



Office of State Procurement

2020 Procurement Improvements



Topics

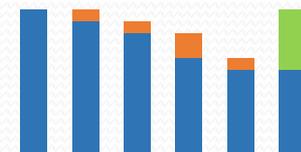
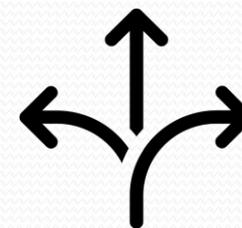
1. Act 273 – Threshold Increases
2. E.O. JBE 2020-21: Small Purchases
3. OSP Rulemaking
4. OSP Ariba e-Procurement Project



1. Threshold Increases

Act 273 by Rep. Ivey

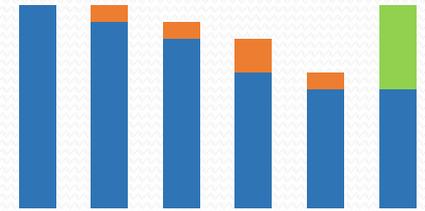
- Affects Title 39 only
- Aims to increase procurement flexibilities in two ways:
 1. Authorizes Legislature to approve alternate procurement methods for case-by-case IT projects requested by OTS (only applicable to agencies under IT Procurement Code)
 2. Increases five outdated procurement thresholds eroded by inflation, to restore their original purchasing power





1. Threshold Increases

Act 273 by Rep. Ivey *(continued)*



- Five thresholds increased at OSP's request:

1. **University IT** purchases w/o OSP review: \$100,000 → **\$150,000**
2. **Consulting** service **RFP** req.: \$50,000/12mos → **\$75,000/12mos**
3. **Consulting** service **PST** requirement: \$140,000 → **\$225,000**
4. **Complex** service / **IT PST** requirement: \$100,000 → **\$225,000**
5. **Intentional violation** of the Procurement Code: \$500 → **\$1,000**

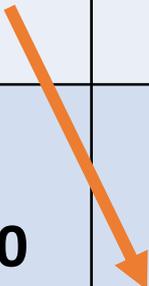


2. Small Purchase E.O.

E.O. JBE 2017-18 (prior) → E.O. JBE 2020-21 (new)

- HR 47 of the 2nd Special Session, with OSP assistance
- Notable Changes:
 1. **Micro-purchase** threshold : \$5,000 → **\$10,000**
 2. **Intermediate tier** threshold: \$15,000 → **\$20,000**
 3. **Small purchase** threshold: \$25,000 → **\$30,000**
 4. **Hudson/Veterans**: \$15,000 → **\$30,000**

E.O. Tiers	Old E.O. (JBE 17-18)	New E.O. (JBE 20-21)
<p><u>Tier 1</u> “Micro-Purchase Threshold” (no competition required – retail / P-Card purchases)</p>	<p>\$0 - \$5,000</p>	<p>\$0 - \$10,000</p>
<p><u>Tier 2</u> “Intermediate Tier” (Solicit 3+ quotes)</p>	<p>\$5,000 - \$15,000 (Hudson / Veterans)</p>	<p>\$10,000 - \$20,000</p>
<p><u>Tier 3</u> “Small Purchase Threshold” (Solicit 5+ quotes, or RFQ posted to LaPac)</p>	<p>\$15,000 - \$25,000</p>	<p>\$20,000 - \$30,000 (Hudson / Veterans)</p>





2. Small Purchase E.O.

E.O. JBE 2020-21 *(continued)*

- Other Changes:
 1. Original manufacturer added to "authorized dealer" repairs (5.A.1-3)
 2. Electronic publications and subscriptions more clearly spelled out in publications and copyrighted materials (5.A.7)
 3. Food, materials and supplies for culinary course training, \$10k → \$30k
 4. Higher Ed. scientific and lab supplies for research, \$25k → \$30k
 5. Equipment moves by OEM or authorized dealer, \$25k → \$30k
 6. Clarity that Section 5.B only applies above micro-purchase limit (\$10k)
 7. Food, materials, and supplies for isolated boats/etc, \$25k → \$30k
 8. Gas and fuel purchases, cap removed if not available on state contract
 9. Livestock feed (oats/meal) commodities, \$25k → \$30k
 10. Various technical language edits for flow, clarity, and consistency



3. OSP Rulemaking

LA Administrative Code, Title 34, Part V

- OSP has been working on rule-making for over a year
 - Delayed by COVID, Sessions, hurricanes, Thresholds, Ariba, and S.P.E.O.
 - APA promulgation likely in April 2021
- Major Features (*pending promulgation*):
 - Change hard-coded dollar thresholds to external references in the statute or the Governor's Small Purchase Executive Order (S.P.E.O.) [Unexpectedly aided by E.O. JBE 2020-21, will raise several thresholds from \$25,000 to \$30,000 (including the LaPS rule, for example)]
 - Provide method for disposing of unopened late/withdrawn bids
 - Provide for a blackout period on all RFPs and ITBs in the LAC



3. OSP Rulemaking

LA Administrative Code *(continued)*

- Major Features:
 - Delete redundant LAC provisions already in statute
 - Delete certain un-implemented reporting reqs. and other provisions
 - Combine purchasing and PPCS provisions for:
 - Sole Source (Chapter 9), Emergencies (Chapter 11), Responsibility (Chapter 15), Multi-Year Contracts (Chapter 19), Suspension/Debarment (Chapter 24), RFPs (Chapter 26)
 - Update State Use Program language per statutory revisions
 - Update definition of professional service per statutory revisions
 - Make clear RFPs cannot be opened ahead of opening date/time
 - Clarify RFP proposers must score 50+% of technical points to proceed
 - Edit language throughout for flow, clarity, and consistency



4. Ariba Implementation

SAP Ariba eProcurement system

- Allows consistent use of a single RFP process
- Streamlines and accelerates the RFP process
- Provides project management tools to keep RFPs organized and timely
- Refines the review and approval process with automatic redlining on documents to easily identify changes and system-based approvals
- Enhances the evaluation experience
- Improves contract authoring and negotiation



4. Ariba Implementation

SAP Ariba eProcurement system *(continued)*

- Agencies will no longer need to draft an entire RFP
- OSP will work collaboratively with agency personnel to build the RFP
- OSP will publish the RFP and receive the proposals
- OSP will review evaluation results prior to agency submittal of the award recommendation
- OSP will assist the agency in drafting the initial contract
- OSP will review the final contract prior to execution
- Required external approvals will occur in parallel



CONTACT INFORMATION:

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