



Office of State Procurement

Contract Renewals

Agency Training



Why Renewal Options ?

There are several reasons OSP includes renewal options in contracts

Benefits of Having Renewal Options

- Lock in prices
- Saves time and money not having to bid those commodities every year
- Can opt not to renew if there is a huge increase in price
- Can opt not to renew if there were issues with the contractor

Renewal Options

- Contracts are generally bid out for 1-year periods, with two 1-year renewal options, not to exceed 36 months. There are rare exceptions for longer contracts, but these require special approval from the Director of OSP
- Unless the contract has built-in clauses that allows for changes, most contracts will be renewed at the same prices, terms and conditions as the original contract

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WHAT
TYPES OF
CONTRACTS
DOES
OSP
INITIATE





Contract Types

- ➡ • Blanket Orders
- ➡ • Agency Term Contracts
- Statewide Contracts
- Brand Name Contracts
- LaMAS
- Cooperative Contracts
- ➡ • Emergency Contingency Contracts
- ➡ • RFP Purchasing Contracts



OSP generates several different types of contracts which include, Blanket Purchase Orders, Agency Term Contracts, Statewide Contracts, Brand Name Contracts, LaMAS (Louisiana Multiple Award Schedule), Cooperative Contracts (which are multi-state contracts), Emergency Contingency Contracts and contracts that are awarded through the RFP process. The Renewal Process we will be going over today will be followed for most contracts, but there are a couple of exceptions. Brand Name, LaMAS, Cooperative and Emergency Contingency Contracts have slightly different procedures or requirements when renewing, but the overall concept of renewing these types of contracts is the same.

Using agency are involved in the renewal process for Blanket Orders, Agency Term Contracts, Emergency Contingency Contracts, and RFP Purchasing Contracts. All other contract types typically do not require agency involvement. However, OSP may reach out to using agency to determine if renewing a particular contract is beneficial to the State.

What is a Blanket Order?

- If an agency has a need for a product or service that they know they will be using throughout the year, instead of doing multiple 1-time buy bids, they may choose to have a blanket order set up instead.
- Blanket orders have estimated quantity clauses, and are either set up on a delivery schedule, or on a “called-for-as-needed” basis. Most of the time, when an agency sets up a blanket order, they have an idea of how much they typically order for each shipment, or how much they use per month, but it is not always an exact set amount.
- Common Examples: uniform clothing; janitorial services; lawn maintenance; equipment maintenance; lab supplies, etc.



Blanket Order vs Agency Term

Blanket Order

- Funds are encumbered
- The same PO number is used all year
- Actual orders to the vendor for shipments can be placed via phone, fax, email, etc.
- Renewal Initiated by Agency with submission of a shopping cart

Agency Term Contract

- Funds are not encumbered
- Multiple PO numbers will be issued against the contract
- Each time an order for shipment or payment is needed, a PO has to be entered into LaGov
- Renewal Initiated by OSP contacting agency requesting their desire to renew

Agency Wishes to Not Renew

If the using agency does not wish to renew, but would like the commodity/service to be rebid:

- Provide reasons in writing
- Note the file
- Submit a Shopping Cart to have the commodity/service placed out for bid



Agencies are not required to seek renewal with a vendor. However – OSP cannot prevent the vendor from submitting a bid on any rebid of the contract, unless the vendor is suspended from doing business with the State.

If the agency does not wish to renew, the reasons for not renewing the contract should be provided in writing. The file should be noted and the renewal process will be discontinued. If the Agency wants the contract rebid, the State Procurement Analyst will route the file for the appropriate approvals to place the file out on bid.

Utilizing Renewal Options

Approximately four (4) months prior to the end of the contract period, the agency will need to send in a shopping cart requesting to renew the contract.

In the shopping cart notes state:
“Requesting to utilize renewal option on PO #2000xxxxxx”

Renewals and extensions of contracts awarded through the RFP process and blanket order POs are initiated by the using agency submitting a shopping cart requesting a renewal or extension of the contract. This differs from other types of contracts where OSP initiates the renewal process.

If a Blanket Order PO or a contract awarded through the RFP process was awarded with renewal options, then near the end of the contract period (approximately four months prior to the end of the contract period), the agency will need to send in a new shopping cart for the next year, and reference the prior PO number in the shopping cart notes.

