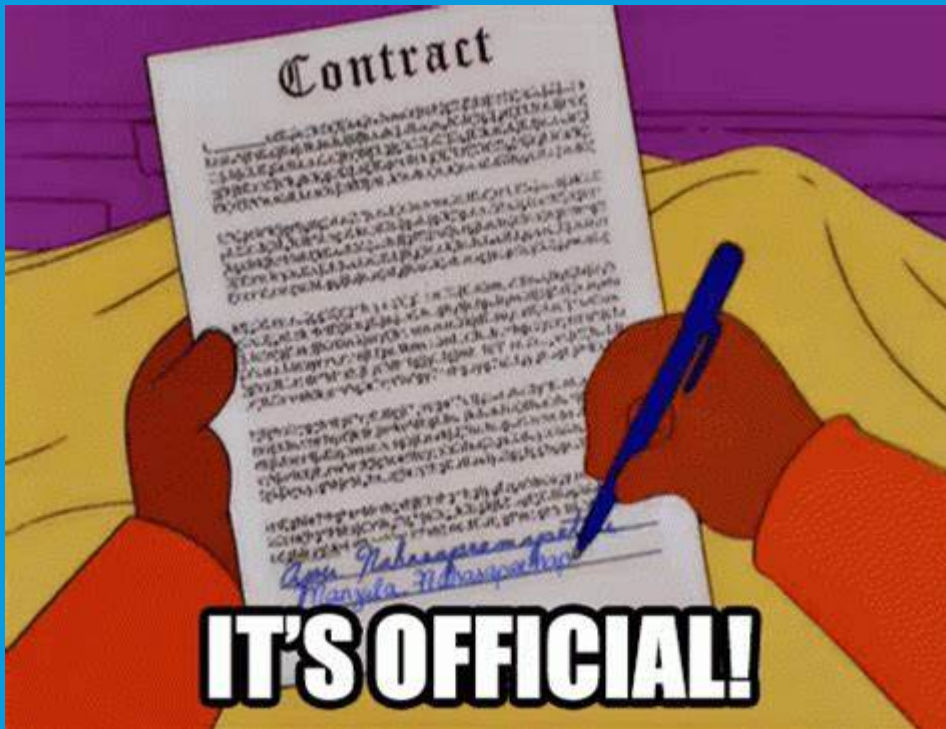


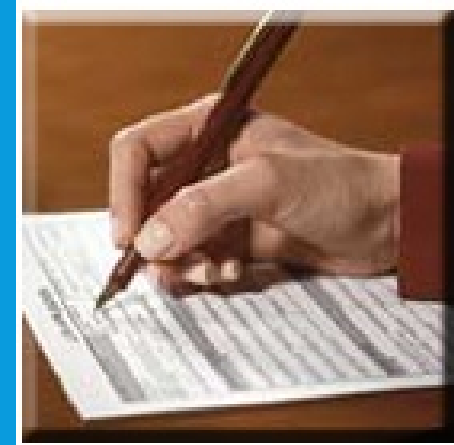
ORGANIZATION OF STAFF ANALYSTS CONTRACTS PREPARATION COURSE



Definitions

- Contract- a binding agreement between two or more persons or parties; one legally enforceable; a business arrangement for the supply of goods or services

- Procurement – Buying, purchasing, renting or acquiring goods, services or construction.



PROCUREMENT POLICY BOARD (PPB)



- Established in 1988
- 5 members appointed by Mayor and Comptroller
- Simplify, clarify, and modernize the law governing procurement in NYC.
- Make as consistent as possible the uniform application of these policies throughout NYC agencies.
- Provide for increased public confidence in NYC public procurement procedures.
- Ensure the fair and equitable treatment of all persons who deal with the procurement system

PPB RULES

“The underlying purposes of these Rules are to simplify, clarify and modernize the law governing procurement by the City of New York;”

Establish rules and regulations by which Agencies and Elected Officials

- Purchase Goods and Services
- Conduct Contract Bidding
- Select Vendors
- Administer Procurement process

Procurement Overview and Structure

Procurement includes the following:

- 1) Planning
- 2) Description of Requirements
- 3) Solicitations & Selections of Sources
- 4) Preparation & Award of Contracts
- 5) All phases of Contract Administration
 - a) Receipt & acceptance of services
 - b) Evaluation of performance
 - c) Final payment

Procurement steps and the process through completion

Agency identifies a need & plans a procurement

Agency writes solicitation, then releases it

A competition is held

A vendor is selected. A background check of the vendor is initiated & completed

A Contract is negotiated and signed. MOCS, LAW, DOI, DLS and other oversight agencies approve of contracts & related documents

