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## Achieving Local Government “Buy In” of a Complex Purchasing Method

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# Agenda

- Purchasing Methods
  - P-cards
  - Informal Sealed Bids / Request for Quotes
  - Formal Invitations to Bid
  - Invitation to Negotiate
  - Request for Proposals
  - Ways to Buy Stuff



# Agenda (cont'd)

- RFP's
- Board Confusion About RFP's
- Board Challenges with RFP's
- How Does Purchasing Obtain Buy In
- Reasons Why Boards Don't Understand RFP's



# Agenda (cont'd)

- How Purchasing can help Boards to Understand RFP process
- Comparison of Job Recruitment to RFP Process
- Similarities of Job Recruitment to RFP process
- Differences and Similarities between the two methods
- Comparison Summaries



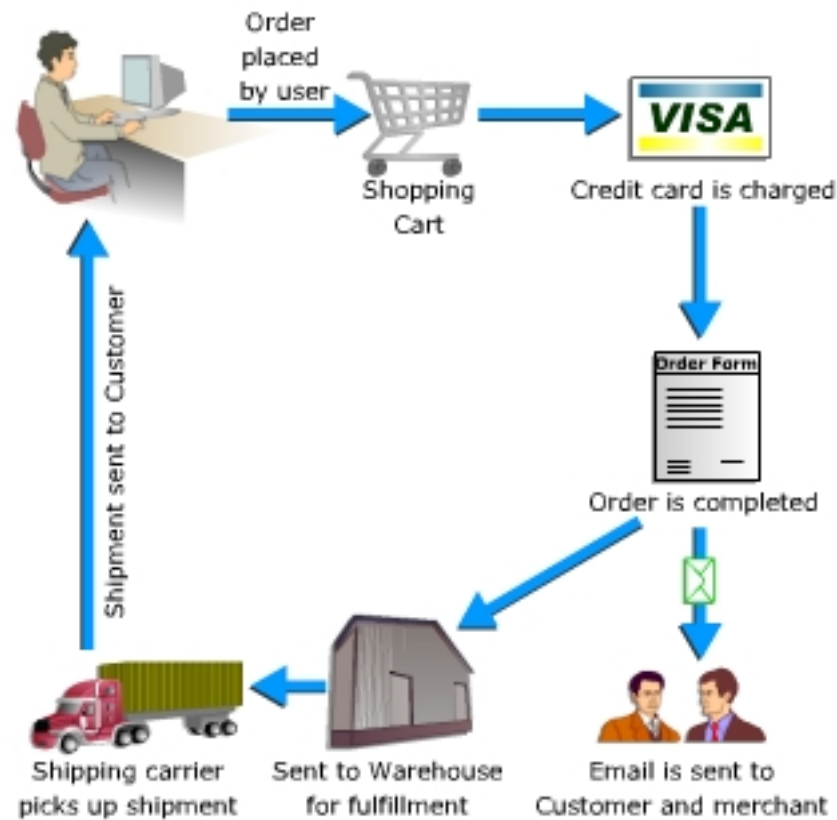
# Purchasing Methods

There are many different purchasing methods in which to acquire goods and services

- P-Cards
- Informal Sealed Bids / Request for Quotes
- Formal Invitation to Bid
- Invitation to Negotiate
- Request for Proposals or RFP's



# Ways To Buy Stuff



## P-Cards

- Governed by P-Card Policy
- Involves training for the card holder
- Generally used to acquire MRO supplies, dues, memberships, subscriptions, airline ticket reservations, hotel / motel reservations, conference registrations, rental cars, etc.
- Payment tool



## Informal Sealed Bids / Request for Quotes

- Usually below the entity's formal bid threshold
- Do not require advertising
- Competition is required
- Simplified terms and conditions
- Is perhaps the most favored type of competition among small and local business
- Generally has a short competitive time-line between issuing the bid / quote and the award or issuance of the purchase order





## Formal Bids

- Requires advertising
- Detailed set of terms and conditions
- May involve a pre-bid conference
- Addenda may be necessary to clarify entity's requirements or to provide additional information to bidding community
- Award is generally made to the most “responsive” and “responsible” bidder