Contract Changes at Renewal

- Price increases are not allowed, unless the contract contains a price escalation/de-escalation clause, which is tied to a way of tracking the price change, for example, the Consumer Price Index (CPI)
- Price decreases are allowed
- Quantities may be adjusted
- Lines may be deleted, but new lines may not be added
- Minor changes that do not change the scope or terms and conditions of the contract, such as updating the agency's contact information, is permissible

Some contracts have price escalation / de-escalation clauses built in, that are tied to some way to track the change, such as PPI / CPI. For the vast majority, however, we cannot increase the price on any renewal. However ... when our office does market research, if price trends for that service or commodity show a decrease, we do reach out to the vendor to let them know this, and we ask if the vendor is willing to give a discount. More often than expected – they actually will agree to a small reduction, in order to avoid the contract being rebid.

We can also adjust quantities, delete lines (you cannot add new lines), or change certain minor things such as: printing an updated year on a form.

Any changes made need to be notated on the shopping cart when you send it to OSP, because these changes have to be included on the Renewal request letter that we send to the vendor.



Contract Performance Evaluation

When requesting to renew any contract, other than Blanket Orders, the Agency should complete and submit a Contract Performance Evaluation

CONTRACT PERFORMANCE EVALUATION

Check the appropriate box for the type of contract you are evaluating and this form will display the appropriate options for the contract:

Purchasing Contract
 Professional Services Contract
 Contract from RFP

The Office of State Procurement is requesting agency feedback to determine if contracts with approaching expiration dates should be renewed or new bids solicited. Please describe the performance of the vendor, quality of the merchandise, effectiveness of the contract, or modifications needed.

Deficient performance should be reported on the [Complaint Form](#).

Agency Name: _____ Name & Title of Evaluator: _____
 Email Address: _____ Evaluator's Telephone Number: _____
 Contract Number: _____ Expiration Date: _____ Vendor: _____
 Contract Title: _____

INSTRUCTIONS: Review each element and indicate if the contract meets your agency's needs by responding with a Yes, No, or N/A (not applicable). Comments are requested on all "No" responses. For additional assistance, contact the Office of State Procurement.

Overall Contractor Performance Rating			
<input type="checkbox"/> Very Satisfactory <input type="checkbox"/> Satisfactory <input type="checkbox"/> Needs Improvement <input type="checkbox"/> Poor			
RESPONSE: Check the appropriate box (check only one box per row)			
Customer Service	1. Adequate accessibility – phone orders, fax lines, e-mail, etc.	Yes	No/N/A
	2. Customer service support staff availability		
	3. Vendor representative knowledgeable of contract items or service		
	4. Customer service is courteous and professional		
	5. Phone calls returned timely		
	6. Support on technical matters provided		
	7. Vendor acceptance of State procurement card (if agency applicable)		
Delivery	8. Meets delivery time		
	9. Delivers specified items		
	10. Delivers packaging units specified		
	11. Frequent backorders		
	12. Proper notification of backorders		
	13. Timely delivery of backorders		
	14. Delivers proper quantities		
	15. Delivery discrepancies resolved in a timely manner		
	16. Product delivered undamaged		
Product Quality	17. Product documentation included (instructions, tech. literature/manuals, SDO)		
	18. Products are reliable and durable		
Billing	19. Accuracy of billing (cost and item)		
	20. Accuracy of packing slip		

21. Prompt billings				
22. Prompt credits				
23. "Bill to" proper agency/customer with required reference numbers				
Other	24. Additional items needed? Include additional information in the sections below.			

Deliverables (list): _____

Quality of Deliverables: _____

Problems Encountered: _____

Opportunities for Improvement: _____

Submit (all fields will be locked)

Office of State Procurement
Last Revised: January 2020

Contract Performance Evaluation Form
CMP-F2
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Office of State Procurement
Last Revised: January 2020

Contract Performance Evaluation Form
CMP-F2
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This new Contract Performance Evaluation form will give agencies the opportunity to provide feedback on vendor's performance and contracts. We will be able to use this valuable information to assess whether our contracts are working as intended, do we need to revisit our specifications, or is the contracted even needed.



File Review Process

The State Procurement Analyst assigned the renewal file will pull and examine the original bid file along with any other renewal files to determine:

- If there are any renewal options remaining
- If there were any problems with the original award
 - Protests
 - Rejected bids for administrative technicalities
- If there were any complaints/deficiencies

Approximately four (4) months prior to the expiration date of the contract, the SPA should pull and examined the original bid file along with any renewal files to determine if:

- There are any renewal options remaining
- There were any problems with the original award

- Protests
- Rejected bids for administrative technicalities
- There were any complaints/deficiencies

For LaMAS contracts, you will want to verify GSA contract dates at this point and for Co-ops you'd want to review submitted amendments against master agreements.



