Chapter 14 - Selecting the IT Procurement Method

Chapter highlights

- Purpose: The purpose of this chapter is to provide information technology(IT) purchasing professionals with descriptions of various IT procurement methods and when to use these methods.

- Key points:
  - Fair and open competition is the core concept behind the Virginia Public Procurement Act. The procurement methods available that utilize competition are quick quotes, competitive sealed bidding, competitive negotiation and auctions.
  - There are circumstances where competitive procurements are not practical. There are times when only one supplier is practicably available or when an emergency must be addressed immediately.

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14.0 Introduction

Virginia Information Technologies Agency's (VITA) Authority and Delegation policy can be found at this URL: https://www.vita.virginia.gov/supply-chain/scm-policies-forms/scm- policies/. The policy states: "Use of VITA's statewide contract is mandatory for the acquisition of all IT goods and services. If there is not a VITA statewide contract available for the needed IT good or service, a competitive procurement will be conducted. To browse VITA's statewide contracts, see: https://vita.cobblestonesystems.com/public/.

If an agency determines after searching available statewide contracts that none exist to service its current need, a method must be determined as to how best to procure the desired information technology (IT) acquisition. Procurements that are equal to or exceed $100,000 will either be delegated to the agency or VITA will conduct the procurement on behalf of the agency for statewide use. It is in the best interest of the Commonwealth to maximize supplier competition to the greatest extent possible when making any IT acquisition; however, other methods are available and can be applied as circumstances dictate.

14.1 Competitive procurement methods

Fair and open competition is the core concept behind the Virginia Public Procurement Act, § 2.2-4300(C). Choosing the correct procurement method enables the procuring agency to achieve maximum fair and open competition. The procurement methods available that utilize competition are quick quotes, competitive sealed bidding, competitive negotiation and auctions. The dollar amount, overall complexity and level of risk associated with the IT procurement are factors to consider in choosing the appropriate competitive procurement method. The procurement lead/sourcing specialist or procurement project team (see manual

Chapter 13, Procurement Project Team, for more information, Chapter 13 should define the business need and select which procurement method would be most appropriate for the type of IT product, solution or service desired. An overview of when to use the respective competitive procurement methods is outlined in the following table. Remember that a VITA statewide contract shall be used first, if available, for any procurement method listed in this table (See section 14.0).

Method	When to use	Where to learn more
Quick quotes	• Total procurement value ranges from $10,000-100,000 • Any IT purchases expected to exceed $30,000 in total value require posting a public notice on eVA. Contact VITA at scminfo@vita.virginia.gov for software licenses not available on a statewide contract • Quick quotes up to $10,000 will be set aside for micro businesses, with a minimum of one quote, if available (refer to VITA Policy for Small, Women and Minority Businesses for additional guidelines) • Quick quotes from $10,000 to $100,000 will be set aside for DBSBD-certified small businesses, with a minimum of four quotes, if available (refer to VITA Policy for Small, Women and Minority Businesses for additional guidelines)	eVA Chapter 7
Competitive sealed bidding: Invitation For Bid (IFB)	• Total value of the IT procurement is greater than $100,000. Needs and requirements are clearly defined • Price is the determining factor • Terms and conditions are not complex and are not negotiable • Procurements over $250,000 must be conducted by VITA unless delegated to agency by VITA	Chapter 22
Competitive sealed bidding: IFB or two-step IFBs	• Must have clearly defined requirements with an established threshold for pass/fail • Technical and pricing proposals are evaluated separately • Invite and evaluate technical offers to determine their acceptability to fulfill the requirements • Allows for discussions to clarify the technical offer and requirements • Negotiations are not allowed • Procurement over $250,000 must be conducted by VITA unless delegated to agency by VITA	Chapter 23
Competitive negotiation: RFP	• Total value of the IT procurement is greater than $200,000 • Needs and requirements are complex and/or are not clearly defined; seeking a solution • Price is not the sole determining factor • Terms and conditions are complex and will likely require negotiation	Chapter 24

Method	When to use	Where to learn more
	• Procurement over $250,000 must be conducted by VITA unless delegated to agency by VITA	
Public and online auctions	• Does not apply to software • Contact VITA at scminfo@vita.virginia.gov if interested in procuring IT through an auction including on-line public auctions • Must have CIO approval in advance	Chapter 19
Reverse auctions	• Commercial commodity buys with well-defined specifications and universally accepted standards • Products with a well-qualified and established base of suppliers • Aggregate small buys for multiple users • Must have CIO approval in advance	Chapter 19

14.2 Non-competitive procurement methods exceptions

There are circumstances where competitive procurements are not practical, when only one supplier is available or when an emergency procurement exists. An overview of when to use non-competitive procurement methods is outlined below.

Method	When to use	Where to learn more
Sole source procurements	• There is only one solution practicably available • Product or service is only practicably available from a single supplier • Total value of the IT procurement exceeds $10,000	Chapter 16
Emergency procurements	• There is a serious or urgent situation requiring immediate action to protect persons or property. • Utilize competition to the extent practicable	Chapter 17
Joint and Cooperative procurements (including GSA)	• Can provide expedited acquisition • Other public body's contract must have been jointly and cooperatively procured and allow for purchase by other public bodies • Contract was solicited "on behalf of other public bodies" • Item is not available on an existing statewide contract or available through a DSBSD-certified small business • Supplier must agree to all of VITA's standard terms and conditions • Requires CIO approval	Chapter 20