



NEBRASKA
Administrative Services
Materiel/Purchasing Division

SPECIFICATIONS: BEST PRACTICES

Nebraska State Purchasing Bureau

What is a Specification?

- ▶ “Specification (often abbreviated as spec) may refer to an explicit set of requirements to be satisfied by a material, design, product, or service.” (Wikipedia)
- ▶ “A specification is a type of a standard which is often referenced by a contract or procurement document. It provides the necessary details about the specific requirements....It is vital for suppliers, purchasers, and users of materials, products, or services to understand and agree upon all requirements.” (Wikipedia)

Specifications Are The Yardstick

- ▶ Specifications are the yardstick by which procurements are bid and contracts or purchase orders established.
- ▶ Specifications are the technical descriptions of the goods sought by the state agency user or users.
- ▶ Specifications are written to maximize competition, but maintain standards for needed equipment or supplies.

I Need To Write a Specification...Where Do I Start?

- ▶ Previously issued ITBs and/or RFPs can be helpful when creating new specifications. However, be aware that changes may have occurred since the example was created, which in turn may alter the provisions that should be included. If in doubt about the most current template or boilerplate, please check the SPB website.
- ▶ Good specification creation may be the single most important factor for obtaining the best desired results for any procurement project.
- ▶ No one buyer (or agency user) can be an expert on every single type of good or service encountered. Having a set of guidelines to ensure thorough but non-exclusionary specifications is fundamental.

Remember Journalism Class?

- ▶ **Who** – will be using the goods or service?
- ▶ **What** –does the good or service consist of? How can that be described or delineated?
- ▶ **When** – what time period is needed?
- ▶ **Where** – where will the goods or service be delivered or performed? Are there delivery limitations?
- ▶ **Why** – what is the good or service needed? Being able to describe the "Scope" helps define the project for bidders.

Specifications Should Be:

- ▶ **Simple**
Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy the need.
- ▶ **Clear**
Use standard terminology, correct spelling and appropriate sentence structure.
- ▶ **Accurate**
Use units of measure compatible with industry standards. All quantities and packing requirements should be clearly identified.
- ▶ **Competitive**
Specifications should be broad enough that a minimum of three manufacturers, makes, or models (whenever possible) will satisfy the need. Avoid unnecessary "extras" that could reduce or eliminate competition and increase costs. Consider "extras" as options to be bid separately from the main product. The goal is to maximize competition!
- ▶ **Flexible**
Specifications should be generic enough to allow for minimums, maximums or approximations to encourage competition when possible.

Who Writes Specifications?

- ▶ The using agency is the source for technical specifications, especially for those contracts or purchase orders that are agency-specific. Statewide contracts may have input from multiple agencies.
- ▶ State Purchasing Bureau (SPB) cannot write specifications for an agency, but SPB will help review and refine specifications with the agency stakeholders.
- ▶ Agencies must bear in mind that SPB's role is to ensure maximum competition. Any request to broaden specifications is asked with that in mind.

Specifications – Development

- ▶ Written to encourage competition.
- ▶ Satisfy a need at an economical Cost –no unnecessary frills.
- ▶ Specifications are Public Records – posting ITBs/RFPs allows the public (and bidders) to see what is necessary for the State's business needs.

ITB Specification Building Blocks



Standard Terms & Conditions

- ▶ Included with all commodity Invitations to Bid
- ▶ Requests for Proposals – the “boilerplate” contains the Standard Terms and Conditions for Services
- ▶ The “basics” that afford the State maximum protection; reviewed by Legal.
- ▶ Must not be changed or altered by an agency without AS Legal review.

Standard Terms & Conditions from ITB Boilerplate

STANDARD CONDITIONS AND TERMS OF BID SOLICITATION AND OFFER Invitations to Bid and Contract Awards
 It is the responsibility of the bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address: <http://www.das.state.or.us/stateitdbidprocurement/purchasing.htm>

SCOPE: These standard conditions and terms of bid solicitation and acceptance apply in the form to this inquiry and to any subsequent contract resulting therefrom. Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder. F.O.B. destination named in the invitation to bid. No additional charges will be allowed for packing, packaging or partial delivery costs. When an arithmetic error has been made in the submitted bid, the unit price will govern.

EXECUTION: Bids must be signed in ink by the bidder on the State of Oregon's Invitation to Bid form. All bids must be typewritten or in ink on the State of Oregon's Invitation to Bid form. Erasures and alterations must be initialed by the bidder in ink. No telephone or voice bids will be accepted. Failure to comply with these provisions may result in the rejection of the bid.

FACSIMILE DOCUMENTS: The State Purchasing Bureau will only accept facsimile responses to Invitations to Bid on bids under \$25,000 and up to ten (10) pages. However, the only sealed bids containing facsimile pages are acceptable. No other facsimile solicitation responses will be accepted for a commodity contract.

VALID BID TIME: Bids shall be for a minimum of sixty (60) calendar days after the opening date, unless otherwise stipulated by either party in the invitation to bid.

DISCOUNTS: Three percent shall be inclusive of A.I.L. trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the bid. Cash discount periods will be computed from the date of receipt of a properly executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

PAYMENT: Payment will be made by the responsible agency in conjunction with the State of Oregon's Prompt Payment Act 81-2401 through 2408. The State may require that payment be made electronically instead of by state warrant.

COLLUSIVE BIDDING: The bidder guarantees that the prices quoted have been arrived at without collusion with other eligible bidders and without effort to preclude the State of Oregon from obtaining the lowest possible competitive price.

Special/Additional Terms & Conditions

- ▶ The “specifics” for the commodity or service
- ▶ Section III narrative within an RFP
- ▶ May include clauses that describe the expected standards of behavior or product provision by the contractor
- ▶ Designed to give bidders the fullest possible picture so that solid, usable bids or proposals are received.

Special/Additional Terms & Conditions - Examples

Bituminous Cold Patch Material - Bulk Specifications 4749 OF

SCOPE

It is the intent of this bid invitation to establish a contract to supply and deliver **Bulk Bituminous Cold Patch Material** to NDOR area locations throughout the State of Nebraska upon request per the attached terms, conditions and specifications from date of award through August 18, 2015, with the option to renew for one (1) additional one (1) year period when agreed upon by both parties. The State reserves the right to extend the period of this contract beyond the end date when mutually agreeable to the vendor and the State of Nebraska.

ORDERS (DELIVERY and/or PLANT PICK UP)

Orders will be placed on an as needed basis. Purchasing staff will place orders for full truckloads of bulk material for delivery, F.O.B. Destination, to the location indicated at the time of the order.

Orders for pick-up of bulk material will be placed by district personnel and scheduled with the Contractor for pick-up at the designated plant location.