The Contract is registered by the Office of the Comptroller

Methods of Contractor Selection

- **Competitive Sealed Bidding** (preferred Method)

Special Cases

- **Competitive Sealed Proposal** (Request for Proposal or RFP)
- Competitive Sealed Proposal from Pre-Qualified List (PQL) of suppliers
- **Micro Purchases**
- Negotiated Acquisition
- Sole Source Contract
- Emergency
- **Accelerated**
- Innovative products, procurement methods
- Government to Government

Procurement

New Award Methods	Count	Contract Value
Accelerated	106	\$206,175,200
Assignment	76	\$241,934,500
Buy Against	3	\$5,000,100
Competitive Sealed Bid	505	\$4,882,437,800
Demonstration Project	24	\$47,038,900
Listing Application	36	\$219,576,500
Emergency	287	\$994,156,900
Government to Government Purchase	27	\$166,780,200
Innovative	92	\$568,838,000
Intergovernmental	252	\$863,607,400
Line-Item Appropriation	2451	\$332,935,200
M/WBE Non competitive Small Purchases	811	\$110,686,000
Micropurchases	26614	\$123,962,700
Negotiated Acquisition	117	\$1,756,900,200
Request for Proposal	1515	\$12,962,625,600
Required Source or Procurement Method	150	\$903,090,200
Small Purchase	92146	\$402,067,000
Sole Source	63	\$2,224,990,300
Task Order	516	\$469,876,000

Procurement by Size- Fiscal Year 2022

Size of Procurement	Count	% of citywide	Contract Value
Greater than or equal to 0	822	0.6%	***(\$542,976,300)
Less than or equal to \$100,000	125,735	93.4%	\$749,502,400
Less than or equal to \$1,000,000	4403	3.3%	\$1,665,975,400
Less than or equal to \$3,000,000	1656	1.2%	\$3,021,307,900
Less than or equal to \$25,000,000	1866	1.4%	\$13,704,779,300
Greater than \$25,000,000	198	0.1%	\$19,253,881,600
Citywide Total	134,680		\$37,852,470,300

***Negative contract values apply to agency authorized contract amendments or change orders that subtract funds from the original contract amount

Invitation to Bid

- 1) Open to all qualified bidders
- 2) Contract awarded to lowest responsible/responsive bidder.

Those that are able to fulfill all criteria of the contract at the lowest price

How does the Invitation to Bid Process work?

- 1) A comprehensive solicitation will describe the project in detail, including submission requirements, deadlines, project scope, duration, minimum qualifications, service standards and warranties.
- 2) Decision process streamlined by choosing the qualified bidder with the lowest price bid
- 3) Invitation to bid is ideal for major infrastructure projects with vendor having detailed understanding of work involved.

Request for Proposal

Request for Proposal – Announces a project, describes

It and solicits bids from qualified contractors to complete it

- 1) Posted publicly by an organization indicating that bids for contractors to complete project are being sought
- 2) RFP describes the project, its goals, and the organization that is sponsoring it and outlines the bidding process and contract terms.
- 3) Putting out RFP to private and non for profits result in multiple bids and greater insight into alternate ways to accomplish the goals of the project.

Request for proposal

Request for Proposal – Open bidding process most commonly used for social service contracts

- 1) Bidders rated based on objective standards established by the agency
- 2) Bidders must be able to meet tailor made specifications for services sought
- 3) Low bid **only one** of several elements to be considered in making award
- 4) Other criteria: experience of contractor, ability to meet completion deadline, quality of parts used, method of effectuating repairs with minimal disruption to services