# Invitation to Negotiate

- Involves simultaneous use of competitive negotiations
- A contract of high complexity
- There is an emphasis on new technology with innovative solutions and range of options
- A process of re-engineering may be required
- Price is an important factor but is not the basis of award
- Limited availability of competition
- Multiple options for achieving the desired results



# Request for Proposals

- Developed based on a detailed “scope of services” providing a description of what the entity is seeking to achieve
- Cost is one of many factors / criteria to be evaluated in an RFP submittal but is not the sole determining factor for award
- In addition to cost ..... references, experience, technical expertise, project approach, project team and oral presentation are possible factors to evaluate



# Request for Proposal Cont'd

- Criteria / factors are assigned a weighted value in terms of relative importance
- RFP responses are usually evaluated by committee
- Purchasing is the facilitator of the process
  - Provides all instructions to Evaluation Committee (EC)
  - Issues qualified proposals for review to EC
  - Obtains confidentiality forms from EC



## When It Comes to RFP's Some Governing Boards Are Confused About the Process

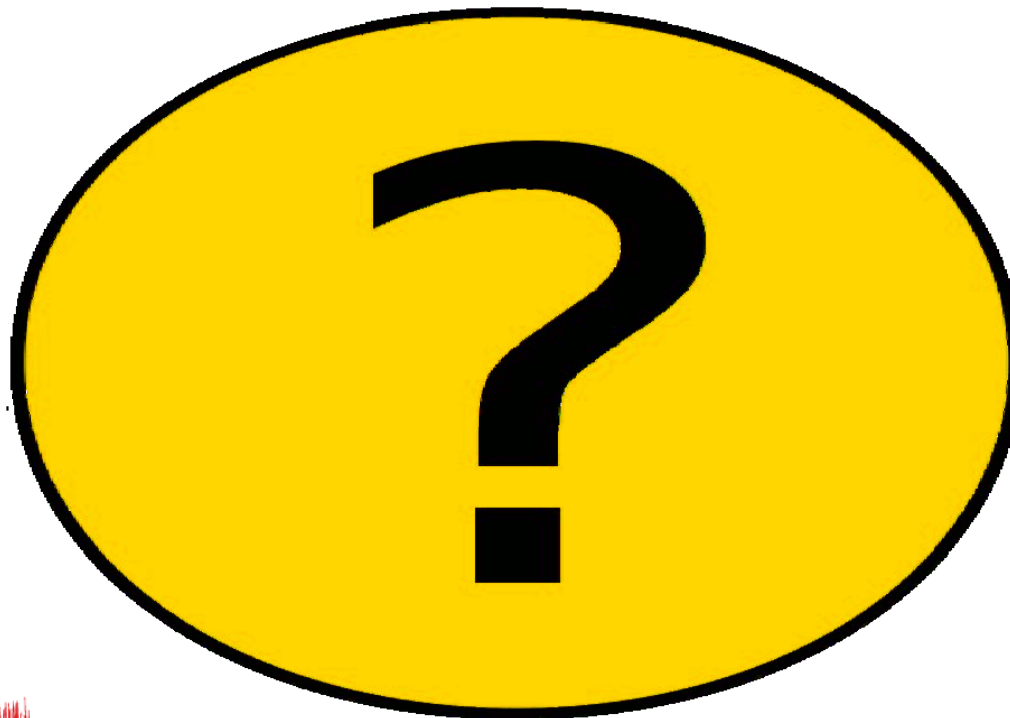


## Local Government Officials Are Challenged with RFP Process

- Award may not be to the lowest cost proposal
- Focus is solely on costs
- Lack of understanding of the RFP award process
- There is an effective, yet simple technique to educate Board on RFP process



# How Can Purchasing Get Board Buy In of the RFP Process????



## Some Reasons Why Boards Don't Understanding of RFP Process

- Boards conditioned to think bid awards should be made to the lowest bidder
- RFP's not utilized to identify best price but “best value”
- Opportunity area to educate & inform Board
- Make it something “relational” that they can understand