Orders for delivery or pick-up will be placed either by phone or e-mail, stating the location, quantity and purchase order number. All orders must reference a purchase order number and the purchase order number must be referenced on the packing slip, and invoice.

Special/Additional Terms & Conditions - Examples

GRAY MARKET PRODUCTS PROHIBITION

The State of Nebraska will not accept Gray Market Products for this solicitation. Gray Market is defined as the trade of a commodity through distribution channels which, while legal, are unofficial, unauthorized, or unintended by the original manufacturer. Gray Market items are not designed to be sold in a particular market and cannot be supported by the authorized importer because of various reasons.

AUTHORIZED DEALER AND WARRANTY

To the extent required by the manufacturer, the Bidder shall be an authorized dealer. Bidder may be required to substantiate that he/she is an authorized dealer. Proof, if required, must be submitted to the State Purchasing Bureau within three (3) days of the request and prior to the award of any contract. The terms of the original manufacturer's standard warranty shall apply to all equipment acquired from this solicitation for the entire warranty period.

DELIVERY

Delivery is to be between 9:00 AM and 3:00 PM (CST), Monday through Friday (excluding State holidays and/or as otherwise directed).

The Department of Roads requires 24-hour advance notice of delivery to Fleet Management at (402) 479-4319 or 4323. Deliveries must be clearly marked with the purchase order number. If delays in delivery are anticipated, the contractor will immediately notify the buyer at the Department of Roads of the expected delivery date. The order may be canceled if the delivery date is unsatisfactory, and the State may procure items from other sources and the contractor may be held responsible for any/all access cost. Deliveries quoted beyond 60 days may be an award consideration.

At the time of delivery, a designated State of Nebraska employee will sign the "invoice/packing slip". This signature will only indicate that the order has been received and that the items actually delivered agree with the delivery invoice. This signature does not indicate all items were received in good condition and/or that there is not possible hidden damage. Deliveries must be clearly marked with the purchase order number.

Units are to be bid F.O.B. Destination for delivery at 5001 South 14th Street, Lincoln, Nebraska.

Special/Additional Terms & Conditions - Examples

Procedure for Pre-Approval/Pre-Qualification

If a vendor/supplier has a product which is not pre-approved by the Department of Roads, the vendor/supplier may contact Brandy Henke, Buyer, NDOR for information concerning the approval process (brandy.henke@nebraska.gov).

Proposed product must pass a field performance evaluation standard consisting of factors such as: 1) the ease of application, 2) material observation during climate changes, 3) durability during road plowing, 4) mild/excessive seasonal weather (i.e., rain and snow), 5) length of time material remains in place, and 6) general requirements listed in these specifications, but not limited to those listed here. Overall testing period for both field performance and Materials & Research review of adherence to these specifications is one full year. If the product is approved, it will have the opportunity for inclusion on the "Approved Brands" list for the next bid solicitation for Bituminous Cold Patch Material.

Special/Additional Terms & Conditions - Examples

SAMPLE(S)
 Samples of inmate work boots, in accordance with the specifications utilizing materials and features as bid, may be required prior to award. Samples of inmate work boots shall be provided at no cost to the State and will not be returned to the bidder upon completion of testing conducted by the Department of Correctional Services. Bidder shall have ten (10) business days to provide sample(s) upon the State's written request. Sample inmate work boot is to be of material and construction as bid. Failure to supply samples and/or sample(s) that do not meet specifications and/or fail any of the protocols/tests as outlined below, may be grounds to reject the bid. Bids may be rejected based on the quality of samples provided. Upon a written request from the State of Nebraska Purchasing Bureau, sample(s) shall be shipped to:

Attn: Buyer, SPB
 State Purchasing Bureau
 1526 K Street, Suite 130
 Lincoln, NE 68509

Receiving hours are between 9:00AM and 4:00 P.M., Monday through Friday (excluding State holidays and / or as otherwise directed).

PERFORMANCE TESTING
 If sample(s) are required prior to award of bid, vendor will be required to submit, at no cost to the State of Nebraska, six (6) pairs for testing. The State will make every effort to limit the number of sizes requested. Wear test samples, if requested, must be received within ten (10) working days of the request. Testing will take place at various Nebraska correctional facilities with one pair of each requested size reserved as a control unit. Testing period will be no more than thirty (30) days. Evaluation criteria for the testing period will include, but not be limited to sizing, construction, quality, wear, comfort, support, and water resistance. Testers will be asked to rate each pair tested on the above criteria listed as poor, fair, good or excellent.

Usage Requirements

- ▶ Estimated Annual Usage for contracts –take the time to analyze the data. SPB can work with the agency to run and discuss usage reports.
- ▶ Solid usage data helps the bidder plan and should save the state money.
- ▶ Usage is typically “estimated” for commodities; services may have either fixed or estimated usage.

Technical Specifications

- ▶ Technical Specifications describe the goods, equipment or supplies in sufficient detail.
- ▶ Not needlessly exclusionary.
- ▶ Ranges are useful and encouraged – “maximum” and/or “minimum” criterions.
- ▶ “Shall” and “Must” are imperatives – use cautiously but precisely.
- ▶ “Should” is a more flexible term; not an imperative.
- ▶ Avoid over-specification; describe the performance standards (what the product is supposed to do) of the good or service.

Factors to Include, As Appropriate

- ✓ Performance requirements (what must it do, how is the work performed)
- ✓ Necessary product requirements (materials used, horsepower, minimum and maximum parameters)
- ✓ Product certifications, professional licenses or required training
- ✓ "Build Inspection" at manufacturer's facility during production, if applicable
- ✓ Space or weight restrictions
- ✓ Who handles the installation
- ✓ What utilities are available

Factors to Include, As Appropriate

- ✓ Warranty (time period, parts and labor, onsite service and repair, extended warranty)
- ✓ Training requirements, instructional and maintenance manuals or DVD's
- ✓ Delivery instructions
- ✓ Quantity needed for one-time purchase; estimated annual usage for contract
- ✓ When and where is it needed
- ✓ Responsibilities (who hooks up the utilities, removes debris, disposes of the old equipment)

Basic Technical Specification Table

YES	NO	NO & PROVIDE ALTERNATIVE	1. SPECIFICATION TITLE
			Insert specification standards here
NOTES/COMMENTS:			

Technical Specification Example

YES	NO	NO & PROVIDE ALTERNATIVE	5. PRODUCTION COMPLIANCE & SUPERVISION
			A. An authorized technical representative from the liquid supplier must be present at every production for quality assurance of the mix at no additional cost to NDOR.
			B. All mix delivered to the NDOR must be accompanied with a Certificate of Compliance, with a second copy to NDOR Logistics, stating the mix meets these specifications.
			C. As a condition of this contract, the successful bidder must agree to furnish on site personnel, at no additional cost, to the Nebraska Department of Roads to assist in resolving problems in event material problems develop.
NOTES/COMMENTS:			

