



Department of Administrative Services

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Subject: Vendor Guide to Doing Business with the State of Utah

To All Interested Suppliers:

This vendor guide is designed to share with suppliers the procedures governing the sale of commodities and services to the State of Utah. It will acquaint you with the purchasing procedures and techniques we employ and explain standard terms and conditions applicable to the procurement process. Annually, the Utah State Division of Purchasing procures over \$1 billion in supplies, equipment, services and construction.

The foundation of the State's procurement process is found in the Utah Procurement Code (63G-6 Utah Code Annotated). Specific rules governing procurement have been established by the Utah Procurement Policy Board and may be found in the Utah Administrative Code (Section R33). Fair and open competitive bidding provides the basis for the State's procurement process.

The State of Utah has partnered with BidSync to distribute and receive bids. BidSync is an online bidding service designed to streamline the bidding process for buyers and suppliers. In order to access the State of Utah's bids online, you will need to register as a vendor on the BidSync website, www.bidsync.com. The State of Utah is sponsoring all of their bids on the BidSync network, therefore, registration, Email/Fax notifications, and electronic bid response for the State of Utah's bids are FREE. Once you are registered, you will receive email or fax notifications, you will also be able to view all of the State of Utah's bids, quotes, proposals, etc. Finally, you will have the ability to submit your bid responses online. When you register with BidSync, you will receive automatic e-mail notifications about any bids on the website that match your company's area of business, and you will receive automatic updates regarding bid addendums and questions.

We encourage all qualified vendors to offer their commodities and services to the State of Utah. We welcome your questions or comments.

Sincerely,

Kent D. Beers
Director of Purchasing & General Services

attachments

A VENDOR'S GUIDE TO DOING BUSINESS WITH THE STATE OF UTAH
GENERAL INSTRUCTIONS

WHAT IS PURCHASED

State government is one of Utah's largest consumers. The Division of Purchasing is the State's centralized procurement arm. The Division has a service oriented function: where professional purchasing agents assist agencies in obtaining all supplies, equipment, services or construction needed. Annually, these purchases exceed \$1 billion. This includes a very wide variety of products and services. As stated in the State law, the purpose of a regulated, competitive procurement process is as follows: to ensure fair and equitable treatment of all persons who deal with the procurement activities; and to foster effective broad based competition within the free enterprise system.

The Division of Purchasing coordinates all procurements for all State agencies with the following exceptions:

State highway design and construction projects are procured by the Utah Department of Transportation (UDOT), 4502 South 2700 West, Salt Lake City, UT 84119. www.udot.utah.gov

Major building design and construction projects are procured by the Utah Division of Facilities Construction and Management (DFCM), 4110 State Office Building, Salt Lake City UT 84114. <http://dfcm.utah.gov>

SMALL PURCHASES

State agencies are authorized to make small purchases (less than \$5,000) without involvement of the Division of Purchasing. The agency obtains price quotations and directly makes the award. It should be noted, however, that agencies may not purchase goods or services that are on term state cooperative contracts from other than the term contract supplier(s). If you believe your firm may be able to supply particular goods or services within this small purchase category, you should contact appropriate agencies directly.

CONTRACT TYPES

There are several types of contracting methods used by the State in making purchases. The purchasing agent selects the appropriate type from among the following types most often used:

Purchase Order: Used when making one time or spot purchases. Purchase requirements are clearly described on the solicitation or purchase order. Completion of the contract is not anticipated to need more than three partial payments.

Agency Contract: This method is used when the product or service is specific for the needs of one agency, and is not in demand by other agencies. It is also used in lieu of a purchase order when more than three partial payments are anticipated to be made, or the scope of work cannot accurately be digested on the face of a purchase order.

State Cooperative Contract (PD): This is a term contract established for items purchased by multiple state agencies, institutions of higher education, school districts, and other political subdivisions of the State. The contract term is usually for one year with options to extend for additional years. Consolidating these purchases generally results in volume savings and reduced

administrative time and costs. In addition to the PD contracts there are multiple award contracts (MA), master contracts (MC) and authorization required contracts (AR).

State Cooperative Price Agreement (PA): These are similar to the PD contracts, but are usually negotiated agreements with sole source suppliers. Agencies have the option to use or not. These agreements provide firm pricing and should result in savings due to volume purchasing.

