



STATE OF UTAH

PURCHASING UPDATE

A STEP-BY-STEP GUIDE TO THE SOLICITATION PROCESS FOR INFORMATION TECHNOLOGY PRODUCTS AND SERVICES

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By Fay Tan

These days, information technology products fill our homes, offices, pockets, and purses, so it is only natural that IT procurements are becoming more and more frequent. Moreover, products and services that we may not have traditionally considered IT-related now often have IT components that require special attention to ensure we are keeping our organizations' data secure.

For State of Utah executive branch agencies, the Department of Technology Services (DTS) is an excellent resource for the technical expertise we may not possess as purchasing agents. This expertise and insight is so valuable that DTS involvement in executive branch procurements of IT products and services is required by state law.

With that said, having no less than three hands in the IT solicitation "pot" can at times be chaotic and confusing. To help better define agency, DTS, and State Purchasing roles and responsibilities, DTS and State Purchasing have developed a "[State Purchasing – DTS Solicitation and Contracts Guide](#)" that covers everything from document flow to the DTS exceptions process. The guide is available under the Section titled "Dept of Technology Services Forms & Terms and Conditions" on the Purchasing Forms Page on State Purchasing's website.

DTS and State Purchasing have made a commitment to operate under the same set of instructions to improve workflow, and we hope you and your agency will familiarize yourselves with these processes, so that all three parties are on the same page with regard to IT solicitations.

Some highlights are:

- How can you determine if your solicitation is for an IT procurement item?
- When should you submit a Business Case?
- Who is responsible for entering an RQM or RQS into FINET?
- What happens if you are granted a full or partial exception?

Continued on page 2

A STEP-BY-STEP GUIDE TO THE SOLICITATION PROCESS FOR INFORMATION TECHNOLOGY PRODUCTS AND SERVICES (CONT.)

- How do you initiate a sole source request?
- Who is responsible for managing and making payments on the contract once it is executed?

We encourage you and your colleagues to keep a copy of the guide readily accessible, and be sure to check State Purchasing's website periodically for the latest version. If you have any questions about the guide's contents or your upcoming IT solicitation, please feel free to contact Fay Tan (ftan@utah.gov or 801-538-3524) or Laura Larsen, DTS Contracts Manager (lauralarsen@utah.gov or 801-538-3507).

Thank you for supporting our efforts to streamline the IT procurement process. DTS and State Purchasing look forward to providing you with even better and more efficient service.

DID YOU KNOW: CREDIT CARD CONTRACT

Did you know that the old Contract PD1896 Merchant Services (acceptance of credit card transactions) was scheduled to expire 5-31-2015; however, the credit card industry is in the midst of vast changes with regards to implementing chip-enabled cards and associated security protocols. Because of this upheaval, and after consulting with multiple providers in the industry, it was determined to postpone the solicitation for a new contract until the industry upheaval had calmed down.

Since the Utah Procurement Code does not allow for a lengthy extension to a contract past a set expiration date, a Sole Source was issued resulting in a new 3-year contract, also numbered PD1896, with the previous provider. This will allow time for the solicitation of a new contract to occur (RFP Creation, Issuance, Evaluation, and Contract Negotiation).

The new PD1896 contract will mirror the previous contract. However, industry changes

over the past 10 years have required that the Terms and Conditions undergo revisions and negotiation. As such, the old PD1896 contract was extended a few months to allow for these negotiations.

Consequently,

- 1) the old Contract PD1896 will be in effect while the negotiations are underway for the new Contract PD1896;
- 2) the new Contract PD1896 will be a temporary 3 year contract;
- 3) the new Contract PD1896 will allow time for a new solicitation to be crafted, issued, evaluated, and negotiated.

If you need additional information, please contact Mark Parry at mparry@utah.gov.



DIVISION OF PURCHASING & GENERAL SERVICES

RESERVE THE DAY:

PROCUREMENT EDUCATION PARTNERSHIP SEMINAR

HOSTED BY NASPO VALUE POINT AND THE STATE OF UTAH, DIVISION OF PURCHASING AND GENERAL SERVICES

Save the dates for our next Public Education Partnership Seminar sponsored by NASPO and State Purchasing. Watch future newsletters for more information.