Technical Specification Example

YES	NO	NO & PROVIDE ALTERNATIVE	5. HYDRAULICS
			A. Transmission shall be two (2) speed hydrostatic drives.
			B. Loader's standard hydraulic system shall have a minimum 20 gpm flow rating.
			C. Loader to have an auxiliary high flow hydraulic circuit to operate the stated attachments. System flow requirement to be 35 to 40 gpm @ 3000 psi or 32 to 40 gpm @ 4000 psi. Please specify flow and pressure: _____
			D. Two double acting lift cylinders required.
			E. Single or twin bucket cylinder(s) is acceptable.
NOTES/COMMENT:			

YES	NO	NO & PROVIDE ALTERNATIVE	6. ENGINE
			A. Minimum four (4) cylinder diesel engine to be interim Tier 4 or Tier 4.
			1. Unit to have hand operated throttle.
			B. Minimum 88 net horsepower required at manufacturer's recommended governed speed.
			C. Air cleaner of two (2) stage type with restriction gauge. 1. Pre-cleaner required of Turbo II, Certin brand or OEM rotary injection style pre-cleaner.
			D. Muffler required.
			E. Ethylene glycol or propylene glycol antifreeze protection to minimum 34 degrees below zero Fahrenheit to be furnished in all water-cooled units.
			F. Cold weather starting aid including cartridge or glow plugs shall be included.
			G. Unit shall have a 110 volt engine coolant heater with sturdy-mounted male receptacle with solid spring loaded cover for water cooled units.
			H. State size of fuel tank: _____ gallons.

Technical Specification Example

CLOTHING AND FOOTWEAR:			
YES	NO	NO & PROVIDE ALTERNATIVE	15. SLIPPERS Sampled items will be tested prior to awarding the bid. Will be available for fit and comfort.
			A. Washable Terry Cloth Summer Slipper, closed toe, cushioned sole, ribbed plastic bottom, Women's sizes small-XL (5 1/2-9 1/2), solid pastel colors in white, blue and/or pink.
			
ONE (1) SAMPLE SUBMITTED WITH BID			

Technical Specification Example

YES	NO	NO & PROVIDE ALTERNATIVE	3. AGGREGATE – NOTE: NDOR reserves the right to acquire random samples of the aggregate for testing to determine specification compliance.
			A. The aggregate shall be crushed stone and shall meet the following requirements: Sieve Analysis SIEVE 1/2" (12.5 mm) 3/8" (9.5 mm) #4 (4.75 mm) #8 (2.36 mm) #16 (1.18 mm) #50 (0.30 mm) ASTM C 136 #89 ASTM D 448 PERCENT PASSING 100 90-100 90-95 5-30 0-10 0-5
			B. Soundness Loss (Sodium, 5 cycles), ASTM C 68, 12.0 max.
			C. Los Angeles Abrasion Loss, ASTM C 131, 45.0% max.
			D. Specific Gravity, ASTM C 127, 2.45 - 2.85
			E. Absorption, ASTM C 126, 3.0% max.
			F. Minus 200 Sieve (0.075mm) Wash Loss, ASTM C 117, 2.5% max.
NOTES/COMMENTS:			

Core & Catalog Example

Core items are those with highest usage; Non-Core/Catalog items will be those with usage below 50 pairs annually

ANNUAL USAGE – ALL INMATE WORK BOOTS, CORE & NON-CORE TOTALS
Annual usage figures provided are estimates and are not to be construed as either a minimum or maximum purchase quantity. The orders shall be for the actual quantities of each item ordered by or for any agency during the life of the contract. Vendor shall not impose minimum order requirements.

The Invitation to Bid lists the Core Item Inmate Work Boots, based on the highest typical annual usage.

Men's Size	Women's Size Conversion	Narrow -A	Narrow -B	Regular -C	Regular -D	Wide E	Wide EE	Wide EEE	Wide EEEE
1	3				7				
2	4				6				
3	5				24				
4	6				108*				
5	7								
6.5	7.5				22*				
6	8				42*	1			
6.5	8.5				26*				
7	9				87*	24	12		
7.5	9.5				37*				
8	10				41*	1*	1*		
8.5	10.5				89*	8*	9*	24	
9	11				118*	7*	7*	8*	
9.5	11.5				12	4	10*	7*	1
10	12				163*	4*	2*	8*	2
10.5	12.5				136*	8*	12	39	
11	13				21	6	12*	8*	7
11.5	13.5				5	5	4*	2	20
12	14	2	12	4	198*	1*	9	45	12
13		6	11		78*	2	5	24	3
14			3		18*		1	12	2
15			1		11	26		6	
16									
17									

* = Core Items

Core & Catalog Example

2. NON-CORE LIST PRICING
Prices for Non-Core List Items shall be determined by applying the quoted discount for the item to the manufacturer's current catalog or price list. The percentage discount for the items shall remain firm for the duration of the contract period. Bidder must clearly state the date of the catalog or price list used and provide a copy of the catalog to the State Purchasing Bureau upon request.

The pricing structure, consisting of all pricing formulas and pertinent information, for all non-core items must be clearly defined and documented for future auditing purposes.

The percentage discount rate for Non-Core List items or categories will not decrease during the life of the contract.

A firm percentage rate must be quoted—a range of percentages will not be considered.

Non-Core Categories have been identified as follows:

- Inmate Boots, Sizes 12-17 Widths A through EEEE (excluding core items)
- Inmate Boots, Sizes 7-11 Widths A through EEEE (excluding core items)
- Inmate Boots, Sizes 1-6 Widths A through EEEE (excluding core items)
- Other Footwear, i.e., Shower Shoes, Canvas Shoes, Leather Athletic Shoes, All Sizes

Proper Planning

- ▶ Proper planning is a key factor in conducting a successful procurement.
- ▶ Proper planning includes allowing adequate time for public notice or posting, writing clear and concise specifications , allowing sufficient time for potential bidders to ask questions and prepare a response (taking into account the complexity of the solicitation) and reviewing the bids/proposals.

Thorough Information Gathering Prior to Formal Bid

- ▶ Consider using a Request for Information (RFI) to gather information about the types of goods or services that are available.
- ▶ Certain types of products evolve rapidly; therefore, posting an RFI may provide insight on newer, more efficient products or services that better address agency or project needs.

Pre-Bid Conferences

- ▶ Pre-bid conferences can be very helpful to both agency staff and prospective bidders, particularly with respect to complex procurements.
- ▶ A pre-bid conference provides the prospective bidders and agency staff an opportunity to ask questions and obtain a better understanding of the project scope.

Note: See the PUG Presentation from June 2014 for more details about Pre-Bid Conference processes.

