

PROCUREMENT

Links to State and Federal Procurement Laws

Check the local procurement policy...

WHY???

Today more than ever, the government must ensure that it **spends money wisely** and **eliminates waste and abuse of taxpayer dollars**. With approximately one out of every ten dollars of Federal government spending going to contractors, it is imperative that contract actions result in the **best value for the taxpayer...**

Ethical behavior and integrity are fundamental tenets of public procurement, derived from values like **fairness, honesty, and accountability...** the gatekeepers for the expenditure of the State's limited financial resources, entrusted to uphold the highest ethical standards and be **good stewards of public funds with every purchasing decision**. Any erosion of public trust, and any perception of impropriety, is detrimental to the integrity of the procurement process; therefore, all State employees involved in procurement activities behave **ethically, impartially, and professionally...**



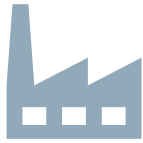
FULL & OPEN
COMPETITION



DOCUMENTED
PROCESS

TENNANTS

GOODS? SERVICES? CONSTRUCTION?



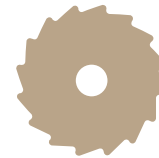
Goods

Supplies
Equipment
Materials
Commodities
Specially Manufactured
Products



Services

Rendered by a licensed
professional
Architect
Engineer
Land Surveyor
Other



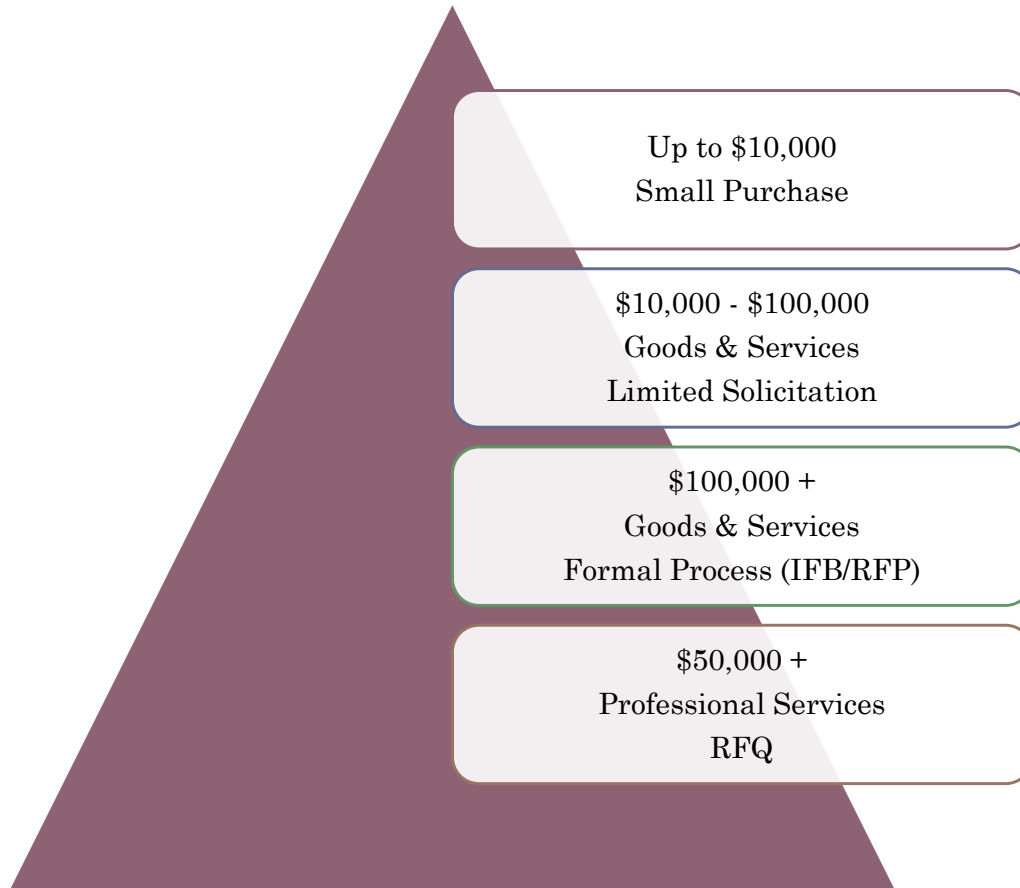
Construction



MONTANA PROCUREMENT ACT

- [MCA Title 18, Chapter 4](#)
 - Montana Procurement Act
 - Administrative Rules of Montana [2.5 State Procurement](#)
- [MCA Title 18, Chapter 8](#)
 - State of Montana Procurement of Services
 - Architectural, Engineering & Land Surveying Services
 - Public Notice
 - RFQ
 - Selection based on qualification and negotiated price