If at any point during the file review process it is determined the contract should not be renewed, the SPA will discontinue the renewal process.



The using agency will be informed the contract will not be renewed and the SPA will get the agency's concurrence in writing to place the items on bid.

If at any point during the review process it is determined the contract should not be renewed, discontinue the renewal process. If the contract is a Blanket Purchase Order or Agency Term Contract, inform agency the contract will not be renewed and get their concurrence to place the items back out on bid.

Perform Market Analysis

OSP requires SPAs to perform market analysis using the following two (2) resources:

1. CPI/PPI
 - For contract's commodity category
 - Limit report to one (1) year of data
2. ProcurementIQ
 - For contract's commodity category
 - Run and print "Report Snapshot"

If market analysis show huge decreases, it may not be in the State's best interest to renew at the same prices

OSP requires SPAs to perform market analysis using two resources. The first is CPI/PPI, which can be done by going to their website. The report is to be run for the contract's commodity category and you want to limit the data to one year. The other market analysis report is ProcurementIQ. Here is their website and you will be running and printing the "Report Snapshot" for the contract's commodity category as well. ProcurementIQ may not have a report for the commodity category you are looking for, in those instances, you will print the "no results found" screen for the file, showing that you attempted to obtain the report.

The market analysis reports will show you how much a commodity has increased or decreased over a period of time. If the reports show a huge decrease, let's say 10% or more, then you would want to discuss with your supervisor/manager to ensure it is in the State's best interest to even seek renewal. It may be decided to place the items back out on bid for better pricing.

Renewal Inquiry Letter

After the appropriate approvals are received to seek renewal, SPAs will email Amendments for RFP Purchasing Contracts to the Contractor, and for all other contract types they will:

- Ask Contractor for a discount
- Prepare a Renewal Inquiry Letter
- Include any changes
- Email to the Contractor



After the appropriate approvals are received to seek renewal, Amendments for LaMAS, Co-op, RFP Contracts will be emailed to the Contractor, for all other contract types you will:

Ask vendor for a discount.
We always want to ask for a discount, even if the market analysis shows an increase in price.

Prepare the Renewal Inquiry Letter

Include any changes such as

discounts, items being added or deleted, etc.

Email to the Contractor

Vendor Rejects Renewal

- The renewal process will be discontinued
- The using agency will be notified
- The agency will submit how they wish to proceed in writing
- If the agency wishes to place the commodity/service out on bid, the SPA will route the file for approval to bid



If the vendor rejects the renewal,

For Blanket Orders and Agency Term Contracts

Discontinue the renewal process

Advise the using agency

Have agency submit how they wish to proceed in writing

If agency wishes to place the commodity/service out on bid,
complete a route slip and route file for approval to bid

And for Statewide Contracts

Discontinue the renewal process

Complete a route slip and route file for approval to bid

Vendor Agrees to Renew

The SPA will obtain the following documentation if applicable:

- Current Secretary of State Registration
- Current Sam.gov report
- Current Certificate of Insurance
- AM Best insurance ratings
- Signature Authority
- Licenses
- Any additional documentation required for the contract



NOTE: With the exception of Signature Authority, the same documentation would be required for all distributors listed on the contract

If the vendor agrees to renew

The following documentation should be obtained if applicable:

Current Secretary of State Registration

Current Sam.gov report

Current Certificate of Insurance – naming the state as an additional insured

AM Best insurance ratings

Signature Authority

Licenses

Any additional documentation required for the contract such as bonds, certifications, etc.

LaMAS – Comparison of LaMAS to GSA pricing

With the exception of Signature Authority, the same documentation is needed for all distributors listed on

the contract

Complete Renewal



SPAs will print, sign and scan the contract with all attachments, then email the new contract to the Contractor and Agency.

Contracts – print, sign and route the contract with all attachments and Renewal Notification letter for Supervisor or Manager’s signature. Send executed contract to vendor and agency.

Blanket Purchase Orders – Print, sign and scan the purchase order with all attachments. Email new Blanket Purchase Order to the vendor and agency.



Office of State Procurement

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