Small Purchase Guidelines

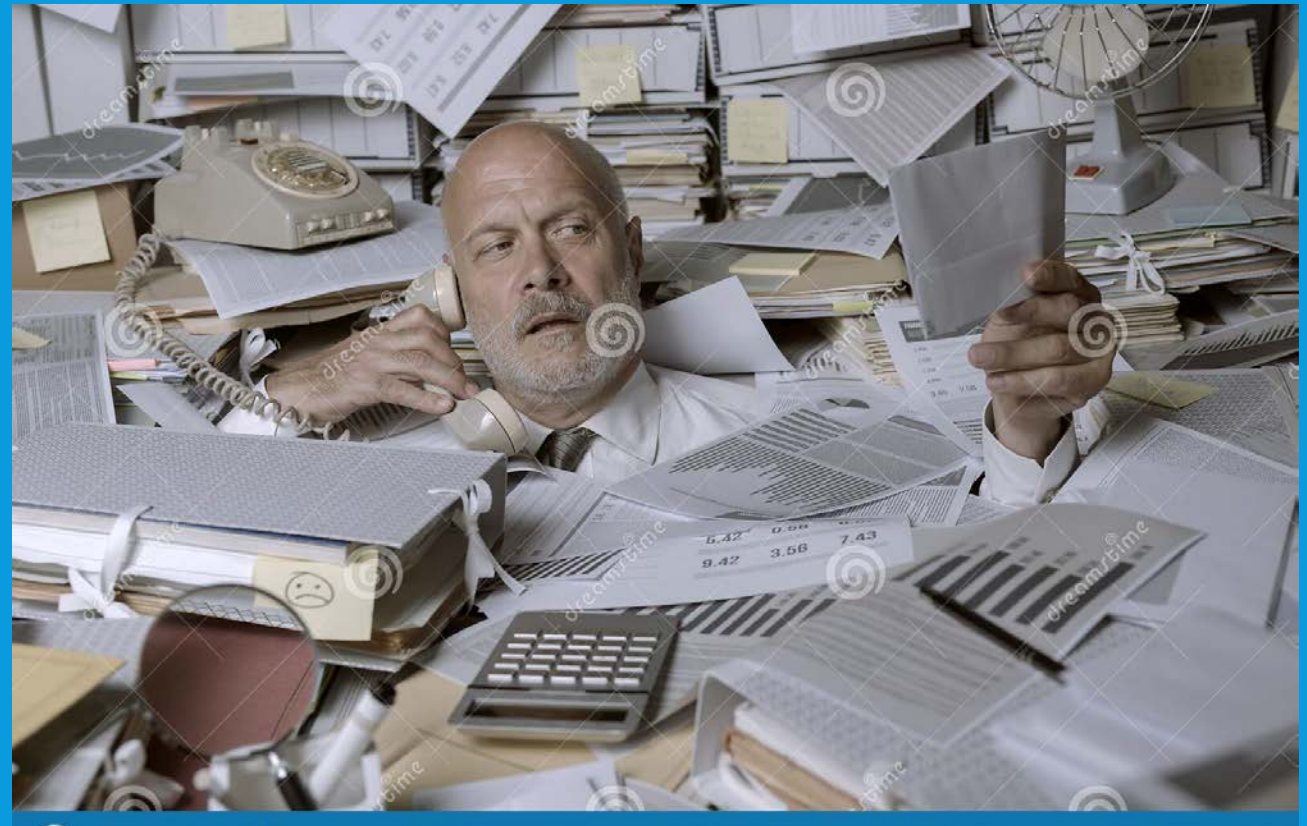
- Purchase Order can be used instead of contract

Small Purchases over \$20,000

- Solicit at least five vendors from prequalified bidders list

Micro Purchases -- \$20,000 or less

- No competition required
- Increased minority businesses awarded contracts, enabling them to develop experience so they can eventually apply for larger contracts.



Negotiated Acquisition

The method of procurement that is used when only a few vendors are available to provide

the goods or services needed, when there is limited time available to procure necessary goods or services, or when a competitive procurement is otherwise not feasible.

- Time sensitive situation requiring quick vendor selection
 - Agency must respond to a court order or stipulation
 - Current supplier of service terminated and it would take too long to put out a new RFP
 - Compelling need that cannot be timely met through Competitive sealed bidding or RFP
- Limited number of suppliers who can provide the service but
- since it is not just one, it is not a sole source situation
- Compelling need to extend contract beyond permissible
- twelve month limit

Other methods of Source Selection

Emergency Procurement – Purchase of items due to unforeseen danger to life, safety, property or a necessary service

Accelerated Procurement – Expedited purchases due to market fluctuations.

- Food, gasoline, heating oil, etc.