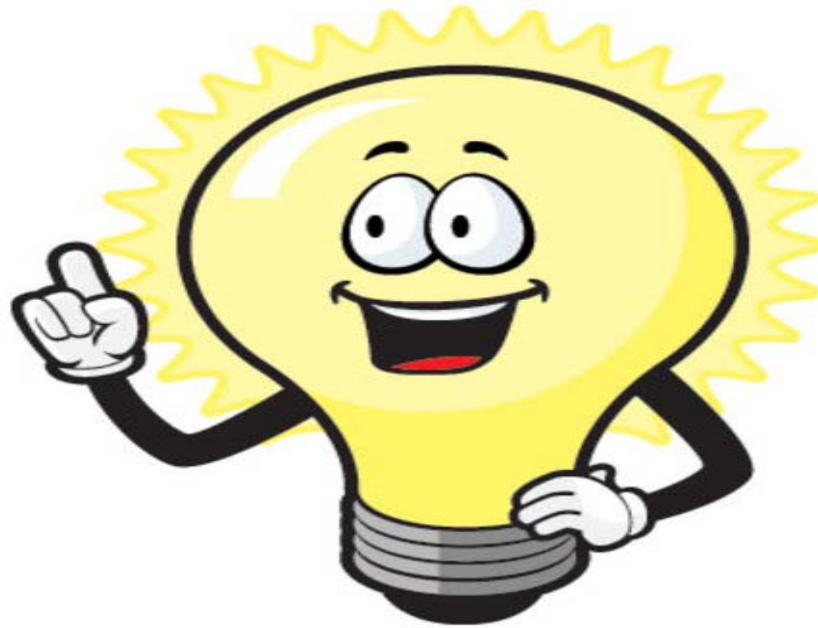




# Purchasing Is Here To Help



# We Have a Great Idea!!!!



# Compare Job Recruitment to RFP Process



## Similarities between the RFP process and the Recruiting process Is “Best Value”

<b>Common Activity</b>	<b>Job Vacancy Recruiting Process</b>	<b>RFP Process</b>
Define Requirements	Begin with a Job Description	Begins with a Scope of Services
Identify Due Date	Application Deadline	RFP Proposal Deadline
Discontinue Submission Acceptance	Job Application Deadline Closed Applications Received	RFP Process Closed. RFP Responses Received
Assess Submittal Against Requirements	HR Reviews to Determine Qualified Applicants	Purchasing Conducts RFP Responsiveness Review

# Similarities between the RFP process and the Recruiting process for a Job Vacancy

<b>Common Activity</b>	<b>Job Vacancy Recruiting Process</b>	<b>RFP Process</b>
Identify Shortlist	Department Shortlists Applicants from Qualified Applicant Pool	EC Shortlist Proposals from Most Qualified Proposer Pool
Rank Shortlist	Applicant Shortlist Ranked	Proposals Scored and Ranked
Interview Shortlisted Submittals	Department Conducts Interviews	EC Conducts Proposer Interviews

## Similarities between the RFP process and the Recruiting process for a Job Vacancy Cont'd

Common Activity	Job Vacancy Process	RFP Process
Re-rank	Applicants May be Re-ranked	EC May rescore and Re-rank Shortlisted Proposers
Negotiate with Top ranked Submitter	Negotiations Initiated with Top Ranked Applicant	Negotiations Begins with Top Ranked Proposer
Finalize Contract	Offer Finalized	Contracts Negotiated
Background Check	HR background Check on Top Candidate	Verification of Supplier responsibility



## RFP Process vs. Job Recruitment Similar But Different

*Similar due to  
inheritance*



*Similar due to...  
uh...other factors*



## Summary of Comparisons Between RFP and Job Recruitment process

Both processes:

- ☐ Are lengthy
- ☐ Require a defined set of requirements
- ☐ Do not always result in the lowest cost
- ☐ Are performed by committee
- ☐ Yield the best end result





# THANK YOU!!!

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