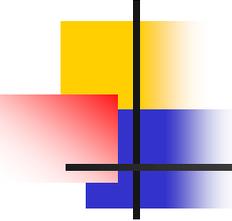


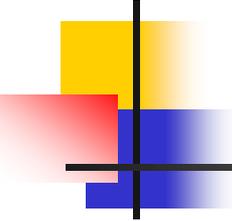
Texas Facilities Commission
Procurement Training
TFC SOLICITATION PROCESS

Richard D. Ehlert, CTPM, CTCM
Procurement Director



Course Outline & Objectives

- Open Market \$ Thresholds
- Solicitation Methods
- Scope of Work Development
- TFC Solicitation Process
- RFP/RFQ Evaluation Process
- TFC Award Process
- TFC Contract Process
- Basic Contract Management / Preparing for your next Solicitation
- Summary

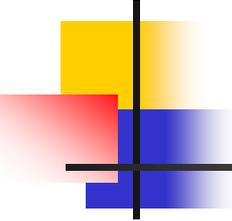


Open Market \$ Thresholds

- **\$0.00 - \$5,000.00** Spot Purchase
 - Use of the state bidders list (CMBL) **not required**
 - ONE bid required, as long as you feel the purchase is 'best value'
 - HUB's suggested
 - Always obtain a hard copy quote

- **\$5,000.01 - \$25,000.00** Informal Purchase
 - Use of the state bidders list (CMBL) **required**
 - THREE bid notices required, from the applicable Class/Item code, with at least two of the three being HUB's
 - Award to low bidder, unless justifiable reason
 - Always obtain hard copy quotes and records during bidding process

- **\$25,000.01 - UP** Formal Purchase
 - Required notification to the applicable state bidders list (CMBL)
 - Minimum posting times (14-21 days)
 - Formal process and statutory requirements apply



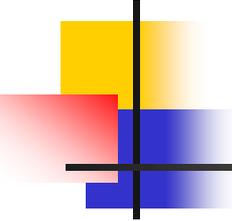
Open Market \$ Thresholds

- Spot Purchase helpful tips

\$0.00 - \$5,000.00

- Promote Competition

- Use of the CMBL, although not required, is encouraged as opposed to using the same vendor over and over again
- Vendors, including HUB's, are ready to respond to quotes
- Always obtain a hard copy quote/bid and attach this documentation to the requisition
- Hard copy quote should contain the following:
 - Breakdown of material and labor
 - Hourly labor rate with estimated number of hours
 - NO FLAT FEES
 - Any discounts should be reflected after 'standard' or 'list'
 - No taxes



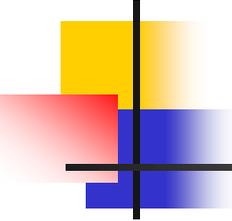
Open Market \$ Thresholds

- Informal Purchase helpful tips

\$5,000.01 - \$25,000.00

Procurement Facilitation

- Prepare a 'Scope of Work' for the item or service you require
- Scope of Work (SOW) Template available on webportal
- The 'Scope of Work' should include the following:
 - Description of items along with manufacturer part number and spec sheet
 - Description of services – services Scope of Work development on the next few slides
 - Anticipated term
 - Is there a site walk through required or recommended
 - Insurance requirements – standard or additional?
- Attach your Scope of Work to the requisition
- Procurement will work with you to refine your Scope of Work
- Procurement will obtain the required bids from the CMBL, with input from the end user regarding additional vendors to quote
- After the informal bid period and the bids have been received (typically 3-5 days), Procurement will tabulate the bids and send to you for approval and award.



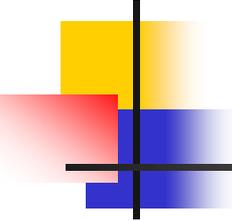
Open Market \$ Thresholds

- Informal Purchase helpful tips

\$5,000.01 - \$25,000.00

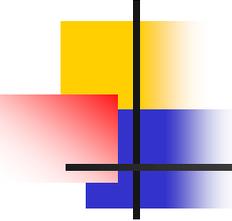
Self-Service Method – CHECKLIST AND SUPPORTING DOCS MUST BE ATTACHED TO REQ

- Contact Procurement to obtain the required minimum bid list from the CMBL
- **NOTIFY THE HUB Program for a vetted list of HUBs**
 - Minimum three CMBL vendors; two must be HUB's
 - 'A' for 'active' HUB
 - By Class/Item Code – must be **applicable** Class/Item code
 - Highway District '14'
 - Select Fields for Detail:
 - Phone; Fax; Email; Gender (for HUB purposes); Ethnicity (for HUB purposes)
- You may include additional vendors not on the CMBL, however the bidding procedures below apply to all vendors, CMBL and non-CMBL.
- Send the same scope of work to all vendors, at the same time, and set a deadline for response
 - "no bid" or no response fulfills the bidding requirement
 - If there is a 'walk-through', all vendors should be invited to be at the same walk-through at the same time
 - You should prearrange the walk-through with your selected bidders to insure all can attend. If all cannot attend, then change the schedule to a date when all can attend.
- The bid notice should include minimum insurance requirements and a deadline for bid submission
- Keep records of the above for attachment to the requisition
- Hard copy quote should contain the following:
 - Description of services
 - Breakdown of material and labor – no flat fee
 - Hourly labor rate with estimated number of hours
 - Any discounts should be reflected after 'standard' or 'list'
 - No taxes
- Attach the informal bid template, the CMBL list provided by Procurement, the notification email, any walk through and addendums issued, all quotes/bids received to the requisition - make a note that there were 'x' number of no bids or no responses – and this checklist, to the requisition.



