



## 2015 Purchasing Forum & Trade Show

# Best Practices: Best & Final, Mini-Bids, & OGS Service Contracts

*Opportunities on the Horizon*

May 20 & 21, 2015



# Course Objectives

- Learn how to get the best deal or best price on OGS contracts.
- Make sure you are getting the most bang for your buck from your contractor.
- Understand mini-bid requirements and best practices for securing best price.



# A Snapshot of Procurement in NYS

- OGS has over 1,500 centralized contracts for commodities, technology, and services for authorized users
- Authorized Users (AU) include state agencies, local governments, authorities, and political subdivisions per NYS Finance Law (including more than 4,500 Towns, 700 School Districts, 60+ SUNY & CUNY, facilities)
- Our contracts are **IDIQ** - Indefinite delivery/indefinite quantity, so we can't make a specific deal
- But you can... Along with choice and options comes responsibility to make decisions



# Backdrop Contracts & Mini-Bids



# Backdrop Contracts

- Multiple awards, Vendors are pre-qualified for future solicitations
- Pricing usually set as “not-to-exceed”
- Uniform terms and conditions
- Authorized by NYS Finance Law §163(10)(c)
- Basis of selection among multiple contractors at time of purchase shall be the most practical and economic alternative and shall be in best interest of the state.
- Rely on users to get specific needs accounted for and get best prices.



# Understanding Mini-Bids

- Shorter, faster bidding process
- Authorized Users develop and incorporate specific requirements
- Authorized Users solicit bids from existing pre-qualified vendors
- Process varies based on specific contracts.
  - Ranges from very formalized structure process to no formal process.
- Final prices based on specific requirements and current market conditions using best value analysis, lowest price, best & final offer (BAFO), etc.



# Understanding Mini-Bids

- Each contract contains “how to use” instructions for Authorized Users to follow when using the mini-bid process
- Authorized User may add additional requirements to the backdrop solicitation (i.e., background screening for consultant hire or security requirements for handling sensitive/confidential information)
- Authorized User can't change terms and conditions of backdrop contract during mini-bid, but may seek more favorable terms and conditions



# Variations on the Mini-Bid Process



# Security Systems & Solutions Contract

- Multiple awards with multiple lots and regions established by periodic recruitment
- No formal mini-bid required
- Use competition and aggregation to drive a better price
- Award matrix helps guide search
- All pricing is NTE (Not to Exceed), IDIQ contracts (ceiling, not floor)
- Benchmark price against GSA (federal) and other government contracts
- Good price for quantity of 1, but if you need more you can ask for reduction



# Bituminous Roadway Materials Contract

- Multiple awards with multiple lots and regions
- Quick Quote (QQ) process for commodity or service
- Specs provided by NYS DOT
- QQ Form helps agency with developing itemized specs.
- Can add pavers, rollers, flagmen in addition to materials
- QQ Form assists in building the procurement record



# Miscellaneous Software Catalog

- 3 contractors are pre-qualified through multi-state RFP
- Authorized Users are **strongly encouraged** to obtain quotes from ALL contractors to ensure best possible pricing prior to issuing a purchase order
- Contract pricing is NTE pricing. Volume and/or timing of purchase may enable additional discounts
- If contractor is unable to provide a quote, Authorized User can base its decision on lowest price quote received from remaining contractors

NYS NET PURCHASE PRICE	REQUIRED ACTION	RECOMMENDED ACTION
< \$10,000	No required action	Obtain quotes from 3 contracts using web or via contact person
\$10,000 - \$49,999	Obtain web site quotes from all 3 contracts	Obtain quotes from all 3 contracts via contact person
\$50,000 & up	Obtain quotes from all 3 contracts via contact person	No recommended action



# New York State Vehicle Marketplace

- Multiple contracts with many dealers under Award 22898
- Dedicated web site: [www.vehicles.nyspro.ogs.ny.gov](http://www.vehicles.nyspro.ogs.ny.gov)
- The business process:
  - Easy online form, Authorized User completes & sends specs to OGS
  - OGS solicits the dealers on contract to respond to the mini-bid request, creating competition.
- Many dealers compete, making more vehicles available with more options at the best available price



