

FORUM 2017: Creating Connections Together



Small Purchases with a Twist of PIM

Dennis Blackwell, MBA, CPPB, VCO

Maureen Daniels, CPPB, VCO



Objective

To review Small Purchases and discuss changes per PIM 34 recently released July 1, 2017



What is a Small Purchase?





APSPM

Purchases from \$0 up to and including \$100,000



More Definitive....

Single Quotes

+

Purchases up to and including
\$100,000



The Twist (SWaM)

- Purchases up to and including **\$100,000**

\$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 and including \$100,000

- 1) Small Business
(including micro)
- 2) Open to all

- *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 additional quote(s) shall be obtained from at least one additional DSBSD-certified small business, if available.



SINGLE QUOTE

- ✓ \$5,000 or less
- ✓ Receipt of a minimum of one (1) written or telephone (oral) quotation
- ✓ DSBSD certified micro small business (if available)



\$5,000 + up to and including
\$100,000

- ✓ Quick Quote (unless too complex)
- ✓ Unsealed IFB
- ✓ Unsealed RFP
- ✓ Set-aside for Micro Business (under \$10,000)
- ✓ Set-aside for Small Business (\$10,000 up to and including \$100,000)

Don't forget Set Aside Award Priority



Set Aside Award Priority

■ 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 and including \$100,000

- 1) Small Business
(including micro)
- 2) Open to all



PIM Twists for over \$5,000 + Procurements



- Quick Quote is the preferred sourcing tool to solicit for goods and nonprofessional services from \$5,000 up to and including \$100,000.
- A minimum of four sources shall be solicited in accordance with the selected Small Business Enhancement Award Priority. (i.e. Micro or Small)
- All appropriate special terms and conditions must be stated in or attached to the Quick Quote, including an award term.



More PIM Twists



- Unsealed bidding may be used in lieu of Quick Quote for complex procurements.
- If Quick Quote is not used, agencies shall utilize the eVA VBO or Sourcing & Contracting tool to publically post the solicitation.



More PIM Twists

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 an award may be made in accordance with the Small Business Enhancement Award Priority.



Awards with a Twist..... 5% Rule

Awards Under \$10,000:

For unsealed bidding the bid price shall not exceed 5% of the lowest responsive and responsible noncertified (non small) bidder.

What if ??????

There are no reasonably priced bids meeting the above criteria received from certified micro businesses?



What If Answer

An award shall be made to the lowest priced DSBSD-certified small business bidder that is responsive and responsible if such small business bid is available and the price is fair and reasonable (4.10).



What if ??????

There are no reasonably priced bids meeting the above criteria received from certified micro or small businesses?



An award may be made to the lowest priced bidder that is responsive and responsible if the price is fair and reasonable (4.10).



Awards with a Twist..... 5% Rule

Awards \$10,000 up to and including \$100,000:

For unsealed bidding the bid price shall not exceed 5% of the lowest responsive and responsible noncertified (non small) bidder.

What if ??????

There are no reasonably priced bids meeting the above criteria received from certified micro or small businesses?



Answer

An award may be made to the lowest priced bidder that is responsive and responsible if the price is fair and reasonable (4.10).



Extensions with a Twist

In exceptional or extenuating circumstances a contract may be extended by mutual consent for no more than 18 months. *

*Only with advance written approval of DPS using the Procurement Exemption Request eform in eVA.





Total Value of a Contract

- 1 year term contract expected to be \$6000
- 4 possible renewal periods = \$24,000 value
- **Total Value** = 5 one-year terms X \$6000 = \$30,000



Sealed vs Unsealed IFB

Sealed or Formal IFB Chapter 6

1. Over \$100,000
2. Subcontracting plan required
3. VBO posting required for 10 days
4. PreBid conference required
5. Bids not opened until due date and time

Unsealed or Informal IFB Chapter 5

1. Over \$5,000 up to and including \$100,000
2. **Subcontracting plan not required. Set-aside required**
3. VBO posting for minimum of 3 business days
4. PreBid conference not required
5. Bids open upon receipt