STATE OF MONTANA



SMALL PURCHASES

DIRECT
NEGOTIATION
WITH VENDOR

SHOPPING
AROUND IS
RECOMMENDED

ROTATE
VENDORS



LIMITED SOLICITATION



**MINIMUM OF 3 VIABLE
QUOTES**



RECORD

Vendor list
Complete Product Or Service
Description
Delivery Requirements
Other Performance Requirements



FORMAL SOLICITATIONS

Invitation for Bids or Request for Proposals	Description of Items, and Quantities required	Scope of Work, Contractor Qualification requirements, etc.
Contract Term	Delivery/Performance Location Requirements	Inspection Requirements
Payment Terms and Procedures	Standard Terms and Conditions	Evaluation Criteria for Award
Response Submission Requirements (Cost/Price Proposal, Technical, Past Performance, etc.)	Draft Contract	Other Attachment





PROFESSIONAL SERVICES

- Request for Qualifications (RFQ)
 - Announce requirements
 - Demonstrated competence and qualifications
 - Fair and reasonable prices





FEDERAL PROCUREMENT

2 CFR Part 200 Subpart D - Procurement Standards

§ 200.318 General procurement standards – the MUSTS

- Must have and use documented procurement procedures...
- Must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders...
- Must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts...
- Must avoid acquisition of unnecessary or duplicative items...
- Must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement...
- Must maintain records sufficient to detail the history of procurement...
- Must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements...

FEDERAL PROCUREMENT

Micro-Purchase

- No quotes
- Distribute equitably among vendors

Small Purchase

- Get quotes from an adequate number of qualified sources
- Low bid

Sealed Bid

- Construction projects
- Price is a major factor
- Bidding is required

Competitive Proposals

- RFP for fixed price or cost reimbursement



FEDERAL FUNDS = FEDERAL PROCUREMENT



Must follow written procurement policies

Must comply with the federal procurement standards

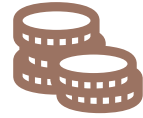
Uniform Administrative Requirements,
Cost Principles and Audit Requirements
2 CFR 200s



[Montana Code Annotated Title 7, Chapter 5](#)

[MACO White Paper](#)

Local Procurement Policy?



SMALL PURCHASES

<\$80,000

Local Policy for direct purchase or limited solicitation?