# NYS Vehicle Marketplace Process for Buyers



# Moving Services

- Multiple awards
- Authorized users encouraged to solicit **best and final quotes** based on actual move requirements using a Project Definition (PD) from contractor within regions where the move will take place
- Best and final quote is awarded as NTE rate for moving company.
- If move takes less time and/or fewer employees/trucks than are provided for in best and final quote, final charges are **adjusted downward** to reflect actual expenses
- Authorized User **must verify actual expenses** for each move
- Final charges may not be adjusted upwards if actual move requires more time and/or more employees/trucks for move unless it is specifically allowed by contract (acts of God).



# HBITS

- Backdrop contract with regional awards
- Multiple awards – 20 active vendors, 5 wait-listed vendors
- Formal structured mini-bid process including required forms and ranking procedures
- All task orders written by Authorized Users and approved by OGS.
- Solicitations for variety of IT consultants for engagements up to 2 years in length
- Uses fixed pricing schedule (price set for each title, skill level and demand combination) with current competitive bid process based on group & region to obtain 2<sup>nd</sup> tier best value



# Always ask for better pricing!

We strongly recommend using money in hand to get a better deal and here's a few strategies to do this:

- Consolidate purchases across the agency
- Leverage your purchase & participate with others
- Use vendor competition to your advantage
- Can't alter terms and conditions of base contract, but you can ask to seek more favorable terms in best interest of State (*three year warranty instead of standard one year warranty for same price*) -Caution: Don't diminish rights under contract.
- Try not to tip your hand (don't tell the vendor they get it...yet)

If you  
don't ask  
for it,  
you don't  
get it.



# Recommendations for Getting the Best Price

- Separate needs from wants & make sure requirements are not over or under specified. Price is driven by specs. Clarity on defining what is needed is key to getting an accurate price.
- Link to the contract when issuing quotes. Be sure you read and follow the contract instructions & requirements. Be sure to tell the vendor the contract has not-to-exceed pricing. Exception: Prevailing wage rates based on current published rates.
- Ask for additional discount based on volume, timing or other factors. Verify pricing.
- Also, in recognition of market fluctuations over time, Authorized Users are encouraged to seek improved pricing whenever possible.
- Hold contractor accountable for compliance with contract terms.
- Consult with OGS contract manager for questions.



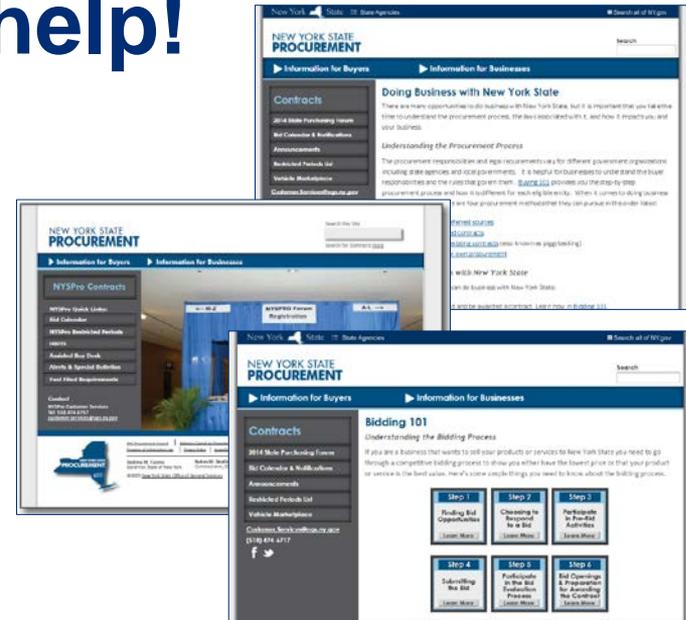
# Reminder: We are here to help!

Contact your contract manager for particular commodity, technology or service.

Contact us today:

(518) 474-6717

[customer.services@ogs.ny.gov](mailto:customer.services@ogs.ny.gov)



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# Questions?



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