DATE: **1 December 2015**

TIME: **9 AM – 4 PM**

LOCATION: State Office Building; 1st floor Auditorium
450 North State Street

The Presentations from the September 1 Procurement Education Partnership Seminar are now available on Purchasing's website purchasing.utah.gov. Click the *Agency Training* link and then the *Procurement Education Seminar Presentations* link to view the presentations.

DIVISION OF PURCHASING POLICY # 015

The following policy on how to conduct a "Multiple Stage Cost Qualification RFP" has been adopted by the Division of Purchasing and will be included in the Division's RFP Manual by way of instruction.

The Division of Purchasing has received a number of inquiries from public entities asking whether the sequencing of the evaluation process set forth in Utah Code 63G-6a, Part 7 must be followed in every situation. This policy shows an alternative multiple stage RFP process where "Cost" is evaluated early in the sequencing process. Note that the multiple stage cost qualification RFP process follows all of the requirements set forth in statute.

If public entities determine that this process is useful, they may choose to adopt it by way of ordinance, rule, policy, or instruction.

Policy #015 is contained on pages 4-6.



DIVISION OF PURCHASING & GENERAL SERVICES

POLICIES AND PROCEDURES

Policy # 015

Subject: Multiple Stage Cost Qualification RFP Process

Effective: September 25, 2015

Ref: UCA 63G-6a-710

Purpose:

Utah Code 63G-6a-710 authorizes procurement units to use a multiple stage RFP process. This policy sets forth the Division of Purchasing's policy for issuing a multiple stage RFP process where **cost is evaluated prior to the technical requirements**. The concept behind this "multiple stage cost qualification RFP process" is that for certain types of procurements, the Division (State Agencies) may not want to spend time evaluating the technical responses of proposals with cost estimates that exceed the stated budget or significantly exceed the lowest cost proposal.

Statute does not restrict the following:

1. The number of stages that may occur in a multiple stage RFP;
2. The number or type of criteria that a procurement unit may use to evaluate proposals; or
3. The sequencing of when evaluation criteria must be evaluated.

However, statute does place restrictions on procedures such as separating cost, when the evaluation committee can and cannot change scores, issuing a justification statement and, if applicable, conducting a cost-benefit analysis, and so on. The instructions contained in this multiple stage cost qualification RFP process comply with all provisions set forth in Utah Code 63G-6a, Part 7 and associated Administrative Rule R33 - 7.

Note: Additional multiple stage RFP processes may be developed and used to cover the wide range of different procurements that public entities face, provided the processes developed and used comply with the requirements set forth in statute and rule.

Definitions

"Multiple stage cost qualification RFP process" means a multiple stage RFP process in which cost proposals are evaluated prior to the evaluation of technical criteria and are used to reject offerors based on established cost criteria.

“Maximum cost differential percentage threshold” is a cost ceiling that is established by the conducting procurement unit that an offeror’s cost proposal must not exceed or the offeror’s proposal will be rejected and the offeror will not be allowed to proceed to a subsequent stage. The maximum cost differential percentage threshold may be based on the following:

- The lowest cost proposal submitted;
- The conducting procurement’s stated budget; or
- A combination of #1 and #2 above.

Examples of a maximum cost differential percentage thresholds include but are not limited to:

Lowest Cost Proposal – Maximum Cost Differential Percentage Threshold = within 10% above the lowest cost proposal: Offerors with cost proposals that exceed 10% above the proposal with the lowest cost will be rejected. Offerors with cost proposals that do not exceed 10% above the proposal with the lowest cost will move on to the subsequent stage;

Stated Budget – Maximum Cost Differential Percentage Threshold = within 5% above the conducting procurement unit’s stated project budget: Offerors with cost proposals that exceed 5% above the stated budget will be rejected. Offerors with cost proposals that do not exceed 5% above the stated budget will move on to the subsequent stage; and

Combination – Maximum Cost Differential Percentage Threshold = within 8% above the lowest cost proposal and within 2% above the conducting procurement unit’s stated project budget: Offerors with cost proposals that exceed 8% above the proposal with the lowest cost will be rejected **and** offerors with cost proposals that exceed 2% above the stated budget will be rejected. Offerors with cost proposals that do not exceed 8% above the proposal with the lowest cost and do not exceed 2% above the stated budget will move on to the subsequent stage.

