

PROCUREMENT

What is it and Why do I Have to Follow It?



WHY PROCUREMENT IS IMPORTANT

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

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



MONTANA PROCUREMENT ACT



- MCA Title 18, Chapter 4
 - State of Montana – DOA Procurement Guide & Procurement Forms and Templates
 - DNRC – Procurement (DNRC Intranet)
- MCA Title 18, Chapter 8
 - State of Montana Procurement of Services
 - Architectural, Engineering & Land Surveying Services
 - Public Notice
 - RFQ
 - Selection based on qualification and negotiated price

Note: MCA Title 18, Chapter 2 (Construction Contracts) only applies to public contracts. Since this is a private grant program, it does not apply.





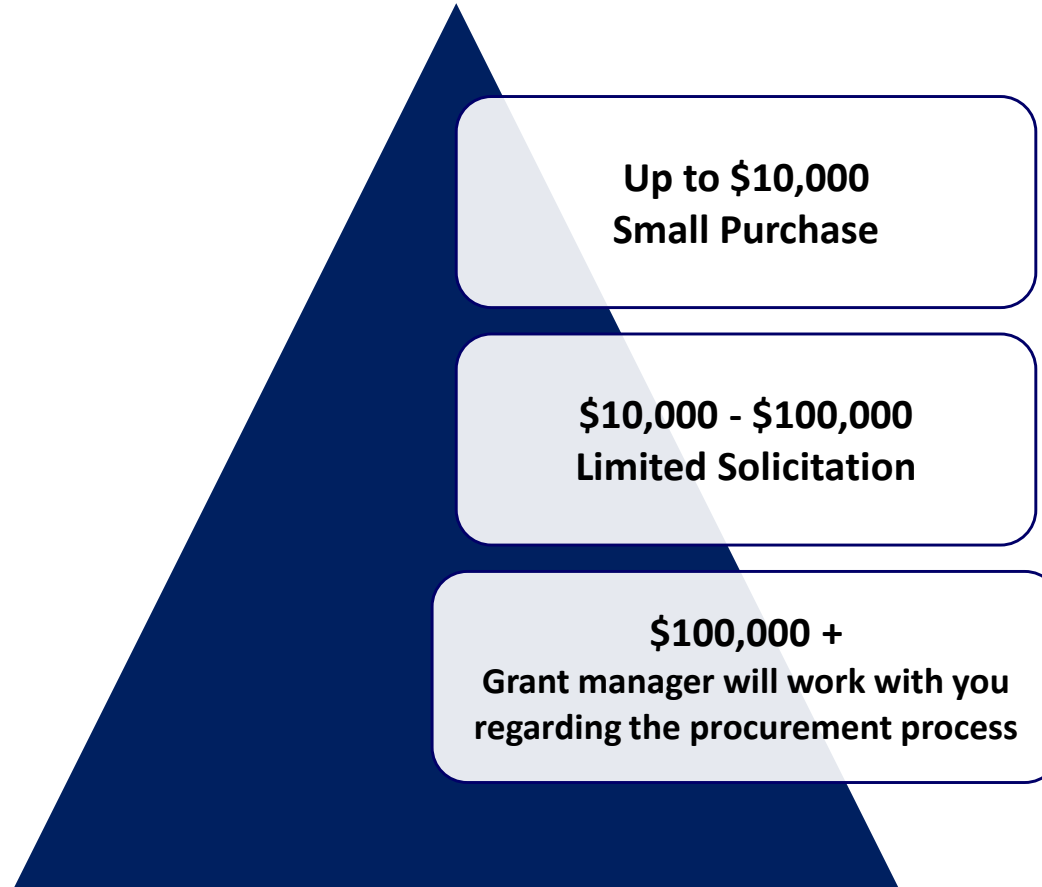
FULL & OPEN COMPETITION



DOCUMENTED PROCESS



STATE OF MONTANA



SMALL PURCHASES



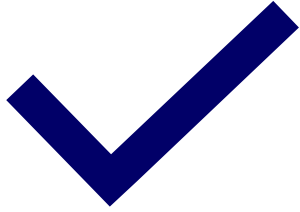
**Direct
Negotiation
With Vendor**

**Shopping
Around Is
Recommended**

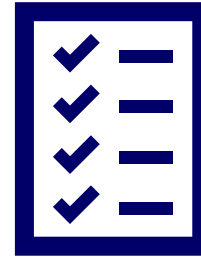
Rotate Vendors



LIMITED SOLICITATION



MINIMUM OF 3 VIABLE QUOTES



RECORD

Vendor list

Complete Product Or Service Description

Delivery Requirements

Other Performance Requirements



LIMITED SOLICITATION WORKSHEET

- Provide a **detailed description** of the product or work to be completed.
- Contact three vendors and request a quote for services.
- **Document all responses in detail and clearly.**
 - You must document three attempts to a vendor before indicating 'no response.'
- Quotes may be received via telephone or email. *It is encouraged that quotes be in writing.*
- Submit completed form to DNRC Grant Manager.
- DNRC will verify that procurement processes were followed. This includes contacting the vendors directly for verification.
- **If procurement procedures are not followed, project is ineligible for grant funds.**



LIMITED SOLICITATION / SMALL PURCHASE WORKSHEET
(Purchases of \$10,000 or more and less than \$100,000)
See section 18-4-305, MCA, and ARM 2.5.603

Grant Recipient: _____
Agreement #: _____

PRODUCT/WORK DESCRIPTION				
	Vendor 1	Vendor 2	Vendor 3	
1. Vendor Name	1.	1.	1.	
2. Contact Person	2.	2.	2.	
3. Phone/Email	3.	3.	3.	
4. Date of Outreach	4.	4.	4.	
Price Quoted	\$	\$	\$	
Vendor Selected				

Three (3) attempts to contact can be considered a quote price of “no response” and no additional attempts are required. Document dates of outreach.

Work should be awarded to the most cost-effective option that can provide the work/supplies required. Items such as shipping charges and travel distances should be included in determination of the most cost-effective option.

EXAMPLE OF RESPONSIVE QUOTE

- SCENARIO:
 - The project includes 4 tasks that you need completed.
 - You have contacted three companies for quotes.
 - Vendor 1 has a quote of \$50,000 for services but can only do 3 of the 4 items you require.
 - Vendor 2 is \$60,000 but can do all 4 of the items you require.
 - Vendor 3 did not respond to your 3 emails requesting a quote.
- RESPONSIVE BIDDER
 - Vendor 2 is your most **responsive** bidder because it can complete the entire project, and you are justified in selecting the higher bidder. ***This is why documentation is so important.***



PROCUREMENT PITFALLS

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



DNRC'S ROLE

- GRANT AGREEMENTS - require compliance with federal, state or local procurement
- Enforcement – show us how you plan to spend the money...legally.
- Questions? Ask us or your attorney.



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