Jewelry Challenge





\$ 130,000



\$ 44,250



\$ 275,350



\$ 95,000



UNSEALED REQUEST FOR PROPOSAL (URFP)

NO BOIL LASAGNA

Has many of the same ingredients
however
takes less time to prepare and bake





Sealed vs Unsealed RFP

Sealed or Formal RFP Chapter 7

1. Over \$100,000
2. Subcontracting plan required
3. Evaluation points published in RFP or prior to due date and time
4. VBO posting required for 10 days
5. Newspaper posting required
6. Proposals not opened until due date and time
7. Evaluation committee usually 3-5 members

Unsealed or Informal RFP Chapter 5

1. Over \$5,000 up to and including \$100,000
2. **Set-aside required**
3. Evaluation points and criteria, published at time of solicitation
4. Post for the time stated (be reasonable)
5. No Newspaper posting
6. Proposals open upon receipt
7. Evaluation committee may consist of only one member



Determine our Requirement

1. Set-aside

Meat

Micro

Ground Turkey



Small

Ground Beef



2. Not Set-aside

Vegetable

Open to all





TWIST

1. Set-aside

If under \$10K



Set-aside to DSBSD-certified MICRO business

or

If from \$10K up to and including \$100K



Set-aside to DSBSD-certified SMALL business

No subcontracting plan

TWIST



1. Award of Contract Special Term and Condition 2M.

If less than \$10K select 2 or more fully qualified micro business offerors to negotiate with and after negotiations award or cancel

If criteria for Limiting to micro business is Not present you may RESTRICT negotiating to fully qualified small business offerors

If criteria for Limiting to small business is Not present, you may REMOVE THE RESTRICTION to negotiate with micro or small business offerors



Evaluation

1. Points and Criteria



or



	Points Assigned
1. Overall experience and qualifications of company to provide services	20
2. Examples of previous work of similar nature and for like clients	20
3. Approach to meeting campaign goals (strategy)	35
4. Price	25
	<hr/> 100



TWIST

2. Does Not Qualify for Set-Aside



Additionally, the procurement may be exempted from the Small Business Enhancement Award Priority if there is **not** a reasonable expectation that the agency or institution will receive **at least two competitive offers from** DSBSD-certified **micro/small businesses** and the agency includes in the procurement **file determination, supported by factual evidence** explaining in sufficient detail that the procurement does not qualify for a set-aside



2. Award of Contract



Special Term and Condition 2E

Select and Negotiate with 2 or more fully qualified offerors

Select the offeror that made the best proposal and

Award to the contract to that offeror



TWIST

2. Subcontracting Plan

If the procurement is NOT set-aside agencies and institutions SHALL include the requirement for the Prime Contractor Small Business Subcontracting Plan

Special Term and Condition 36B.

SUBMISSION OF SMALL BUSINESS SUBCONTRACTING PLAN, EVIDENCE OF COMPLIANCE WITH SMALL BUSINESS SUBCONTRACTING PLAN, AND SUBCONTRACTOR REPORTING



2. Small Business Subcontracting Plan Annex 7-G



Annex 7-G

Small Business Subcontracting Plan

It is the goal of the Commonwealth that more than 42% of its purchases be made from small businesses. All potential bidders are required to submit a Small Business Subcontracting Plan.

Small Business: "Small business (including micro)" means a business which holds a certification as such by the Virginia Department of Small Business and Supplier Diversity (DSBSD) on the due date for proposals. This shall also include DSBSD-certified women- and minority-owned businesses when they also hold a DSBSD certification as a small business on the proposal due date. Currently, DSBSD offers small business certification and micro business designation to firms that qualify.

Certification applications are available through DSBSD online at www.DSBSD.virginia.gov (Customer Service).

Offeror Name: _____

Preparer Name: _____ **Date:** _____

Instructions

- A. If you are certified by the DSBSD as a micro/small business, complete only Section A of this form. This includes but is not limited to DSBSD-certified women-owned and minority-owned businesses when they have also received DSBSD small business certification.
- B. If you are not a DSBSD-certified small business, complete Section B of this form. For the offeror to receive credit for the small business subcontracting plan evaluation criteria, the offeror shall identify the portions of the contract that will be subcontracted to DSBSD-certified small business for the initial contract period in Section B..