PROCUREMENT METHODS

The Division uses four basic types of competitive source selection methods:

Request for Quotation (RFQ): This method utilizes an informal solicitation for small purchases not exceeding an aggregate amount of \$50,000. Electronic, fax, written or telephone quotations may be used. The buyer may, at his/her option, award a contract immediately upon expiration of the target date and time or continue soliciting and receiving quotations for a reasonable time thereafter. Vendors are strongly encouraged to provide an immediate response to an RFQ since the period of time is short and awards are usually prompt.

Invitation for Bid (IFB): This is a formal competitive bidding process used for purchases exceeding \$50,000. The IFB contains specifications, contractual terms and conditions and the evaluation criteria for award. Bids are opened publicly at the time and place designated in the IFB. The contract is awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the IFB.

Request for Proposal (RFP): The competitive sealed proposal process is used when the procurement officer determines that the RFP process is more advantageous to the State than the IFB process. The RFP process is used when the needs of the state agency may not be completely clear, negotiations may be necessary, and cost is just one of several criteria necessary to make an award. Usually the RFP process is used to procure professional or human services or information technology equipment. An RFP will contain technical specifications of a Scope of Work for which the offeror must respond with a sealed technical proposal and prices. A formal proposal close date and time will be specified, following which any proposal received will not be considered. Evaluation criteria will be established and listed in the RFP and used by the Division to select the contractor. Frequently evaluation committees are impaneled to assist in the evaluation of proposals. At the proposal opening only the names of the offerors are disclosed. After award of the contract, the both successful and unsuccessful proposals become public information except for qualified business confidential information.

Statement of Interest and Qualification (SOIQ): This process is utilized for the procurement of architect and engineering services where selection is made on the basis of qualification, and the fee is subsequently negotiated.

ELECTRONIC ISSUANCE OF SOLICITATIONS AND ELECTRONIC RECEIPT OF RESPONSES

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notifications about any solicitations on their website that match your company's area of business, and you will receive automatic updates regarding solicitation addendums and questions.

SOLICITATION INSTRUCTIONS AND GENERAL PROVISIONS

Each solicitation will include a set of instructions and general provisions. Prospective suppliers should pay close attention to these instructions and general provisions.

SPECIFICATIONS

The specification and/or description of the item being purchased will be written to invite open competition. Merchandise offered must be new merchandise, unless the individual agency specifically requests used merchandise in the IFB/RFP. "Demonstrator", rented or reconditioned merchandise is not considered new. Workmanship on products offered must be first class in every respect - as good or better than that sold to the commercial trade.

IFB/RFPs will have one of the following requirements specifying the level of quality desired:

Standard Specifications - Specifications prepared and issued by standards or specification organizations which are generally known to the seller and to the industrial trade may be used to indicate the level of quality and other requirements for an item. Examples of such organizations are Federal Standards, Underwriters Laboratories (UL), American National Standards Institute (ANSI) and others.

Purchase Specifications - A description of the item, product or article may be given in an IFB/RFP to specify minimum requirements. These purchase specifications may be brief or complex and may be used in lieu of Utah or standard specifications or other criteria in establishing the minimum requirements for supplies, materials, services and equipment.

Brand Name or Equal Specifications - A descriptive and/or brand name "or equal" specification may be used. The item being purchased will be adequately described to solicit competitive bidding. If brand name "or equal" is used as a reference, it is intended for descriptive purposes only and is not intended as a restrictive specification. In such cases, the bidder must clearly state the brand, type, model, etc., that is being offered and must support such offer with adequate specifications and properly marked descriptive literature of the product being offered as "equal". If the bidder does not take exception to the specification referenced in the IFB/RFP or does not provide detailed descriptive information on the product offered, the Division will assume the bidder proposes to furnish the exact item referenced in the IFB/RFP. Proof that the item offered is "equal to or exceeds specification" is the responsibility of the bidder.

BID OPENING AND AWARD

Bid Opening - Formal Bids/RFPs will be opened by the Division at the time and place stated in public notices and/or IFB/RFP. Each vendor and/or his/her representative may attend the bid opening if so desired. RFQ's do not have a public quotation opening.

Tabulation - A tabulation for each solicitation is available for public inspection on the Division's web page. For most solicitations, this tabulation is available approximately 2 business days following the solicitation opening. Complex tabulations however require more time. For RFPs the tabulation will simply list the names of firms that submitted proposals.

