COLLEGE OF DUPAGE
PROCUREMENT METHODS

Presented on November 17, 2016 by
Lourdes Coss, MPA, CPPO on behalf of

NIGP: The Institute for Public Procurement
Objectives

• Review Basic Procurement Methods
• Procurement Methods in Context with College of Du Page Legal Requirements
• Oversight Tips and Strategies
Part 1

BASIC PROCUREMENT METHODS
Basic Procurement Methods

- What are they?
  - Competitive
  - Non-Competitive

- Myths and Misconceptions

- Objective of each Method

- Method Variations

- Responsiveness & Responsibility
Bid Document - Key Components

Specifications
Minimum Requirements
Basis of Award
Pricing Structure
RFQ and RFP Key Components

- Goals
- Scope
- Criteria
- Submittal Requirements
Method Selection

- **Efficiency**
  - Scope Consideration
  - Process Timeline

- **Effectiveness**

- **Legal Requirement**
  - Is it adaptable to competitive bidding?
  - Is there more than one source?
  - Is the process open, fair and competitive?
## Review of Competitive Methods

<table>
<thead>
<tr>
<th>Area</th>
<th>Bid</th>
<th>RFP</th>
<th>RFQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>Lowest Price (responsive &amp; responsible)</td>
<td>Best value (responsive &amp; responsible)</td>
<td>Best Qualified (responsive &amp; responsible)</td>
</tr>
<tr>
<td>Considerations</td>
<td>Price &amp; Minimum Qualifications</td>
<td>Qualifications, then Price</td>
<td>Qualifications Only</td>
</tr>
<tr>
<td>Types of Procurement</td>
<td>Supplies, Commodities, Equipment, Construction, General Work Services</td>
<td>Professional Services or Solution where price consideration is not prohibited</td>
<td>Architects, Engineers, Pre-qualification, or when required by law</td>
</tr>
<tr>
<td>Scope/Specifications</td>
<td>Defined</td>
<td>Goals and conditions under which services will be performed</td>
<td>A type or specific proj. requirements &amp; qualification</td>
</tr>
<tr>
<td>Basis for Determination</td>
<td>Basis of Award</td>
<td>Evaluation Criteria, incl. price proposal</td>
<td>Evaluation Criteria</td>
</tr>
</tbody>
</table>
Part 2

COLLEGE OF DUPAGE
PROCUREMENT METHODS
Legal Requirements

• Basic Premise: Open and Fair Competition

• 110 ILCS 805 Public Community College Act, Section 3-27.1 Contracts
  – Thresholds for Formal Procurements and General Guidelines

• 720 ILCS 5, Article 33E. Public Contracts
  – Prohibited Practices for Public Contracts
Legal Requirements

• 110 ILCS 805/3-27.1 Contracts
  – Thresholds for Goods & Services
    • Informal Process
      – ≤ $25,000 non-construction
      – ≤ $50,000 construction
    • Formal Bid Process
      – > $25,000 non-construction
      – > $50,000 construction
Legal Requirements

• 110 ILCS 805/3-27.1 Contracts
  – Requirements for Goods & Services
    • Formal Bid Process
      – Public Advertisement in a district newspaper or a newspaper of general circulation if a district newspaper does not exist
      – Advertise at least once 10 days prior to bid opening
      – Bidders must receive at least 3-day notice of the place for bid opening
      – Public Bid Opening by Board authorized representative
    • Informal Bid Process
      – No Advertisement
      – No Public Bid Opening
Legal Requirements

- 110 ILCS 805/3-27.1 Contracts – Exceptions to the Bid Process
  - Other Procurement Methods May be Applied
    - Professional Services – contracts for services of individuals possessing a high degree of technical skill
  - Non-Competitive Procurements
    - Sole Source – only one economically feasible source
    - Emergency – approved by ¾ members of the Board
  - Other exceptions include: perishable foods and beverages, utilities, telecommunication equipment and others.
720 ILCS 5, Article 33E. Public Contracts

• Criteria must be published in advance
• Collusion
  – Bid Rotating
  – Bid Rigging
• Disclosure of sealed bid information prior to time set for bid opening (sealed bidding only)
• Interference with contract award by public official
• Conflict of Interest by officials
• Stringing – Sequential purchases with the intent to evade the procurement process
Part 3

OVERSIGHT TIPS AND STRATEGIES
Helpful & Innovative Strategies

• Annual Procurement Plan
• Leverage Spend by Centralizing Purchases
  – Like purchases
  – Standardization
• Strategic Sourcing
  – Cooperative Purchasing
  – Category Management
• Qualitative justification in RFP selection
Consortia and Piggybacking Purchasing Practices

• Benefits
  – Financial
  – Operational

• Most Common Use
  – Supplies
  – Equipment
  – Certain Services (less common)

• Vetting Cooperative and other Consortia Contracts
  – Procurement Process & Document Review
  – Compliance with Legal Requirements
  – Price Analysis
Vetting a Consortium Contract

Procurement Process Review

Purchasing

• Issue Purchase Orders as needed
• Term Agreements
  – Establish Maximum Dollar Value
  – Issue releases against the maximum

Approved Contract for future purchases
## Oversight Checklist

<table>
<thead>
<tr>
<th>Area</th>
<th>Check</th>
</tr>
</thead>
<tbody>
<tr>
<td>The procurement method selected is appropriate.</td>
<td></td>
</tr>
<tr>
<td>The justification gives account of responsive and non-responsive proposals/bids received.</td>
<td></td>
</tr>
<tr>
<td>The reason for vendor selection is consistent with the method and the published criteria.</td>
<td></td>
</tr>
<tr>
<td>Selected vendor is deemed responsible to deliver goods or services. Who is the vendor and are they ready, willing and able to perform?</td>
<td></td>
</tr>
<tr>
<td>There are no signs of prohibited practices (i.e. stringing, bid rotating, bid rigging, conflict of interest, or inappropriate sharing of information).</td>
<td></td>
</tr>
<tr>
<td>There is no conflict of interest in the decision to award.</td>
<td></td>
</tr>
<tr>
<td>Any compliance with horizontal policies have been addressed.</td>
<td></td>
</tr>
<tr>
<td>If contract change, change is germane to the original scope.</td>
<td></td>
</tr>
<tr>
<td>If cooperative, has the cooperative contract been vetted.</td>
<td></td>
</tr>
</tbody>
</table>
## College of DuPage - Example

<table>
<thead>
<tr>
<th>Type</th>
<th>Bid</th>
<th>RFP</th>
<th>RFQ</th>
<th>Non-Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, Services</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof. Services</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Construction</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes to existing contract</td>
<td></td>
<td></td>
<td></td>
<td>X if ≤ 10%</td>
</tr>
<tr>
<td>Magazines, Books, Utilities</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Cooperative or inter-local purchases</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Equipment</td>
<td>X</td>
<td>X w/ProfServ</td>
<td></td>
<td>X Unique</td>
</tr>
</tbody>
</table>
Thank you

NIGP: The Institute for Public Procurement

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