

PURCHASING UPDATE



division of
**Purchasing and
General Services**

No News Is Not Always Good News

Windy Aphayrath, Assistant Director

INSIDE THIS ISSUE

2	Just the FAQs: Courtesy Postings	No news is good news. That’s the general approach that many of us take as it relates to public procurement. The reason for this is simple: oftentimes when a public procurement is in the news, it is not a good thing.
3	You Want What When	When something regarding public procurement comes to light, it receives more scrutiny and there are always more questions asked. Those who are given the task to procure on behalf of the State or other public entities are tasked with the responsible stewardship of taxpayer dollars. Unfortunately, sometimes that stewardship can result in issues that call into question the integrity of the procurement process.
4	Inflation: A Crash Course on Your Shrinking Bank Account	
5	Serving on State of Utah State Cooperative Evaluation Committees – Help Us Help You	In March 2020, a State agency conducted an internal audit and following a review of that audit, a pattern stood out. Multiple invoices for a specific vendor seemed to come in just below the \$5,000 threshold that would require Division of Purchasing engagement. The agency started asking questions. The end result showed that no news is not always good news. Issues related to the integrity of the procurement process had been silently occurring for years.
6	Marketing and Advertising Portfolio Update	
7	Public Safety Communication SCC	This is a recent example that issues with the procurement process can happen to any organization.
8	UCI	So what do we do about it?

Continued on page 2

JUST THE FAQs

Courtesy Postings

By: Nikki Sanchez

Question: Can an engineer/architect be a the contact person for a courtesy posting representing the entity?

Answer: Yes, we will work for the third party, as long as the public entity for which the courtesy posting is for is included in correspondence from State Purchasing. We would need the contact person and email for all individuals, public entity and third party, on the Limited agreement or Courtesy Posting request email.

Question: What is the response time in order to have a solicitation posted in U3P once it is received and assigned to a Purchasing Agent?

Answer: The Procurement Unit should plan for a 1-2 business day lead-time on a 1.0 service level. A 2.0 and 3.0 service level requires a minimum 5 day business lead-time, depending on the complexity of review and response time by the Procurement Unit. These lead-times are subject to change depending on the individual workload of the receiving agent.

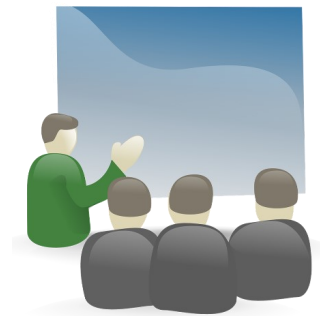
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Being aware that procurement fraud can happen is the first step.

The next step is recognizing what procurement fraud may look like and where it may be found within your agency. During procurement training, an FBI representative provided [The Red Flags of Procurement Fraud and Corruption pamphlet](#) which can help public entities learn where to begin looking.

Finally, make changes to prevent fraud. Every state agency and public entity has its own processes, systems, policies, and training. While different from one entity to another, the processes, systems, policies, and staff training must be four pieces of a greater whole to support and prevent procurement fraud. Often that involves change.

When an agency understands its processes, it also understands where there may be opportunities to improve oversight or transparency in the procurement process. Incorporating the capabilities of a digital system can provide support through the procurement process while also allowing the use of system tools to assist in identifying trends via transparency. Ensuring compliance to policies and statutes that are in place for the procurement process builds on the foundation of being responsible stewards of taxpayer dollars. Tying all this together is ongoing training and awareness of the procurement process and procurement fraud.



For additional insights, see the article “Seek Knowledge for Fraud Prevention” in the [September edition of the Purchasing Update](#).

You Want What When

Ann Schliep, State Contract Analyst

We have all heard of the current supply chain challenges and many of us have experienced them ourselves in our local communities. COVID has been at the heart of many of the challenges along with the rising costs of fuels. What once took a few days or weeks to receive is now taking months. There have been reports of container ships being held up in ports because there is no room to unload them. China is having difficulty getting containers because the containers are already on ships or haven't been emptied so the supply of containers are bottlenecked throughout the world and are not being circulated. Businesses are being shut down because workers have COVID. Many policies in other countries can shut down a business if even one employee tests positive for COVID.¹

My niece and her husband are building a house and it took them six months to get their windows. They also had challenges in getting appliances. What previously would have

taken a day or two has taken them at least 6 to 8 weeks, if not longer.

In the Division of Purchasing, as we try to procure items, we have found that many vendors can't get the items or it is going to take a lot longer to receive them. So how can we combat the current supply chain challenges?