FOB Destination, Freight Prepaid

- ▶ When buying commodities, the standard and recommended practice should be to require that quotes or bids be based on Free on Board (FOB) Destination, Freight Prepaid.
- ▶ This means that there is no additional delivery charge and that title (ownership) does not transfer until the product reaches its destination.
- ▶ This requirement ensures that bids can be evaluated in an equal manner.
- ▶ Further, it ensures that the agency does not assume risk of loss until the product is delivered to the agency and any problems during transport are the vendor's responsibility. *By contrast, title to items purchased Free on Board (FOB) Shipping Point transfers upon shipping and the agency is therefore responsible for any risk of loss or problems during transport.*

Involving Upper Management

- ▶ Even procurements that are limited in scope or are relatively simple have the potential to become controversial.
- ▶ It is recommended that the creation of specifications and final selection of a contractor be reviewed by a management and/or evaluation team, as appropriate, with a broad perspective of the agency's operations and strategic considerations related to the procurement.

Review of Any Additional Terms and Conditions Proposed by Vendors

- ▶ Carefully review any additional terms and conditions that may be proposed by the vendor to ensure that nothing conflicts with the published standard terms and conditions.
- ▶ Any additional terms proposed by the vendor such as limits of liability, indemnification, and warranties, or those that may be detrimental to the state, must be discussed with agency counsel prior to acceptance.

Documentation and File Maintenance

- ▶ Documentation of all phases of the procurement, including communications with bidders or agency program staff, should be included in the procurement records.
- ▶ Correct and thorough documentation is a must.
- ▶ State and agency procurement must be accountable and auditable to maintain the public confidence and ensure that our practices are transparent, open and fair.
- ▶ Contract files should always be maintained with a clear, logical and orderly arrangement of documents.

Confidentiality and Conflict of Interest

- ▶ RFP's – Evaluation Committee members have always been expected to sign and abide by the Confidentiality and Conflict of Interest statement.
- ▶ Commodities – The same signed statement is now required by those at the agency who review and make award recommendations for commodity procurements.
- ▶ Protects the integrity of the process.



Agency-Processed RFP Overview

Nebraska State Purchasing Bureau

What is an Agency -Processed RFP?

- State Purchasing Bureau definition:
 - ❖ **Agency-Processed RFP:** An RFP solicited by the agency following the process established by SPB for procurements in excess of \$50,000.00
- Further Clarification:
 - ❖ Neb. Rev. Stat. §73-504(2) states: "All proposed state agency contracts for services in excess of fifty thousand dollars shall be bid in the manner prescribed by the division procurement manual or a process approved by the Director of Administrative Services. Bidding may be performed at the state agency level or by the division. Any state agency may request that the division conduct the competitive bidding process."

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How do responsibilities compare for an SPB vs. Agency-Processed RFP

	SPB-Processed	Agency-Processed
Identification of project	Agency	Agency
Creation of documents; submission of requisition	Agency	Agency
Review of RFP	SPB	SPB
Finalization of all documents	SPB	Agency
Posting of documents (Mandatory =>\$0,000)	SPB	SPB
Solicitation Letters (Creation and Mailing)	SPB	Agency
Public Notice Announcement	SPB	Agency
Question and Answer Period	SPB	Agency
Pre-Proposal Conference	SPB	Agency
Proposal Opening	SPB	Agency
Evaluation	Agency	Agency
Intent to Contract	SPB	Agency
Contract Finalization	SPB	Agency
Certificate of Insurance, Secretary of State, and Performance Bond	SPB	Agency
Contract Preparation and Signing	SPB	Agency
Contract Administration	SPB	Agency
Contract Management	Agency	Agency

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Are there multiple types of Agency-Processed RFP's?

- There are three (3) types of RFPs that may be used depending on the nature of the project:
 - Standard - most common type of RFP; used to evaluate a service or a product/service combination based on technical, corporate, and financial factors.
 - Cost Only - does not consider technical or corporate factors in the evaluation; used to procure services based solely on price.
 - Cafeteria/Vending - used to procure cafeteria or vending services where rent payments are made to the State; involves preference considerations for blind vendors that may affect the evaluation process; Game & Parks and the University of Nebraska are exempt from considering the preference for blind vendors under Neb. Rev. Stat. §71-8611.

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What are the basic steps of an Agency-Processed RFP?

1. Agency defines services needed
2. RFP process selected
 - a. O3 requisition and RFP documents submitted in PFC
 - b. RFP finalization
 - c. RFP advertisement
 - d. Question and answer period
 - e. Receipt of proposals
 - f. Evaluation process
 - g. Contract award

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What occurs between an O3 requisition submission(a) and RFP Finalization(b)?

- ▶ SPB Supervisor assigns to SPB buyer to review
- ▶ Buyer contacts agency to inform them they have been assigned the RFP and request the agency's six (6) digit billing code and business unit
- ▶ If IT related, the buyer ensures OCIO approval
- ▶ Buyer reviews the document utilizing track changes on the submitted RFP document and/or Agency Processed RFP Pre-Review Check List
- ▶ Buyer contacts agency to review the RFP and associated documents
- ▶ Buyer notifies SPB Supervisor that the agency review is completed and the O3 needs approved in E1.
- ▶ SPB Supervisor approves O3 document in E1 and notifies agency that they can proceed

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Note(s) of Interest:

▶ **73-504. Competitive bidding requirements.**

Except as provided in section [73-502](#):

- ▶ (1) All state agencies shall comply with the review and competitive bidding processes provided in this section for contracts for services. Unless otherwise exempt, no state agency shall expend funds for contracts for services without complying with this section;
- ▶ (2) All proposed state agency contracts for services in excess of fifty thousand dollars shall be bid in the manner prescribed by the division procurement manual or a process approved by the Director of Administrative Services. Bidding may be performed at the state agency level or by the division. Any state agency may request that the division conduct the competitive bidding process;
- ▶ (3) If the bidding process is at the state agency level, then state agency directors shall ensure that bid documents for each contract for services in excess of fifty thousand dollars are pre-reviewed by the division and that any changes to the proposed contract that differ from the bid documents in the proposed contract for services are reviewed by the division before signature by the parties;
- ▶ (4) State agency directors, in cooperation with the division, shall be responsible for appropriate public notice of an impending contractual services project in excess of fifty thousand dollars in accordance with the division's procurement manual and sections [73-501](#) to [73-510](#); and
- ▶ (5) State agency directors, in cooperation with the division, shall be responsible for ensuring that a request for contractual services in excess of fifty thousand dollars is filed with the division for dissemination or web site access to vendors interested in competing for contracts for services.

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Can the RFP process be summarized?