Offerors which are small businesses themselves will receive the maximum available points for the small business participation plan evaluation criterion, and do not have any further subcontracting requirements.

Offerors which are not certified small businesses will be assigned points based on proposed expenditures with DSBSD-certified small businesses for the initial contract period in relation to the offeror's total price for the initial contract period.

Points will be assigned based on each offeror's proposed subcontracting expenditures with DSBSD-certified small businesses for the initial contract period as indicated in Section B in relation to the offeror's total price.

Section A

If your firm is certified by the Department of Small Business and Supplier Diversity (DSBSD), provide your certification number and the date of certification):

Certification number: _____ Certification Date: _____



2. Small Business Subcontracting Plan Annex 7-G



Section B

Populate the table below to show your firm's plans for utilization of DSBSD-certified small businesses in the performance of this contract for the initial contract period in relation to the bidder's total price for the initial contract period. Certified small businesses include but are not limited to DSBSD-certified women-owned and minority-owned businesses that have also received the DSBSD small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc. It is important to note that these proposed participation will be incorporated into the subsequent contract and will be a requirement of the contract. Failure to obtain the proposed participation percentages may result in breach of the contract.

B. Plans for Utilization of DSBSD-Certified Small Businesses for this Procurement

Micro/Small Business Name & Address DSBSD Certificate #	Status if Micro/Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract (\$ or %)
Totals \$					



2. Evaluation Points and Criteria

1.	Specific plans or methodology to be used to perform the services	25
2.	Price	25
3.	Experience and qualifications of personnel assigned to perform the services	20
→ 4.	Small Business Subcontracting Plan	20 ←
5.	References from other clients	10
TOTAL		<hr/> 100



2. Small Business Subcontracting Plan Evaluation

Offeror's DSBSD-certified
small businesses as subcontractors = $\frac{\text{Offeror's Price}}{\text{Offeror's Price}} \times \text{Available Points} = \text{Points}$

$$\begin{array}{l} \text{A} \\ \$75,000 \end{array} \quad \frac{7,500}{75,000} = 10\% \quad \times \quad 15 = 1.5$$

$$\begin{array}{l} \text{B} \\ \$79,000 \end{array} \quad \frac{7,110}{79,000} = 9\% \quad \times \quad 15 = 1.3$$

$$\begin{array}{l} \text{C} \\ \$83,000 \end{array} \quad \frac{6,640}{83,000} = 8\% \quad \times \quad 15 = 1.2$$



1. and 2. Price Evaluation

$$\frac{\text{Lowest Price Offered}}{\text{Price of Offer being Evaluated}} = \% \text{ Factor} \times \text{Maximum Available Points} = \text{Points Assigned}$$

Offeror/ Price	Lowest Offeror's Price Offeror's Price	=	% Factor	x	Maximum Eval PTS (25)*	=	Points Assigned
A \$32,500	<u>24,250</u> 32,500	=	75%	x	25	=	18.75
→ B \$24,250	<u>24,250</u> 24,250	=	100%	x	25	=	25 ←
C \$26,350	<u>24,250</u> 26,350	=	93%	x	25	=	23.25
D \$27,600	<u>24,250</u> 27,600	=	88%	x	25	=	22





URFP Process



Summary

APSPM	SMALL PURCHASE PROCEDURES	THRESHOLD	SET ASIDE
5.3	Single quote	Up to \$5000	Yes, Micro
	Over-the-counter	“	Yes, Micro
3.10	Quick Quote, Unsealed Bidding & Unsealed Proposals	Over \$5000 but less than \$10,000	Yes, Micro
5.6	Quick Quote	Mandatory - \$10,000 up to \$100,000	Yes, DSBSD-certified small business
5.6	Unsealed bidding (IFB)	Exception - \$10,000 up to \$100,000	Yes, DSBSD-certified small business
5.7	Unsealed proposal (RFP)	Exception - \$10,000 up to \$100,000	Yes, DSBSD-certified small business





Bon Appetit!!!





FORUM 2017: Creating Connections Together