1. Plan Ahead – if you need an item now, you may not be able to get it within a short timeframe. The new

fiscal year starts in six months. You must think about the needs of your agency before the end of this fiscal year and work with your procurement team to get solicitations out now. The Division of Purchasing is finding that some items are not available until after the new fiscal year. There are even challenges with obtaining services due to a lack of workers.

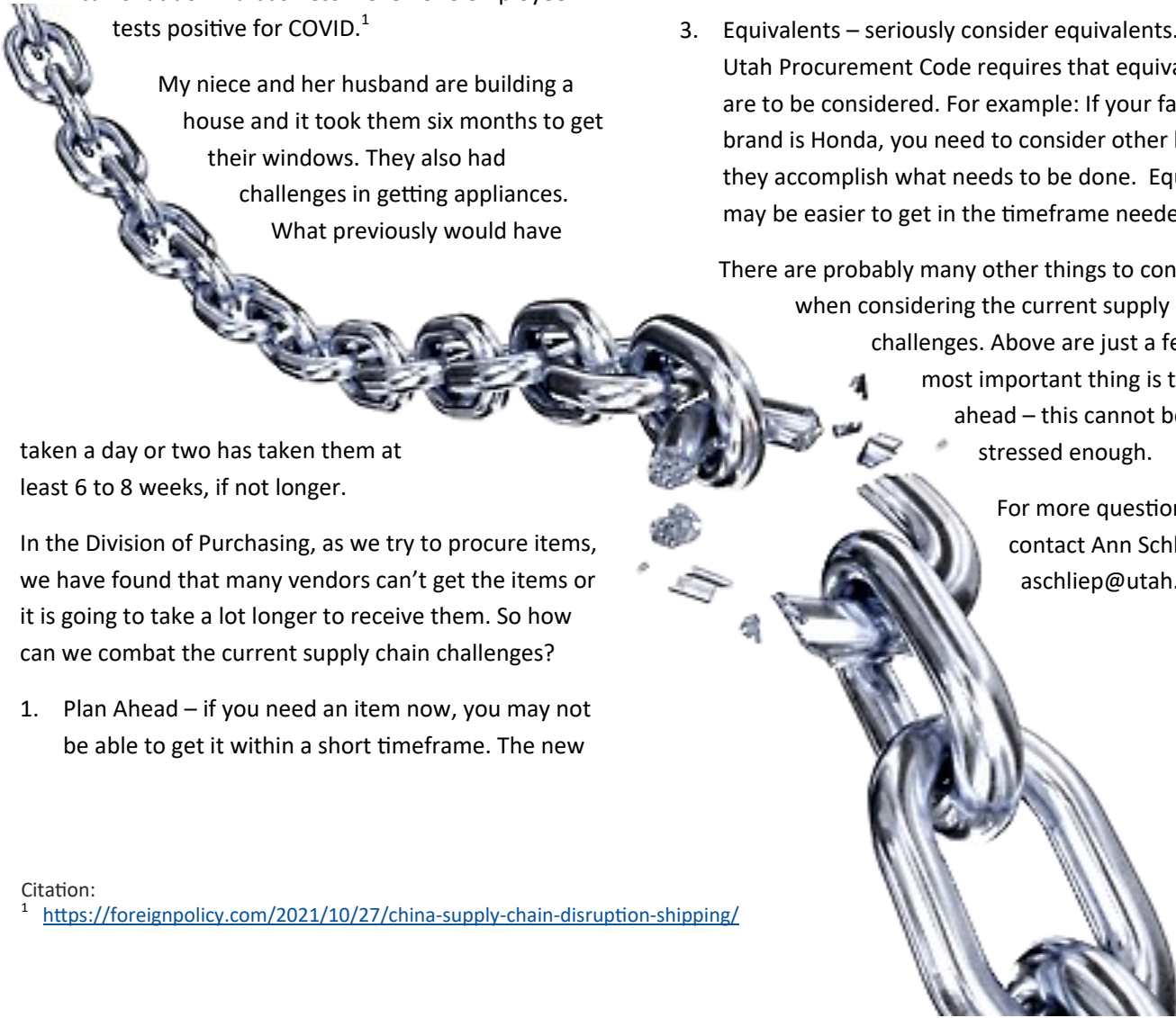
2. Assess Your Budget – due to challenges of availability and rising costs of fuels you may have sticker shock when you get bids and quotes on items you need. Until the supply chain returns to somewhat normality, everything is going to cost more than it did prior to the pandemic.
3. Equivalents – seriously consider equivalents. The Utah Procurement Code requires that equivalents are to be considered. For example: If your favorite brand is Honda, you need to consider other brands if they accomplish what needs to be done. Equivalents may be easier to get in the timeframe needed.