- ▶ An RFP is a complex, multi-step process, each leading towards a contract. Some of the steps are optional depending on the nature of the project. Agencies should contact their agency procurement contact or SPB early in the process for guidance and assistance in making decisions regarding the optional components.
- ▶ The process summarized at a high level may include the following eighteen (18) steps:

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Step 1

- Initiate the Project
 - Define the project goals
 - Develop a plan for reaching the goals
 - Evaluate if an RFP is the best procurement tool to use, and which RFP format best suits the project
 - Obtain necessary management approvals
 - Organize the manpower necessary to carry out the RFP process

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Step 2

- Establish the Core Requirements
 - Incorporate all special legal requirements (special licenses, certifications, etc.)
 - Determine minimum standards that will be acceptable
 - Determine any special terms and conditions
 - Establish budgetary considerations/constraints

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Step 3

- Establish the Evaluation Criteria – For more in-depth information, please see the **RFP Evaluation & Scoring Manual for Services**
- Establish how the proposals will be evaluated
 - Identify the major criteria that are critical to the success of the project
 - Commonly used criteria include (but are not limited to):
 - Company qualifications
 - Relevant experience
 - Quality of work
 - References
 - Service
 - Physical facilities
 - Key staff and support personnel
 - Cost
 - Technical capabilities
 - Proposed Timelines

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Step 3 (Continued)

- Detail how much each criterion is worth
 - Each RFP section must be stated in the form of specific points.
 - The importance of each criterion and the points given to each will largely depend on what the agency desires from the resulting contract.
 - Cost Proposals should constitute at least 20% or more of the total available points.
 - Time constraints may also be a factor in the awarding of a contract.
- Select an Evaluation Committee
 - Select a group of subject matter experts.
 - Explain time commitment.
 - Explain potential conflict of interest issues.
 - Have each committee member obtain necessary supervisory approval for participation and time commitment.
 - Select committee chairperson.
 - Explain restrictions on communication
 - Explain evaluation process

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Step 4

- Submit Required Materials to State Purchasing Bureau
 - O3 requisition in PFC – attach the following:
 - RFP in Word format – http://das.nebraska.gov/materiel/purchase_bureau/agency-info.html
 - Evaluation Criteria – http://das.nebraska.gov/materiel/purchase_bureau/agency-info.html
 - Evaluator Scoring Worksheet – http://das.nebraska.gov/materiel/purchase_bureau/agency-info.html

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Step 5

- Final Preparation of the RFP

Once the agency receives SPB's Pre-Review Checklist and sign off:

- Review boilerplate for SPB suggestions
- Review Section IV (Scope of Work) for consistency and detail
- Ensure the RFP is free, to the extent possible, from ambiguities, inconsistencies, or unduly restrictive specifications, and that all evaluation criteria are in a measurable format
- Ensure that deliverables and cost sheet are aligned
- Establish the Schedule of Events
- Review and finalize evaluation criteria and worksheet – the RFP will not be released without the evaluation pieces being completed

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Step 6

- RFP Release

To make the RFP available to potential bidders, the agency shall:

- Send a hardcopy notification letter to all vendors on the list developed by the agency. SPB recommends a minimum of ten (10) vendors to receive solicitation letters, including incumbent contractor, if applicable.
- Submit final RFP and related forms and/or attachments to SPB for posting on SPB website. Agency may put a link on their website to the SPB website, if desired.
- Public Notice Cover and Announcement are required for all RFP's in excess of \$50,000 including all renewal options. Adequate public notice of an RFP solicitation is required. A public notice must appear in a newspaper of statewide distribution for a minimum of one (1) day. Refer to website for forms at: http://das.nebraska.gov/materiel/purchase_bureau/agency-info.html

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Step 7

- Pre-proposal Conference – OPTIONAL (may include site visit)

- If desired, the agency may conduct a face-to-face or conference call pre-proposal conference for potential vendors. This conference may be either *mandatory* or *optional* for potential vendors to attend, and must be identified as one or the other in the RFP. Mandatory conferences should be used only when necessary.
- The agency procurement contact will conduct the pre-proposal conference.
- Agencies may choose to record the conference, but it is not required.
- A sign-in sheet must be circulated and collected at the conference. A sign-in sheet listing all attendees is *required* for mandatory conferences, as only those who attend a mandatory conference are then allowed to submit a proposal.
- Attendees must be aware that any oral responses to questions at a pre-proposal conference are not binding until they are in writing.
- Typically occurs 10-14 days after release of RFP.

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Step 8

- Question and Answer Period
 - Typically, vendors are provided an opportunity to submit written questions concerning the RFP at least once (some RFPs will have two question and answer periods). A specific deadline for the submission of questions is set out in the Schedule of Events and identified on the front page of the RFP. Subsequent to any Question and Answer Period, if a vendor has additional questions, the vendor may contact the buyer. The State reserves the right to consider additional questions and provide responses provided there aren't any time constraints.
 - Questions are submitted in writing to the agency contact listed in the RFP, who then forwards them to the appropriate internal personnel once the submission deadline has passed. Sometimes, however, questions are forwarded as they are received due to to complexity or time constraints.
 - The agency prepares an Addendum to the RFP for posting on SPB's website (and the agency's website, if desired).
 - Typically, questions should be submitted one (1) or two (2) days after a pre-proposal conference; if no pre-proposal conference is held, the questions should be submitted 10-14 days after the RFP release date.

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Step 9

- Final Preparations/Receipt of Proposals
 - Prior to the opening date, the RFP evaluation committee must make the final preparations for the evaluation process, including scheduling any necessary meetings and appointing a project lead to compile the scores of all the evaluators.
 - All proposals must be received at the location and by the date and time indicated on the RFP form. *Late proposals will not be accepted, regardless of cause.* Late proposals will be considered invalid and returned to the bidder unopened.
 - The proposals will be distributed to the evaluation committee after the agency contact has reviewed them for compliance with the mandatory requirements.
 - The proposals will be available for public viewing:
 - At the opening, or
 - After the Intent to Award has been posted, by submitted a Public Records Request.
 - **No proposals will be available for viewing during the evaluation period.**
 - Proposals made available to the public will have all confidential/proprietary information removed.
 - Once the proposal opening has concluded, proposals are not available for public viewing until the Intent to Award has been issued.

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Step 10

- Opening Date
 - Anyone may attend the opening.
 - At the opening, the agency contact will examine the proposals for conformance with mandatory requirements and for any proprietary/confidential information.
 - If any proprietary/confidential information is present and properly packaged, the agency contact will remove said material while making the remainder of the proposal available for anyone in attendance.
 - **Once the proposal opening has concluded, the proposals will not be available for public viewing until the Intent to Award has been issued.**
 - Evaluation Criteria and Proposal Respondents is sent to SPB for posting to SPB website.