Multiple Stage Cost Qualification RFP Process

- (1) The chief procurement officer may issue a multiple stage RFP where cost is used to qualify offerors for subsequent stages or to narrow the number of offerors that will move on to subsequent stages in accordance with the requirements set forth in Utah Code 63G-6a, Part 7 and administrative rule R33-7.
- (2) When using the multiple stage cost qualification RFP process the conducting procurement unit shall establish and include in the RFP:
 - (a) The minimum mandatory pass or fail requirements that proposals must meet in stage one in order to move on to stage two;
 - (b) The maximum cost differential percentage threshold that proposals must not exceed in stage two in order to move on to stage three;
 - (c) The technical criteria and a score threshold that proposals must meet in stage three in order to be eligible to move on to stage four; and
 - (d) If applicable, the total combined score threshold in stage four that proposals must meet to determine best value and be eligible for contract award.
- (3) Except as provided in Utah Code 63G-6a-707(8), the following process shall be used to evaluate proposals and award a contract under this multiple stage process:

(a) During stage one, an individual assigned by the conducting procurement unit shall evaluate each offeror's proposal in response to the minimum mandatory pass or fail requirements set forth in the RFP:

(i) Offerors with proposals that do not meet the mandatory minimum pass or fail requirements shall be rejected and are not allowed to move on to subsequent stages and are not eligible to receive a contract award;

(ii) Offerors with proposals that meet the mandatory minimum pass or fail requirements shall be deemed qualified to move on to stage two;

(b) During stage two, the issuing procurement unit shall assign an individual, who is not a member of the evaluation committee, to evaluate the cost proposals of offerors qualified in stage one in response to the cost criteria and maximum cost differential percentage threshold set forth in the RFP.

(i) The individual assigned by the issuing procurement unit to evaluate cost proposals shall do so outside the presence of the evaluation committee and shall not share the cost proposals or the results of the cost proposal evaluations with the evaluation committee until all technical scoring is completed in stage three;

(ii) Offerors with cost proposals that exceed the maximum cost differential percentage threshold shall be rejected, not allowed to move on to subsequent stages, and not eligible to receive a contract award;

(iii) Offerors with cost proposals that do not exceed the maximum cost differential percentage threshold shall be deemed qualified to move on to stage three;

(iv) Cost shall be evaluated in accordance with Utah Code 63G-6a-707(5)(b)(i); and

(v) A cost score shall be calculated based on the cost formula set forth in the RFP for each proposal identified in Subsection (3)(b)(iii);

(c) During stage three, the evaluation committee shall score the proposal of each offeror qualified in stage two, in response to the technical evaluation criteria set forth in the RFP, without having access to any information relating to the cost or the scoring of the cost. Technical criteria shall be scored in accordance with R33-7-704 or rules established by the applicable rule making authority;

(d) During stage four, the individual assigned by the issuing procurement unit, who is not a member of the evaluation committee, shall add the cost scores to the evaluation committee's final recommended technical scores to derive the total combined score for each proposal in accordance with the process set forth in Utah Code 63G-6a-707(5)(a) through (c);

(e) In order to determine best value to the procurement unit, the evaluation committee shall prepare a justification statement and, if applicable, a cost-benefit analysis, in accordance with Utah Code 63G-6a-708 and 709; and

(f) A contract may be awarded to the offeror with the proposal having the highest total combined score, or multiple contracts may be awarded to offerors with proposals meeting the total combined score threshold set forth in the RFP, in accordance with Utah Code 63G-6a-709.

To download a PDF version of the Division of Purchasing & General Services Policy #15, click [HERE](#).



STATE OF UTAH

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**We're on the
Web !**

[purchasing .utah.gov](http://purchasing.utah.gov)

This newsletter was edited by Shirley Williams. If you have any questions or comments, please email them to swilliams@utah.gov.

DID YOU KNOW: ELECTRONIC MONITORING OF OFFENDER SERVICES

Did you know there are five WSCA/NASPO contracts for Electronic Monitoring of Offender Services. These contracts only cover those procurement items listed below for each vendor. When placing orders, make sure to identify your organization as a government entity and provide the contract number. It is the responsibility of the ordering agency to ensure that the vendor is given the correct delivery and billing address. Other items ordered that are not listed on the contract must be invoiced separately. State agencies are to place orders directly with the vendor.

