



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 how to secure the 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 provide their specific needs and get the 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.

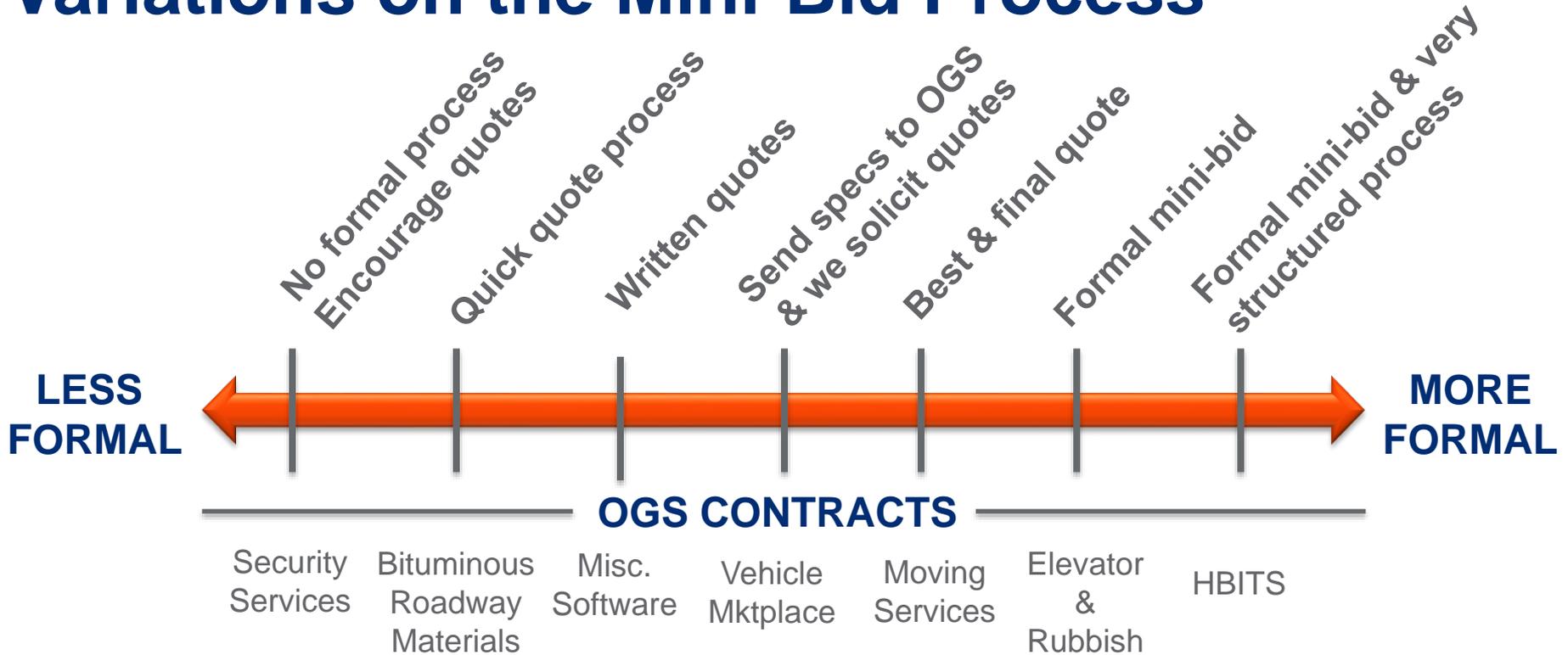


Understanding Mini-Bids

- Each backdrop contract contains simple “how to use” instructions to follow for using the mini-bid process.
- A buyer may add additional requirements to the backdrop (i.e., background screening for consultant hire or security requirements for handling sensitive/confidential information).
- Buyers 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 Services 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 your services search.
- All pricing is not to exceed, IDIQ contracts (ceiling, not floor).
- Benchmark price against GSA and other government contracts.
- Pricing is based on quantity of one. If you need more you can ask for discount.



Bituminous Roadway Materials Contract

- Multiple awards with multiple lots and regions.
- Quick quote (QQ) process for commodity or service.
- Specifications 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 your 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 not to exceed 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
- 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 not to exceed 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 not to exceed pricing with current competitive mini-bid process to obtain 2nd 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.
- You can't alter terms and conditions of the contract, but you can ask to seek more favorable terms in best interest of state (*i.e.: 3 year warranty instead of standard one year warranty for same price*) -Caution: Don't diminish rights under contract.
- Don't show your hand right away (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.



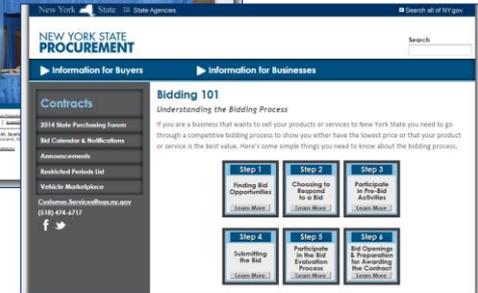
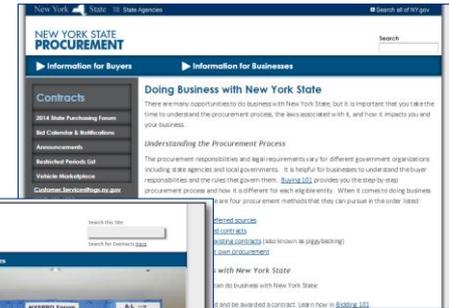
Reminder: We are here to help!

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

Contact us today:

(518) 474-6717

customer.services@ogs.ny.gov



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Questions?



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