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Step 11

- Distribution of Proposals
- ▶ The proposals will be distributed to the evaluation committee after:
 - The agency contact has reviewed all submissions for confidential/proprietary information.
 - The proposals have been scanned and/or copied per agency's instructions.
 - The evaluation committee will receive its required copies, including the confidential/proprietary information, after the agency contact has discussed the proper procedure for handling such information with the committee.
 - A Declaration Concerning Conflict of Interest and Confidential Information has been signed and turned in by each member of the evaluation committee or those involved in any action related to the RFP, including but not limited to, research, RFI, development of the RFP and evaluation criteria, etc.
http://das.nebraska.gov/materiel/purchase_bureau/agency_info.html
 - The form ensures that there is no conflict of interest with any person involved in the RFP process.
 - If confidential/proprietary materials are received as part of a proposal, the form advises the evaluation committee members that they must maintain the confidentiality of these documents during and after the RFP evaluation process.
 - If there are any questions about a potential conflict of interest, legal counsel should be consulted.
 - Release of confidential/proprietary information could lead to disciplinary action or monetary damages against any individual who fails to keep the information confidential.
 - This form must be signed, collected, and returned to the agency contact along with completed evaluation documents.

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Step 12

- Evaluation Process
 - Prior to scoring each proposal, the evaluation committee should meet to discuss the evaluation process so that each member of the committee has a clear understanding of the scoring process and how points are assigned based on the evaluation criteria.
 - Scoring is to be done on an individual independent basis. Proposals should be scored independently from each other. An evaluation should not compare one proposal against another. It also is important to remember that an evaluator should not score a vendor's proposal on how they have seen or heard a vendor perform in the past. Evaluation and scoring is based upon the response to the RFP requirements. Evaluators should not discuss the scoring amongst themselves or with anyone else until after the score sheets have been turned in.
 - Any questions that arise during the scoring period should be directed to the agency contact person.
 - Clarification to and RFP response may be sought in order to score the response.
- Clarification
 - Vendor cannot change substance of response and cannot alter cost to the State.
 - Happens prior to intent to award.
 - Allows state to remove confusion regarding a vendor response for the purpose of evaluation.
 - Information provided by vendor for the purpose of clarification, if relied upon by the State for the purposes of an award, is binding upon the vendor.
 - The score sheets are collected by an agency representative and entered into the Final Evaluation Document. Documents are checked for accuracy. Agency provides letter of intent to Award to SPB for posting on SPB website.
- ▶ Any requests for clarification will be handled by the agency contact. Evaluation committee members discuss any questions of this type with the agency contact person, who will then work with the bidder(s) to obtain the needed clarification.

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Step 13

- Oral Interviews/Demonstrations – OPTIONAL
- ▶ The evaluation committee may decide to request that highest scoring bidders make an oral presentation and/or demonstration to the Committee.
 - The agency selects the appropriate version of the Oral Interview Letter (see http://das.nebraska.gov/materiel/purchase_bureau/agency_info.html for all three (3) versions). Questions to be asked at the Oral Interview are sent to the bidder(s) with the Oral Interview Letter. The agency may request that the bidder(s) respond to the questions in writing as well as during the presentation.
 - Agency develops a scoring worksheet for the Oral Interviews.
 - The agency contact conducts the Oral Interviews, including making presentations and handling the question and answer time. No informal conversations between the bidder and evaluators and/or state staff are permitted. Only evaluators may ask questions. The State strongly discourages the presence of observers who are not evaluators.
 - The Evaluation Committee turns in the score sheets to the agency contact after each presentation.

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Step 14

- References – OPTIONAL
 - The Evaluation Committee may decide to do a reference check on any/all of the bidders.
 - See Reference Check Worksheet, http://das.nebraska.gov/materiel/purchase_bureau/agency-info.html
 - The State has the right to disqualify a bidder based on negative references.

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Step 15

- Best and Final Offer (BAFO) – OPTIONAL
- ▶ A BAFO is used to clarify the Cost Proposal section of the RFP only. If a bidder also submits other parts of the RFP response with changes, those changes are not considered.
 - Agency develops BAFO letter. This letter establishes an opening date and time for the BAFO.
 - The BAFO is conducted exactly like a Proposal Opening.
 - The BAFO must contain a Question and Answer Period in order to respond to questions that BAFO participants may have regarding the BAFO Instructions or content.
 - A BAFO response must be returned by the vendor by the date and time indicated in the BAFO instructions, even if there are no changes to the vendor's proposal response. Failure to do so may be cause to reject vendor's proposal and disqualify from further evaluation and consideration.
 - A BAFO will be evaluated, scored, and ranked by the Evaluation Committee and replaces the original cost score of each vendor requested to submit a BAFO.

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Step 16

- Final Evaluation Document
 - The Final Evaluation Document is completed using the proposal scores. If Oral Interviews were held, those scores are added in. If a BAFO was done, those scores are used in place of the original Cost Proposal scores.
 - The Final Evaluation Document and the Letter of Intent to Contract are sent to SPB for posting on their website. Agency may put a link to SPB website on their website, if desired.
- ▶ Copies of each evaluator's worksheet and any other pertinent information must be maintained in the file.

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Step 17

- Letter of Intent to Contract
 - Once the agency has verified the scores and confirmed the selection, the Letter of Intent to Contract is prepared.
 - The Letter of Intent to Contract and the Final Evaluation Document are posted to SPB's website.

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Step 18

- Contract Finalization
 - The agency sends a letter to the selected contractor with instructions concerning the required documentation.
 - Nebraska Secretary of State Registration - any bidder awarded a contract must be registered and in good standing with the Nebraska Secretary of State, and must submit a Letter or Certificate of Good Standing dated within 90 days.
 - Performance Bond - if a performance bond was required by the RFP, the selected contractor will submit it at this time.
 - Certificate of Insurance (COI) - a current, compliant COI must be received by the Agency before the contract award can be finalized.
 - If the vendor is an individual or sole proprietorship, the vendor must complete the United State's Attestation form. Vendor should return this form with their proposal.
 - If the selected contractor took any exception(s) to any of the Terms and Conditions, the agency works with the contractor and internal legal counsel to reach a document acceptable to both parties.
 - A contract may not be signed until all required documents have been received and determined compliant.
 - The agency and the contractor may not have any other contact, nor may any work begin, until the contract is fully executed.
 - Negotiation may be necessary during contract finalization.
 - Post Award between the state and the awarded vendor for the purposes of finalizing terms and conditions of the contract.
 - Negotiations cannot increase cost to the state, nor can it materially alter the RFP specifications or broaden the RFP beyond its original intent and scope.
 - If State is unable to finalize terms and conditions of the contract through negotiations, the State reserves the right to reject a vendor's bid; to withdraw the intent to award and to award to the next high scoring vendor or reject all proposals.
- If the final contract is different than the original RFP, the final unsigned contract must be reviewed by SPB prior to signing the contract.

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PROOF OF NEED ANALYSIS

Nebraska State Purchasing Bureau

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When is Proof of Need Analysis Required?