1. MA2173 Satellite Tracking of People, LLC
Radio frequency (RF) monitoring and satellite monitoring and remote tracking service (GPS) for one-piece body-attached device

2. MA2174 Sentinel Offender Service, LLC
Radio frequency (RF) monitoring, alcohol monitoring, transdermal alcohol monitoring, and satellite monitoring and remote tracking service (GPS) for both one-piece body

-attached device and multi-piece device systems

3. MA2175 3M Electronic Monitoring Systems
Radio frequency (RF) monitoring, alcohol monitoring, and satellite monitoring and remote tracking service (GPS) for both one-piece body -attached device and multi-piece device systems

4. MA2176 BI Incorporated
Alcohol monitoring, transdermal alcohol monitoring, and satellite monitoring and remote tracking service (GPS) for multi-piece device systems

5. MA2177 Alcohol Monitoring Systems
Transdermal alcohol monitoring

If you would like further information, please contact Yolanda Larrymore at ylarrymore@utah.gov.



CHANGES IN STATE PURCHASING

Micah Richards has joined the Division of Purchasing as a Contract Analyst/Purchasing Agent. Micah previously worked with the Department of Corrections. Please note that his email address and phone number have changed since joining Purchasing. Micah can be reached at micahrichards@utah.gov or 801-538-3148.

NEW STATE OF UTAH “BEST VALUE” COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION

EXTENDED STATE OF UTAH “BEST VALUE” COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION
Communications—Mobile Radios (WSCA)	AR1811	Daniels Electronics Ltd	9/22/2004-12/31/2015	
Communications– Radio Equipment (WSCA)	AR1810	RELM (King)	10/12/2004-12/31/2015	
Radios, Aircraft Band, Aviation Radios (WSCA)	AR1824	Icom America, Inc.	9/30/2004-12/31/2015	
Police Radar, Lidar, Parts and Accessories (WSCA)	MA1771	MPH Industries, Inc.	1/20/2012-10/30/2017	Multiple Award
Police Radar, Lidar, Parts and Accessories (WSCA)	MA1867	Laser Technology Inc.	1/20/2012-10/30/2017	Multiple Award
Police Radar, Lidar, Parts and Accessories (WSCA)	MA546	Applied Concepts Inc.	1/20/2012-10/30/2017	Multiple Award
Police Radar, Lidar, Parts and Accessories (WSCA)	MA558	Decatur Electronics, Inc.	1/20/2012-10/30/2017	Multiple Award
UASI/Fusion Center Information Sharing	PD2113	Palantir USG Inc.	9/1/2010-11/30/2015	
MMCAP Medical Supplies and Personal Care Items	MA2204	Henry Schein, Inc.	9/7/2012-8/31/2016	

*The brief information in this newsletter is intended to highlight new contracts and contract changes. Always read the entire contract information sheet prior to making a purchasing decision.

EXTENDED STATE OF UTAH "BEST VALUE" COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION
Public Safety Communication Equipment (WSCA) - Two way Radios, Pagers, Other Equipment	AR1099	Motorola Solutions Inc.	12/2/2010-12/31/2015	
Public Safety Communication Equipment & Services, including Radios, Repeaters, Base Stations (WSCA)	PD2099	JVCKenwood USA Corporation	8/5/2010-12/31/2015	Name change from Kenwood USA Corporation
New Tires & Tubes, Repairs & Rotation	MA208	The Goodyear Tire & Rubber Co.	4/1/2012-3/31/2019	Multiple Award

EXPIRED OR CANCELED STATE OF UTAH "BEST VALUE" COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION
Auto Body Repairs (Carbon County)	MA1972	Sherry's Paint and Body	8/31/15	Will not be renewed
Digital Duplicators, Supplies, Maintenance	MA025	Ricoh USA Inc.	8/28/15	See Contract AR918 for Ricoh Digital Duplicators
Cereals and Breakfast Snacks	MA2111	CSV Sales, Inc.	7/30/15	Will not be renewed
Kellogg Cereals and Breakfast Snacks	MA2112	Nicholas & Company	7/30/15	Will not be renewed

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