BIDS

\$80,000 +

Goods & Services
Bidding & Proper Notice
Lowest Responsible Bidder



SERVICES

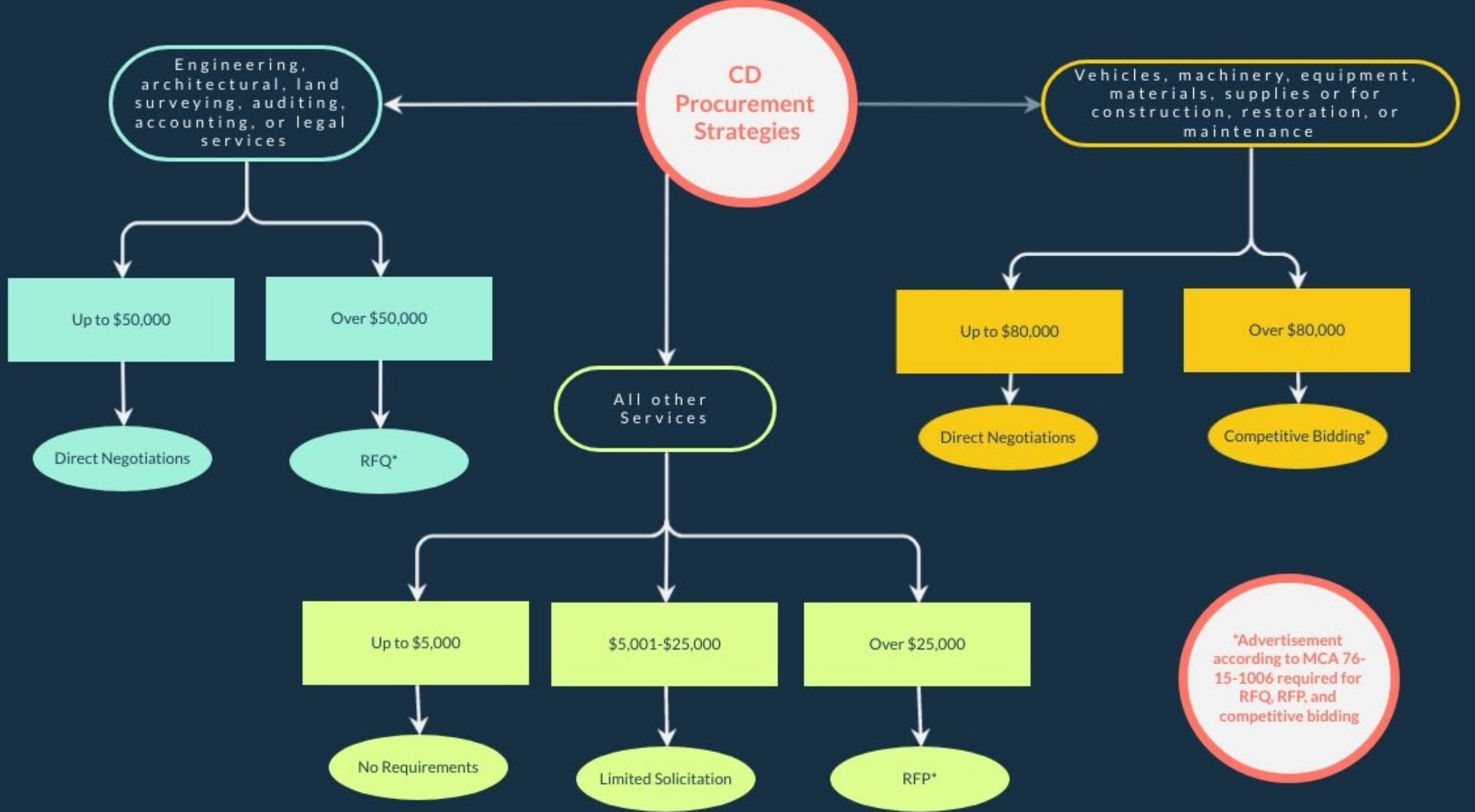
Architectural, Engineering,
Surveying
RFQ or RFP
Qualifications + Price

COUNTY + MUNICIPAL PROCUREMENT



Montana Code Annotated Title
76, Chapter 15

CONSERVATION DISTRICTS



*Advertisement according to MCA 76-15-1006 required for RFQ, RFP, and competitive bidding

Required Construction Contract Provisions

Montana Code Annotated Title 18, Chapter 2

- Part 1. General Provisions
- Part 2. Performance, Labor, and Materials Bonds
- Part 3. Contract Requirements and Restrictions
- Part 4. Special Conditions -- Standard Prevailing Rate of Wages
- Part 5. Alternative Project Delivery Contracts

CONSTRUCTION CONTRACTS

PROCUREMENT PITFALLS

- Dividing Contracts
- Conflict of Interest
- Documentation
- Sole Source
- Emergencies



State of Montana:

- Compatibility of current services or equipment, accessories, or replacement parts;
- No existent equivalent product; or
- Only one source is acceptable or suitable for the supply or service item.

Federal Government:

- Item is available only from a single source
- Public emergency
- Inadequate competition

SOLE SOURCE?!?!

ACRONYMS



IFB = Invitation for Bid
(Construction)



RFP = Request for
Proposals (Goods or
Services)



RFQ = Request for
Qualifications (Services)

DNRC Requires

- GRANT AGREEMENTS - require compliance with federal, state or local procurement.
- Provide copies of procurement documentation.
- Attorney opinion of compliance with all procurement federal, state and local procurement.