- ▶ This requirement applies to all service contracts with a dollar amount in excess of \$15 million unless otherwise exempted.
- ▶ **Dollar Amount: In Excess of \$15 million:**
 - This amount is inclusive of estimated expenditures during the term of the contract, including all optional renewal periods specified in the contract.
Note: This amount is not representative of a single year's expenditures.
 - **Examples:**
 - If the proposed contract has an original term of three years and two additional one year renewal options, the dollar amount would include projected expenditures for all five years.
 - If the proposed contract has an original term of five years and three additional one year renewal options, the dollar amount would include projected expenditures for all eight years.

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Contracts Not Requiring Proof of Need Analysis

- Contracts for goods or commodities
- Contracts for services with a dollar amount of less than \$15 Million
- Contracts for services exempted by § 73-507(2):

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Contracts Not Requiring Proof of Need Analysis Continued....

- ▶ Contracts for services subject to the Nebraska Consultants' Competitive Negotiation Act;
- ▶ Contracts for services subject to federal law, regulation, or policy or state statute, under which a state agency is required to use a different selection process or to contract with an identified contractor or type of contractor;
- ▶ Contracts for professional legal services and services of expert witnesses, hearing officers, or administrative law judges retained by state agencies for administrative or court proceedings;
- ▶ Contracts involving state or federal financial assistance passed through by a state agency to a political subdivision;

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Contracts Not Requiring Proof of Need Analysis continued....

- ▶ Contracts with a value of fifteen million dollars or less with direct providers of medical, behavioral, or developmental health services, child care, or child welfare services to an individual;
- ▶ Agreements for services to be performed for a state agency by another state or local government agency or contracts made by a state agency with a local government agency for the direct provision of services to the public;
- ▶ Agreements for services between a state agency and the University of Nebraska, the Nebraska state colleges, the courts, the Legislature, or other officers or state agencies established by the Constitution of Nebraska;
- ▶ Department of Insurance contracts for financial or actuarial examination, for rehabilitation, conservation, reorganization, or liquidation of licensees, and for professional services related to residual pools or excess funds under the agency's control;

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Contracts Not Requiring Proof of Need Analysis continued....

- ▶ Department of Roads contracts for all road and bridge projects;
- ▶ Nebraska Investment Council contracts; and
- ▶ Contracts relating to loan agreements executed prior to July 1, 2007 under the Nebraska Medical Student Assistance Act or the Rural Medical Systems and Professional Incentive Act.

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Required Content for Proof of Need Analysis

- ▶ When submitting a Proof of Need Analysis to the Materiel Division, the submitting agency is required to provide the following information:
 - A description of the service that is the subject of the proposed contract
 - The reason for purchase of the service rather than the use or hiring of state employees, including, but not limited to, whether there is an administrative restriction on hiring additional state employees
 - A review of any long-term actual cost savings of the contract and an explanation of the analysis used to determine such savings

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Required Content for the Proof of Need Analysis continued.....

- An explanation of the process by which the state agency will include adequate control mechanisms to ensure that the services are provided pursuant to the terms of the contract, including a description of the method by which the control mechanisms will ensure the quality of services provided by the contract
- Identification of the specific state agency employee who will monitor the contract for services for performance
- Identification and description of whether the service requested is temporary or occasional. Temporary is defined as "a finite period of time with respect to a specific task or result relating to a contract for services." Occasional is defined as being "seasonal, irregular or fluctuating in nature".
- An assessment of the feasibility of alternatives within the state agency to contract for performance of the services

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Required Content for the Proof of Need Analysis continued.....

- A justification for entering into the contract for services if the proposed contract will not result in cost savings to the state; and the public's interest in having the particular service performed directly by the state agency exceeds the public's interest in the proposed contract
- Any federal requirements that the service be provided by a person other than the state agency
- Demonstration by the state agency that it has taken formal and positive steps to consider alternatives to such contract, including reorganization, reevaluation of services, and reevaluation of performance
- A description of any relevant legal issues, including barriers to contracting for the service or requirements that the state agency contract for the service.

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Certification Process

▶ Incorporating the Proof of Need Analysis into the Procurement Process

- The Proof of Need Analysis is a detailed review of steps to be completed by an agency as they make the business decision to secure a service contract with a dollar amount in excess of \$15 million.
- Some elements of the analysis should be completed before the agency commits to an effort to secure the proposed contract. Other components such as the financial comparison of actual savings may only be completed after bids have been received and evaluated as part of the Request for Proposal (RFP) formal sealed bidding process.

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Analysis Form and Format

- A Proof of Need Analysis Template is available for use by submitting agencies. The template contains a listing and description of required elements.
- Submitting agencies may submit their Proof of Need Analysis without using the template. However, all submissions must provide information for each required element. Submissions without information clearly identified for each required element will prolong the review period.

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Required Submittals

- ▶ The agency seeking to enter into a service contract in excess of \$15 million is to submit to the Administrative Services – Materiel Division (Materiel Division):
 - The completed Proof of Need Analysis
 - A copy of the proposed Contract

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Materiel Division Certification

- ▶ Certification of receipt means all information required in the Proof of Need Analysis and a copy of the proposed contract has been provided to the Materiel Division by the submitting agency.
- ▶ The Materiel Division will provide the submitting Agency Director and point of contact a letter stating the date the Proof of Need Analysis was received and that a response will be provided within the 30 days allowed by statute.

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Materiel Division Response to Agency

- ▶ The Materiel Division shall certify receipt of the Proof of Need Analysis to the submitting agency within 30 days of receipt.
- ▶ If the Materiel Division does not certify receipt of the Proof of Need Analysis, including all other required documentation, it shall inform the submitting agency of the additional information required.

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Post Certification Agency Actions

- ▶ Once the Materiel Division provides the submitting agency with the Certification of Receipt for the Proof of Need Analysis, the submitting agency may enter into the contract
- ▶ The submitting agency shall file the proposed contract, Proof of Need Analysis and proof of Certification of Receipt by the Materiel Division with the Legislative Fiscal Analyst.

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Where to Find Proof of Need Analysis Information

http://das.nebraska.gov/materiel/purchase_bureau/agency-info.html

- ▶ Proof of Need Analysis Guide
- ▶ Proof of Need Analysis Template
- ▶ Proof of Need Analysis Checklist for Agencies

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Questions

Any questions regarding the Proof of Need process, contact:

Brenda Pape, State Procurement Manager or
Pete Kroll, State Procurement Supervisor for Services @
402-471-6500

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Contract Management “Contract Deliverables – Getting it Right”

It's the little details that are vital. Little things
make big things happen.
~John Wooden~

Why Should You Care About How The Data is Entered Into E1?