There are probably many other things to consider when considering the current supply chain challenges. Above are just a few. The most important thing is to plan ahead – this cannot be stressed enough.

For more questions, contact Ann Schliep, aschliep@utah.gov

Citation:

¹ <https://foreignpolicy.com/2021/10/27/china-supply-chain-disruption-shipping/>



Inflation: A Crash Course on Your Shrinking Bank Account

Nick Hughes, State Contract Analyst

In the past year you most likely have experienced a consumer transaction that was impacted by the pandemic. You may have been expressly told that it was directly related to the pandemic e.g. “Thank you for your order, due to the pandemic, we are experiencing lower numbers of staff on site and may have additional delays in delivering your order. We will send you tracking information once it has shipped” or the wait times while on hold, “Thank you for holding, due to the pandemic, we are experiencing staff shortages and will be with you as quickly as possible.” Whether you’ve heard it directly or indirectly through increased prices on homes, goods, the gas pump, or any other consumer product, we all have been impacted. Each consumer transaction has hit us in the one place that will cause all the world to unite: our bank accounts.

Unfortunately, our adversary is an invisible monster that may be here to stay. Inflation, just hearing the word almost makes you want to curl up in a ball. Inflation is driven by so many different factors that to pinpoint one is impossible, but one fact we do know is that consumer prices across the board increased an average of [6.2%](#) from October 2020 to October 2021. OUCH.

There will always be some type of inflation, however, it’s the degree of inflation that is causing mass frustration. The Federal Government enacted the Social Security Act to account for inflation and allow for an annual Cost of Live Adjustment or [COLA](#) as it is now commonly called. This is intended to be an increase in income that should be proportional to the increase in cost of living. In a perfect world, these would cancel each other out and we would continue on with our daily lives, however, the pandemic has squeezed the global supply chain and is one of the primary contributing factors to the dramatic increase in inflation.

So, what exactly causes inflation in supply chain? Two words, Supply and Demand.

Supply: Over the last year and a half, we’ve seen a complete change in how work is done, where work is done, and which workers are needed, and lastly, how many workers are

needed. This has directly impacted all supply chain. Shortages of factory workers to either work the machines or make products, shortages of drivers, less container ships or workers to power these ships. Also, a restricted and smaller workforce also doesn’t easily allow expansion of a business, that is unless other ideas are introduced with innovation and automation, but for the majority of the world, the human element is and will always be required. For goods, services, or similar items that have many components and moving parts before completion are significantly impacted. Take for example Bullfrog Spa’s [M9 Hot Tub](#), it requires 1,850 separate parts. Supply chain disruptions have pushed manufacturing time from six weeks to six months.

Demand: Over the last year and a half what has happened to the workforce? More people than ever are working from home, holed up, smashing that Amazon Purchase Now button (hopefully you’re at least selecting the option to have them all delivered on the same day). On the other side of that, E-commerce has grown tremendously. The level of shoppers at the grocery store, hardware store, or big box stores like Macy’s or Target has dwindled significantly. With so much being done online, more packages needing to be shipped, stored, and delivered to the final destination, shipping companies are needing to offer increased incentives to hire and keep couriers in addition to charging for longer delays in storing items. All of these additional costs, are usually passed on to consumers, which leads us directly to the number identified at the top, consumer prices for these items increasing by 6.2%.

All of the above information leads directly to higher prices for the same item, thus resulting in your shrinking bank account. The good news, although inflation will always be constant, most are hopeful that the inflation rate will level out as both the supply chain stabilizes in both supply and demand in addition to the Federal Government assisting the American people with their annual COLA. For now, shop wisely and enjoy the Holidays. Merry Christmas and a Happy New Year, ya filthy animal.

Citations:

<https://www.thebalance.com/what-is-the-cost-of-living-adjustment-3305736>

[How the supply chain caused current inflation, and why it might be here to stay | PBS NewsHour](#)

Serving on State of Utah State Cooperative Evaluation Committees – Help Us Help You

Kaitee Hall, Purchasing Agent

The Division of Purchasing frequently reaches out to different agencies throughout the state to serve on evaluation committees for RFPs resulting in State Cooperative Contracts. Serving on an evaluation committee provides value not only to the State, but to those that sit on the committees and use the resulting contracts.