Award - The Division will evaluate bids and make awards for supplies, materials, services and

equipment on the basis of the "lowest responsive and responsible bid". The Division reserves the right to make split awards and will do so if it is in the best interest of the state. Proposals are evaluated based upon the criteria including price indicated in the RFP. Awards on RFPs are made to the firm whose proposal is determined to be the most advantageous to the state, taking into consideration price and the other evaluation factors.

Late Bids/Proposals - Any bid/proposal submitted after the date and time designated in the IFB/RFP will not be accepted. This regulation does not allow for exceptions, thereby preserving the State's policy of equal treatment toward all vendors.

Protests - Concerns regarding a solicitation, specifications or an award should first be discussed with the appropriate purchasing agent in the Division. If the concern is not resolved by the purchasing agent, vendors have the ability to formally protest to the state's Chief Procurement Officer at the Division of Purchasing, 3150 State Office Building, Salt Lake City, UT 84114-1061. Any protest regarding specifications must be filed in writing prior to the solicitation closing date and time. Protests relative to the contract award must be filed in writing within five working days after the aggrieved person knows or should have known of the facts giving rise thereto. Protests and appeals of Division actions are governed by the Utah Procurement Code. (<http://www.purchasing.utah.gov/legal/documents/procurementcode.pdf>)

PURCHASE ORDERS AND CONTRACTS

Issuance - Purchase orders or contracts are issued by the Division to the successful bidder(s).

Cancellation - Purchase orders or contracts may be canceled under the following conditions:

1. A purchase order or contract may be canceled by the vendor or requesting agency only with prior approval of the Division of Purchasing.
2. The Division may cancel a purchase order or contract because of unsatisfactory performance or no performance by the contractor.
3. A contractor may request a cancellation of a purchase order or contract or a portion thereof, because of circumstances beyond his/her control. In these instances, the Division will consider such requests when presented in writing with proper documentation.

DELIVERY AND INSPECTION

Delivery - Delivery must be made in compliance with the instructions in the IFB/RFP and subsequent purchase order.

Unauthorized Substitutions - Product substitutions shall not be made by any contractor or supplier without prior approval of the Division. No approval will be granted unless the substituted items are of equal quality and at or below the price quoted. In the case of approved substitutions, the receiving agency shall be notified by the Division.

Packaging or Damages (F.O.B. Destination) - Items shipped in fulfilling individual orders must be individually packaged. A packing slip must be included. In the event that damaged goods are delivered to the receiving agency, the agency will note the damages on the freight bill and notify the contractor immediately. It shall be the contractor's responsibility to make immediate replacement of the damaged merchandise. If only a portion of a shipment is found to be damaged and the agency will not be inconvenienced by the shortage, the contractor may deduct the amount of damage or loss from his/her invoice to the agency. In these cases, replacement of the damaged goods would not be required.

Default by Contractor - If a contractor fails to deliver by the promised date (without prior notice and reasons acceptable by the requesting agency), or if suppliers are rejected for failure to meet specifications, the Division has the right to consider the contractor in default and to purchase such supplies, materials, services or equipment elsewhere.

COOPERATIVE PURCHASING

Utah statutes provide that statewide contracts administered by the Division may be extended to political subdivisions. Examples of political subdivisions are: state colleges and universities, school districts, municipalities, counties, etc. Whenever these entities elect to purchase under a statewide contract, they are not required to obtain additional bids and contact the contract vendor directly. When utilizing these contracts, the governmental entities are responsible for issuing the purchase order and processing payment. Utah also participates in multi-state cooperative purchasing with the Western States Contracting Alliance (WSCA), the National Association of State Procurement Officials (NASPO) and the Minnesota Multi-State Cooperative for Pharmacy (MMCAP).

PRINCIPLES AND STANDARDS OF CONDUCT

The Division subscribes to the Principles and Standards of Purchasing Practices advocated by the Institute for Supply Management located at <http://www.ism.ws/tools/content.cfm?ItemNumber=4740&navItemNumber=15959> . Through these principles, we subscribe to honesty and truth in buying and selling. Under Utah law it is a felony for suppliers to offer, or for anyone acting as a procurement officer to accept gifts or gratuities. Please see 63G-6-1001 and 1002 Utah Code Annotated <http://purchasing.utah.gov/legal/documents/procurementcode.pdf>