



Procurement – Part V Formal Procurement

School Nutrition Programs November 2020



Delaware
Department of Education



Formal Procurement

Two Methods

- Procurement by sealed bids (Invitation for Bid)
- Procurement by competitive proposals (Requests for Proposal)



Procurement Thresholds

DELAWARE

Material & Non-Professional Services

Less than \$10,000 – open market purchase

\$10,000 - \$24,999 – written quotes (3)

\$25,000 and over – Formal Bid

Professional Services

Less than \$50,000 – Open Market

\$50,000 and over – Formal RFP Process

USDA

Material & Non-Professional Services

\$10,000 or less – Open Market (micro purchase)

\$250,000 or less – written/verbal quotes (2)

\$250,001 and over – Formal procurement

→ IFB

→ RFP



Formal Procurement Terms and Definitions

- Solicitation – document used to advertise a bid or proposal stating:
 - Clear and accurate descriptions of products or services being procured
 - Contact information
 - Deadline for submission
- Invitation for Bid (IFB) – a type of solicitation document
 - Firm, fixed-price with cost being the factor in deciding the vendor
 - Publicly opened



Formal Procurement Terms and Definitions

- Request for Proposal – a type of solicitation document
 - Must be publicly advertised
 - Can result in a fixed-price or cost-reimbursable contract
 - All evaluation factors must be identified
 - Price must be weighted higher than other factors
 - Awarded to the most responsive and responsible vendor



My Marketplace Delaware's Procurement Portal

- The Contracting Unit within Government Support Services manages all statewide contracts for goods and services and administers agency contracts, as requested. This Unit acts on behalf of State agencies, local government units, authorized volunteer fire companies, and School Districts.



My Marketplace

Advantages to purchasing from My Marketplace:

- Procurement has been done by GSS
- Saves time, money, and resources
- Prices are competitive
- Vendor performance has already been evaluated
- Contracts have a State Contract Officer to assist with any issues



My Marketplace

<https://mymarketplace.delaware.gov/>

MyMarketplace Delaware's Procurement Portal

[Learn more about Vendors wanting to offer COVID-19 supplies and/or services to the State](#)

State of Delaware eMarketplace

- Shop and compare items from multiple suppliers
- Search, bid and buy contract products at award pricing
- Access useful procurement and program tools

Our eMarketplace provides a familiar online shopping experience and all pricing is guaranteed not to exceed the costs shown.

>Welcome

The State of Delaware Procurement Portal is an all-inclusive site providing information on how to do procurement business with the state.

The Contracting unit within Government Support Services manages all statewide contracts for goods and services and administers agency contracts, as requested. This team is the State of Delaware's central contracting unit that acts on behalf of State agencies, local government units, authorized volunteer fire companies, and School Districts.

Shop, Compare and Purchase

BIDS AND CONTRACTS	AGENCY RESOURCES
 <ul style="list-style-type: none">• Awarded Contracts Directory• Bid Solicitation Directory• eMarketplace• Small Purchase Procedures• More Resources	 <ul style="list-style-type: none">• Agency Bid Process Forms• I Found It Cheaper• Supplier Diversity Opportunities• Request Contracting Help• More Resources
VENDOR RESOURCES	RESULTS DELAWARE
 <ul style="list-style-type: none">• Bid Thresholds• Business Licensing• Request Contracting Help• Vendor Registration• More Resources	 <ul style="list-style-type: none">• Aggregate Contract Usage• Environmental Impact• Outreach by Contract• Public Works Opportunities• More Resources



Contracts

Finding Existing Contracts



MyMarketplace

Delaware's Procurement Portal

BIDS AND CONTRACTS



- ▶ [Awarded Contracts Directory](#)
- ▶ [Bid Solicitation Directory](#)
- ▶ [eMarketplace](#)
- ▶ [Small Purchase Procedures](#)
- ▶ [More Resources](#)





Formal Procurement Invitation for Bid (IFB)

2 CFR 200.320(c)



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What is an Invitation for Bid?