Although we conduct the solicitations for Statewide Cooperative Contracts at the Division of Purchasing, we often lack the boots-on-the-ground, practical knowledge of the commodities and services we are contracting for. If we do not have evaluation team members who understand the ins and outs of the purchased goods and services, the resultant contracts will be far less useful than they would be with the input of our end users. There have been instances in our office where we have entered into an agreement with a vendor in good faith we are providing a valuable contract and we are later notified that the contract has glaring issues for end users that we did not foresee during the procurement process. Some of these instances have even resulted in a need for us to restart the

process and issue a new procurement. Our goal is to receive feedback from end users before the procurement is issued, rather than getting feedback from them after the fact once an ineffective contract is in place. We find this to be less work for the end user as well as the individual that issues the solicitation in our office.

We find this to be the main benefit to end users in participating on Statewide Cooperative evaluation teams. However, the benefits are far from limited to this. Serving on evaluation committees also provides an opportunity to see how other procurement units structure pricing, mandatory minimum requirements and technical criteria, use their posting portals, and conduct solicitation meetings such as kickoff and evaluation meetings. Serving on evaluation committees are also a wonderful opportunity to meet and network with other procurement professionals throughout the State of Utah.

We value your input and want to hear your voice. Please help us make our Statewide Cooperative Contracts better by providing your expertise and serving on evaluation committees with the State of Utah.



**Sourcing Team and Evaluation
Committee Members Needed**

Look for this picture in the newsletter email to see the current need for sourcing team and evaluation committee members

Marketing and Advertising Portfolio Update

Laurel deLagerheim, State Contract Analyst

The new Marketing and Advertising Portfolio has a few changes we wanted to highlight for ease of use. The new contracts have transitioned from an AVL to a Multiple Award. Eligible Users may now make a best value determination and directly contact and order from the contractor awarded in their particular category.

The Portfolio is now “For Convenience” which means Executive Branch Agencies are no longer required to use the vendors on contract for Marketing and Advertising Services. The Division of Purchasing is happy to assist your agency with a solicitation process to meet your needs outside of these convenience contracts.

For those State agencies that had previously executed a Memorandum of Understanding (MOU) with an approved vendor for a scope of work that has not yet been completed and that vendor's master agreement is now

expired, it is possible to reopen that master agreement in Finet for the narrow purpose of issuing payment to fulfill the contractual terms of the MOU. To do so, the agency simply needs to email their State Purchasing contact person or purchasingcontracts@utah.gov with a copy of their MOU and an invoice from the vendor they are attempting to pay under the MOU. State Purchasing can then open the master agreement that the MOU references in Finet momentarily to allow payment of the invoice.

Recognizing the changes that have been made, the Division of Purchasing will be monitoring use and requests under this portfolio and reserves the right to re-open the solicitation to allow for more competition.

If you have any questions regarding these contracts, please reach out to Laurel deLagerheim at (801) 957-7121 or ldelagerheim@utah.gov



SAVE THE DATE

REVERSE TRADE SHOW
Thursday, May 19th, 2022
9 am to 3 pm
Interact. Learn. Connect.

Hosted by:

NIGP Official Chapter **UTAH** 

Public Safety Communication SCC Update

Blake Porter, State Contract Analyst

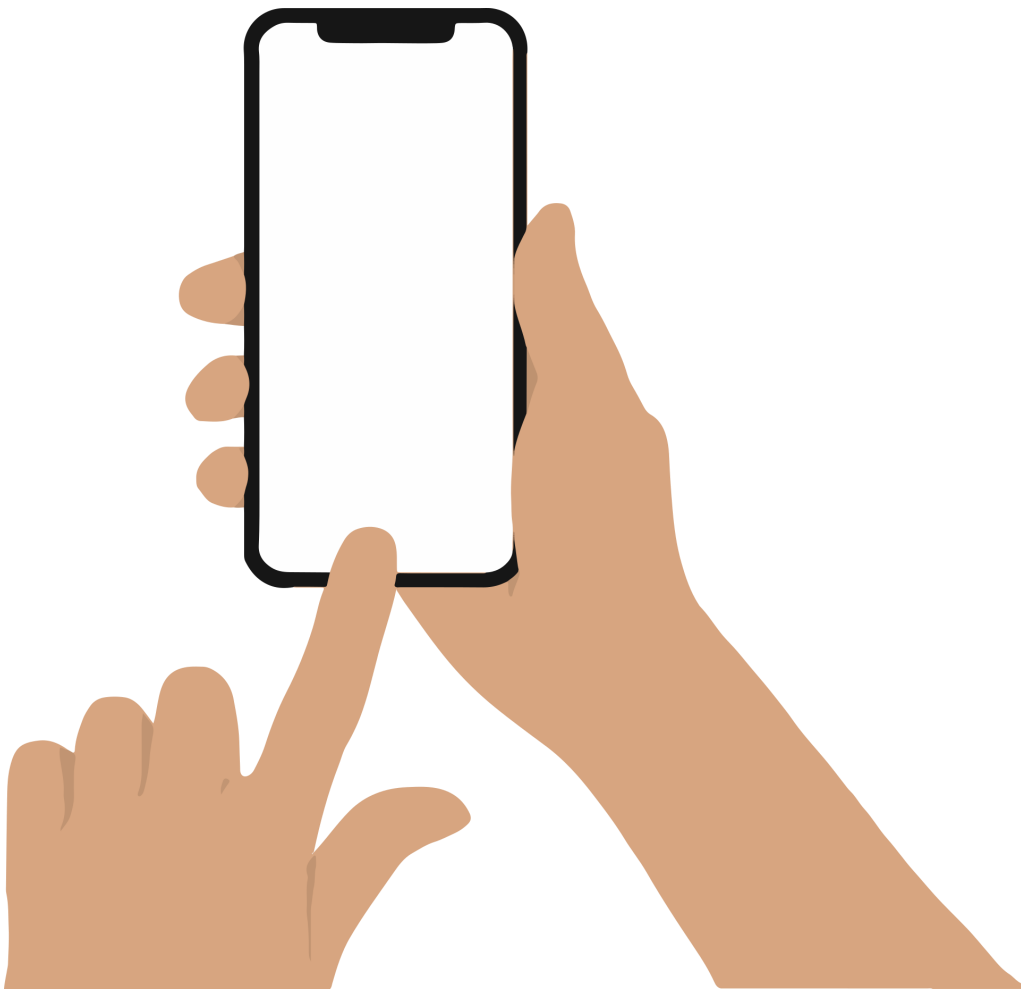
IMPORTANT UPDATE REGARDING MOTOROLA SOLUTIONS contract #AR1099 for Public Safety Communication Equipment is expiring on December 31, 2021. The lead State of Washington and NASPO ValuePoint are in ongoing negotiations with Motorola to put into place their new Master Agreement which may happen any day now, but there will likely not be a new State of Utah Participating Addendum (PA) in place when the current contract AR1099 expires. This will result in a lapse in service as we wait for the Master Agreement to be signed between the State of Washington and Motorola.

Other PAs will be in place by this time and can be used while we await the finalization of Motorola's Master Agreement. The new PA contract numbers and vendors for the Public Safety Communication portfolio are listed below

(these will all be posted on the State Contract Search site by January 1, 2022):

BK Technologies	AR3842
ICOM America	AR3843
JVCKenwood USA	AR3844
Aviat US	AR3845
Sabre Communications	AR3846
Power Products Unlimited	AR3847

We appreciate your patience as we continue to work with the State of Washington to get the Motorola Master Agreement and our State of Utah PA in place. If you have any questions please reach out to Blake Theo Porter at btporter@utah.gov.



UTAH CORRECTIONAL INDUSTRIES

DID YOU KNOW WE OFFER...



SIGNAGE

UCI produced signs are available in aluminum, wood, or recycled plastic with sign surfaces also available in a variety of materials. From standard road signs to custom vehicle decals, the UCI Sign Shop is the answer to all of your signage needs. Options include:

- Interior Signage
- Road Signage
- Large Format Signage
- Forest Service Signage
- Exterior Signage



EMBROIDERY & SCREEN PRINTING

UCI offers a state-of-the-art, digitized, embroidery service operation. We can embroider your logos, message, images, team name, company name and more onto clothing and apparel or just about any accessory you choose.



****With our move to the new location coming soon, we will not be taking any new orders on furniture and upholstery jobs until after our move is complete. We apologize for the inconvenience.****

MISSION

Utah Correctional Industries is dedicated to public safety through innovative career building, community partnerships, and quality production to develop successful people.

VISION

Building a better community through career development.

OUR BUSINESS OPERATIONS

PRINTING | EMBROIDERY/SCREEN PRINTING
FURNITURE | DOCUMENT SCANNING
SIGNAGE | SEWING

View the "UCI First" State Use Law (63G-6a-804)

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