructed to purchase items or services by their supervisors whom have little-to-no procurement training or any understanding of the VPPA or APSPM. Other than taking the mandatory short annual training required by DOA each year, supervisors have very little interest in learning more about how things they need or want are actually procured which creates a real dilemma for many cardholders.”



Scenarios/Challenges

Disconnect among Subject Matter Experts, Buyers and End Users

- “Trying to convey to end users and other divisions within the Agency the new guidelines Procurement faces with mandates of Micro/Small Business designations. Even with training on new mandates, Procurement has been blamed for longer timeframes in obtaining goods and/or services. Statements being made by end users that Procurement is a roadblock to what they need to obtain. Procurement is just trying to keep end users and/or divisions from reaching the goal that want to obtain. Too many guidelines and it is ridiculous for having to keep so much documentation on procurements.



Scenarios/Challenges

Disconnect among Subject Matter Experts, Buyers and End Users

- “Getting the end users to acquire all of the approvals that are necessary before turning in there logs. Purchasing items (multiple) when questioned their response is its federal money we can get what we want from where we want the rules do not apply to us.”



Scenarios/Challenges

Cost effectiveness vs. Small micro requirement

- “Charging shipping is almost as much as the cost of the item.”



Scenarios/Challenges

Cost effectiveness vs. Small micro requirement

- “I think we should be able to purchase small amounts under say, \$100 without having to solicit a SWAM. We sometimes have to purchase small items, like a certain kind of powder/bandages/creams, etc, for a client and it is usually needed right away. It is a waste of time to solicit SWAM's when we can go up the road to Walmart and get what we need.”



Scenarios/Challenges

Software Understanding

- “It is the reporting of purchases. I have to send my reconciliation spreadsheet electronically to our Central Office each month. The spreadsheet has been developed with drop down menu's for many of the columns because the format has to be "specific". If changed, supposedly, they are not able to process the reconciliation. It has caused much consternation within all the divisions of our agency who have the SPCC. I wish we could do this another way and drop our information directly into a database or something like that.”



Scenarios/Challenges

Software Understanding

“Also, some vendors believe that "PayPal" is just like a SPCC and you don't find out until you have made the purchase and they are not able to process your payment because we don't participate in PayPal. They have checked that they take the card in eVA but don't.”



Scenarios/Challenges

Software Understanding

- “Vendors receiving PCOs by url sometime charge my Pcard before goods are delivered. There's no way to prevent it through eVA. I've actually had orders that weren't even for my college charged to my card and it has taken months and months to recover credits and refund checks for our college. 2. Processing delays because of the Cardinal Program, when we must use vendors who are not and will not self-register in eVA There's got to be a better way than just waiting. Our manager won't let us state-register them.”



Scenarios/Challenges

Software Understanding

- “Newest challenges have been with the "new Chip Cards" where OTC purchases have to be entered as a DEBIT card with the PIN instead of CREDIT per the vendors. 2. Vendors who don't have the capability to accept cc payment thru eVA. They send the Invoice to AP to pay separately from the PO and most times don't reference the PO numbers or contact name within the agency.”



Scenarios/Challenges

Suppliers in Remote areas

- “The vendor I was working with wanted to accept the SPCC but couldn't because he did not have the internet speed required. After 3 months of him trying to run the card, I finally had to pay him by check.”



Scenarios/Challenges

Suppliers in Remote areas

- “Rural area and not many vendors registered as small/micro or they have registered for commodities that they don't supply. Those vendors that are registered you are constantly having to call them for justification for going elsewhere and that becomes an issue.”



Scenarios/Challenges

Single Quote Threshold

- “The single quote threshold has not been increased for a long time. To account for inflation and improve efficiency, I believe the single quote threshold should be raised from \$5K to \$10K. The problem is buyers across the Commonwealth spend too much time on small dollar procurements and not enough time on large dollar procurements. Generally, 80% of transactions account for only 20% of dollars.”



Scenarios/Challenges

- Sole Sources



Scenarios/Challenges

- Emergency



Scenarios/Challenges

- Over the counter purchases



Scenarios/Challenges

- Other Scenarios/Challenges?



Questions?