2 CFR 200.320(c)

Bids that are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price



Invitation for Bid continued

- Publicly solicited and publicly opened
- Fixed-price contracts
- No significant difference among goods or services
- Only difference is price
- Negotiation is not used
- Clear & concise specifications
- Minimum standards or conditions expected of bidder
- Solicited from adequate number of known suppliers
- Sufficient time to respond



Basic Steps of an IFB

- IFB advertised to public
- Bids publicly opened
- Fixed price contract awarded to responsive and responsible vendor:
 1. Conforms to all material terms & conditions
 2. Lowest price
 3. If lowest price not awarded, SFA must have strong justification



Invitation for Bid Summary

- Sought from adequate number of vendors
- Publicly advertised
- Include any specifications and define the items or services
- Publicly opened
- Firm fixed-price contract award
- Bids may be rejected if there is a sound, documented reason



Formal Procurement Competitive Proposal (RFP)

2 CFR 200.320(d)



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What is Competitive Proposal?

2 CFR 200.320(d)

The technique of competitive proposals is conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, additional requirements apply.



Competitive Proposal

- Publicly solicit a Request for Proposal
 - Competitive
 - Technical proposal
 - Cost proposal
 - Must have full & open competition
 - No public opening required
 - Records must be kept



Evaluation Criteria

_____ 30 points

Price

_____ 25 points

Product Specifications

_____ 25 points

Service & Delivery

_____ 20 points

Client References

_____ Total Points out of 100



Competitive Proposal continued

- Proposals must be solicited from an adequate number of qualified sources
- The non-federal entity must have a written method for:
 - Conducting technical evaluations of the proposals received
 - Selecting recipients
- The contract must be awarded to the most responsive and responsible vendor, with price as the main factor of consideration.



Competitive Proposal Summary

- Price is not the only deciding factor
- Rank proposals based on evaluation criteria
- Negotiation is acceptable
- Document differences among proposals



Making Awards

- Competitive Sealed Bid (IFB) results in a Fixed-Price Contract only.
 - Competitive Proposal (RFP) allows for either:
 - Fixed-Price Contract
 - Cost Reimbursable Contract
- **The solicitation must clearly state what type of contract will be awarded****



IFB versus RFP

When to use an IFB:

- A complete, adequate, and realistic specification or purchase description is available
- Two or more responsible bidders are willing and able to effectively compete for the business
- The procurement lends itself to a firm fixed-price contract awarded to the most responsible and responsive bidder made principally on the basis of price.
 - Milk service and delivery
 - Cafeteria paper goods



IFB versus RFP

When to use a RFP:

- When there are multiple factors that need to be evaluated in addition to price
- Examples
 - Kitchen or food serving area remodel



Documentation to Keep on File

- The solicitation document for the IFB or RFP
- Documents showing where and when the IFB or RFP was publicly announced
- Responses to the IFB or RFP
- The scoring of the RFP
- Documents showing any negotiations with responders to an RFP
- Final contract



General Information for Formal Procurements

- SFAs must perform a cost or price analysis in connection with every procurement that exceeds the Simplified Acquisition Threshold (small purchase threshold)
- The requirement and steps to conduct a cost or price analysis must also be included in the SFA's procurement procedures



General Information for Formal Procurements

- **Federal Provisions that apply:**
 - Administrative, contractual, or legal remedies
 - Termination clause for cause and convenience
 - Equal Employment Opportunity
 - Copeland Anti-Kickback
 - Davis-Bacon Act
 - Contract Work Hours and Safety Standards
 - Reporting
 - Procurement of recovered materials
 - Buy American
 - Clean Air and Water Act
 - Debarment and Suspension
 - Byrd Anti-Lobbying
 - Allowable cost provisions



General Information for Formal Procurements

- Check that the items you are purchasing are on the contract that you are using.
- Buying items off contract:
 - Ensure that you do not exceed 10% of the total contract value
- If new items are to be added to the contract, there must be a clause in the original solicitation allowing for this.



Thank you!

This concludes the Procurement Part V – Formal Procurement

Be sure to take the short quiz and access the resources.

Professional Standards: 0.75 Hours

Training Topic:

2000 Operations; 2400 Purchasing/Procurement