Sole Source Contract

Awarded to one person or vendor based on following criteria:

- No one else can provide service
- Additional cost of awarding contract to someone else would be prohibitive

Contract Players

Mayor's Office of Contract Services

- Responsible for the oversight of city contracts
- Directed by the Chief Procurement Officer
- Chief Procurement Officer has delegated power to make and review procurement decisions

Agency Responsibilities

A. Agency Chief Contracting Officer (ACCO)

Position delegated authority by agency head

Responsibilities to organize and supervise the procurement activity of subordinate agency staff in conjunction with City Chief Procurement Officer (CCPO)

B. Agency Heads

Organize and supervise the procurement functions

Make decisions concerning awards and
administration of contracts

Primary Officials Involved in Procurement Process

1. Mayor – Express Responsibilities

2. Comptroller – Audit/Investigate Finances

Agency Compliance Monitor

Register Contracts

3. City Council – Set dollar thresholds requiring formal
competitive procedures

4. Procurement Policy Board

5. Mayor’s Office of Contract Services (MOCS)

a) Responsible for oversight of city contracts

b) Organize & supervise activities of subordinate agency
procurement staff

Primary Officials Involved in Procurement Process

6. Department of Investigation (DOI)

- a) Investigates affairs, functions, accounts, personnel or efficiency of an agency

7. Department of Citywide Administrative Services (DCAS)

- a) Responsible for procurement of goods on city required contracts
- b) Provision of autos, vehicles, communication, energy, and data processing services
- c) Disposition of surplus real property
- d) Acquisition of real property other than housing

Corporation Counsel

1. Attorney and Counsel for the City
2. Sole Authority for language & form individually or by standard type contracts and contract amendments

Office of Administrative Trials and Hearings (OATH)

1. Authority & Responsibility to conduct & adjudicate hearings
2. Hears disputes arising out of the procurement function

SAMPLE QUESTIONS

- Which city agency is responsible for the procurement of goods on citywide contracts?
 - A) NYC Department of Investigation
 - B) NYC Department of Procurement of Goods
 - C) NYC Department of Finance
 - D) NYC Department of Citywide Administrative Services

SAMPLE QUESTIONS

- Which of the following is true of the agencies involved in the procurement process?

A) The Mayor can register contracts once a vendor is found to have the lowest responsible and responsive bid.

B) The Mayors office of contract services can design different types of contracts to meet the needs of the city agency awarding the contract.

C) The NYC Department of Investigation is responsible for investigating allegations of misconduct by a vendor contracted by the city.

D) The City Council can vote to register a contract if vendor is ready to perform the functions of the contract and 90 days have passed since the award date.

SAMPLE QUESTIONS

- Who is permitted to attend a pre-bid conference?
 - A) Vendors never awarded a contract before
 - B) Members of the general public
 - C) Minority owner/women owned businesses
 - D) All of the Above

SAMPLE QUESTIONS

- What is a responsive bidder?
 - A) A vendor who submits his bid on time
 - B) A vendor who returns all phone calls from clients in a timely manner
 - C) A vendor whose bid or proposal conforms to the terms set out by the city in its proposal
 - D) All of the above

SAMPLE QUESTIONS

- The employment vendor Wild Dog has been selected as the winner of the Request for Proposal. How soon can they begin performing the work?
 - A) At the start of the NYC Fiscal Year
 - B) The following month after being awarded the contract.
 - C) When the NYC Comptrollers office registers the contract.
 - D) All of the above

SAMPLE QUESTIONS

- How is a winning Request for Proposal Determined?
 - A) The agency commissioner reviews it and decides the winning bid.
 - B) The proposals are sent out for a voting referendum and the voting public will determine the winner
 - C) An evaluation committee with expertise on procurement rank the proposals and the highest ranking one is awarded the contract
 - D) The New York City Comptrollers office will select the lowest bid and certify the contract.

SAMPLE QUESTIONS

Which of the following are the functions of the Procurement Policy Board?

- A) Set rules governing procurement process in New York City
- B) Oversee performance of contracts and contractors
- C) Set Time Schedules for contract milestones
- D) All of the above

SAMPLE QUESTIONS

Which of the following contract bidding processes is most commonly used for social service contracts?

- A) Sole source contracts
- B) Negotiated acquisition contracts
- C) Request for proposal contracts
- D) None of the above

Sample Questions

The ACCO has just awarded a \$5 million, 4 year social service contract to the organization "*Help the People.*" The contract allows 5% of estimated annual costs for cash advance for start up costs. If the organization had \$5,000 left from the cash advance, then how much total money did they spend on start up cost?

- A) \$5,000
- B) \$245,000
- C) \$4.95 million
- D) \$57,500

Sample Questions

The Department of Sanitation has run out of chains for its trucks to use during a dangerous snow storm in New York City. Historically, due to the exact measurement of the chains relative to the trucks used, one vendor had been used for past purchases. As an analyst, what would be the proper method to procure the purchase of chains?

- A)** Request for Proposal
- B)** Sole Source Process
- C)** Responsible Bidding Process
- D)** Emergency Procurement Process