- ▶ AUDITORS
- ▶ JOHN Q. PUBLIC
- ▶ CONTRACTORS
- ▶ YOU & YOUR AGENCY – SO YOU KNOW THAT YOU ARE GETTING WHAT YOU PAID FOR



The line on the contract that you're releasing from

The Usage Report

The description of the line - Your deliverable as laid out in the contract

Contract#	Code	Line	Description	PO#	Vendor#	Vendor Name	Agency List Stat	Next Stat	Quantity	Unit Cost	Extended \$	
D400044677	93221	1	reg for sec #10639	09334740		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	248	26	6448
D400044677	93221	1	REGISTERED FOR SERV-11081	09337250		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	268	26	6968
D400044677	93221	1	REGISTERED FOR SERV-11892	09339749		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	305	26	7930
D400044677	93221	1	REGISTERED FOR SERV-12558	09345424		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	267	26	6542
D400044677	93221	1	REGISTERED FOR SERV-13013	09349098		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	302	26	7532
D400044677	93221	1	REGISTERED FOR SERVICES	09352257		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	274	26	7124
D400044677	93221	1	REGISTERED FOR SERVICES#16866	09357742		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	387	26	9540
D400044677	93221	1	REGISTERED SVC #0000015183	09362311		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	400	26	10400
D400044677	93221	1	REGISTERED INV# 0000016196	09365014		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	399	26	10376
D400044677	93221	1	REGISTERED #000016801	09370127		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	336	26	8726
D400044677	93221	1	ABMA SVC-REGISTER #0000017472	09376732		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	393	26	7879
D400044677	93221	1	SVC REGISTER #0000016169	09382732		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	310	26	8060
D400044677	93221	1	REGISTERED INV# 18841	09390441		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	261	26	6796
D400044677	93221	1	REGISTERED INV# 19516	09392362		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	245	26	6170
D400044677	93221	1	ABMA INV# 000002032	09397532		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	2038.24	1	2038.24
D400044677	93221	1	REG FOR SVC INV# 20882	09400832		1921832 ALBRE WELLENBINC INC - PURCHAS	25	280	999	287	26	7463
D400044677	93221	1	REGISTERED FOR SERVICES	09404606		1921832 ALBRE WELLENBINC INC - PURCHAS	25	980	999	239	26	6214
D400044677	93221	1	INV #23548	09428125		1869499 ALBRE WELLENBINC INC - PAYMENTS	25	280	999	383	26	10010
D400044677	93221	1	INV #23548	09428125		1869499 ALBRE WELLENBINC INC - PAYMENTS	25	280	999	443	26	11576
D400044677	93221	1	INV #23209	09428125		1869499 ALBRE WELLENBINC INC - PAYMENTS	25	280	999	228	26	5988



This is how line 1 should read according to the contract and RFP -deliverables from RFP must match contract lines!

STATE OF NEBRASKA SERVICE CONTRACT AMENDMENT

State Purchasing Bureau
301 Centennial Mall South, 1st Floor
Lincoln, Nebraska 68508

OR
P.O. Box 94847
Lincoln, Nebraska 68509-8847
Telephone: (402) 471-2401
Fax: (402) 471-2589

PAGE 2 of 2
BUSINESS UNIT 25470160
ORDER DATE 09/18/12
BUYER CONNIE HEINRICHS (AS)
CONTRACT NUMBER 44877 04

VENDOR NUMBER: 1921832
Vendor Contact: Sanford Becker, Executive Vice President
Phone: 208-876-2100
Fax: 208-876-2101

AMENDMENT ONE (1): This is the first amendment of the contract to add \$47,970 to line 3. (06/18/12 dgg)

Line	Description	Quantity	Unit Measure	Unit Price	Extended Price
1	REGISTERED FOR SERVICES	7,485,000	UN	26.0000	194,610.00



Why in the World Does It Matter??

- ▶ Need to know we're getting what we're paying for
- ▶ That the user is not just picking any line and releasing from it

What do you need to see here?

Line No.	Description
1	Reg for sec #10839
1	REGISTERED FOR SERV-11081
1	REGISTERED FOR SERV-11892
1	REGISTERED FOR SERV-12538
1	REGISTERED FOR SERV-13013
1	REGISTERED FOR SERVICES
1	REGISTERED FOR SERVICES#4686
1	REGISTERED SVC #0000015193
1	REGISTERED INV #0000016106
1	REGISTERED #000016801
1	ABRA-SVC-REGISTER #0000017472
1	SVC REGISTER #0000018169
1	REGISTERED INV #1841
1	REGISTERED INV #1918
1	ABRA INV# 0000020202
1	REG FOR SVC INV# 20862
1	REGISTERED FOR SERVICES
1	INV #24961
1	INV #23648
1	INV #22209

NO MORE COPYING & PASTING

SETTING UP THE CONTRACT

- ▶ Anticipate how you are going to pay for it
- ▶ When preparing the RFP, involve those who are preparing the purchase orders
- ▶ Spell it out in the RFP

Parent Number		
Send Invoice to	1921822	ALERE WELLSBERG INC - PURCHASE
2nd Address Number	1921822	ALERE WELLSBERG INC - PURCHASE
3rd Address Number	1921822	ALERE WELLSBERG INC - PURCHASE
4th Address Number	1921822	ALERE WELLSBERG INC - PURCHASE
5th Address Number	1889409	ALERE WELLSBERG INC - PURCHASE
Factor/Supplier Type	1009409	ALERE WELLSBERG INC - PAYMENTS

COMMON MISTAKES

- ▶ DELETING AND PASTING OVER DESCRIPTION #1
- ▶ PAY ATTENTION TO THE DATES OF THE LINES
- ▶ PAY ATTENTION TO THE LINE DESCRIPTION
- ▶ DELIVERABLES SHOULD BE FROM **THIS** CONTRACT ONLY (EXCEPTIONS SHOULD BE DISCUSSED WITH SPB)

DON'T FORGET THESE VERY HELPFUL OPTIONS

- ▶ Multiple Attachments
- ▶ Revisions History
- ▶ Split Coding

ATTACHMENTS

- ▶ Text
1st text attachment always prints
- ▶ PDFs/Excel/Word
Example: Invoice

Revisions History

- ▶ Indicate what was changed
- ▶ Indicate why it was changed
- ▶ Helpful in figuring out what went wrong

Split Coding AKA Account Distribution

- ▶ Not using it requires more work
- ▶ Not using it causes confusion and makes it difficult to see what happened
- ▶ Can do it by % or amount
- ▶ Line stays like it is and split is done behind the scenes

So What Do You Do?

- ▶ Adding line
 - Release the individual items separately
 - It can all still be on the same PO

Expiration Date

Every contract
requires
a valid expiration date
(shows in PFC as "cancel date")

Helpful Tips

- ▶ Close out lines
- ▶ "On-going development services"