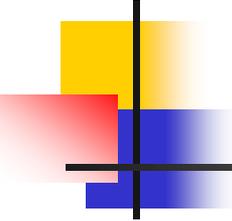
Open Market \$ Thresholds

- Formal Purchase helpful tips \$25,000.01 and up
 - Statutory posting requirements
 - TFC Procurement always facilitates
 - Minimum 14 day posting: all solicitation documents posted on day one; no addenda (very rare for services)
 - Minimum 21-day posting: when there are addenda
 - Construction and complex services solicitations can be 30-days
 - Formal TFC Solicitation Process
 - Checklist available on webportal
 - A fully approved requisition must be received by Procurement prior to posting a formal solicitation.



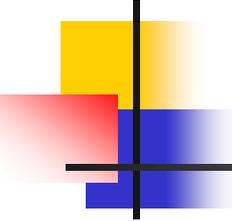
Open Market \$ Thresholds

- Other \$ thresholds that you should be aware of:
 - \$100,000.00
 - Requires the solicitation to include a HUB Subcontracting Plan (HSP); and requires a completed HSP from anyone submitting a solicitation response. Each HSP must demonstrate evidence of Good Faith Effort (GFE) in developing the plan. Traditional GFE requires respondent to properly notify at least three (3) HUB businesses, and at least (2) minority/women trade organizations or development centers of the subcontracting opportunities, with a seven (7) working day time for response. In addition, GFE shall be shown with any instructions or directions as specified in the HUB subcontracting plan template.
 - **HUB Determination form will need to be filled out by the Requisitioner; form can be found on the TFC portal**
<https://portal.tfc.state.tx.us/intranet/files/HUBSubcontractingOpportunitiesDeterminationForm2.pdf>
 - In making an HSP determination, consider the total expected contract value, **including the initial term and any renewal options**. if the total is expected to exceed \$100,000K, then an HSP is required.
 - TFC HUB also requires an HSP for any TxMAS contract over \$100K.
 - DIR contracts already have an HSP on file; if the DIR vendor is going to subcontract from a vendor not listed on the DIR-filed HSP, then the vendor must receive permission from DIR to revise the HSP, and the revised HSP must be posted to the DIR contract/webpage prior to order placement.
 - While developing the solicitation, you, as a Contract Manager, may be requested to review and/or suggest possible subcontracting opportunities.
 - \$5,000,000.00
 - Requires POD review and delegation.
 - 'POD' is an acronym for 'Procurement Oversight & Delegation'.
 - Once the Scope of Work and Solicitation are fully developed, TFC Procurement must submit the solicitation and all supporting documentation through the CPA SPD webportal for POD review.
 - Typically, POD is reviewing for conformance to state required contract terms and conditions; minimal technical review.
 - POD has up to thirty (30) days to review an agency submittal.
 - POD will not review a solicitation after it has been posted on the Texas Marketplace (ESBD).



Agency Delegated Authority

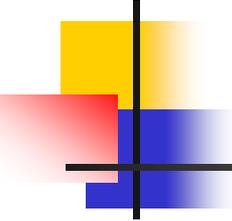
- The Statewide Procurement Division (SPD) of the Comptroller of Public Accounts (CPA), is the central procurement authority for the State of Texas.
- SPD delegates the following types and amounts of purchases to state agencies:
 - Goods Up to \$50K
 - Services Up to \$100K
- Otherwise, if a state agency procures goods and services over these amounts, the state agency is required to send the solicitation through SPD.
 - After review, SPD may or may not delegate the solicitation back to the agency to perform their own procurement
- TFC annually requests, and has to date been granted, delegated authority for solicitations over these amounts to fulfill agency needs.
- Why am I mentioning this?
 - SPD reviews our agency's Procurement program, policies, practices, and solicitations.
 - SPD reviews the amount of protests and complaints our agency receives.
 - **So, in order to keep our business within our own house, follow the guidelines presented here today.**



Formal Solicitation Methods

Invitation For Bid (IFB)

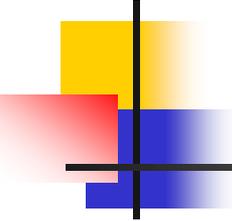
- Primarily used for the purchase of Goods
 - When there is a clearly defined specification, such as a part number
 - Very little ambiguity, if any, about what is expected to be delivered
- Also utilized in Emergency and Proprietary purchases
- Awarded to lowest bid amount
 - As there is little to no ambiguity as to what is expected to be delivered
- Contractor must meet the agency stated minimum qualifications, and demonstrate these minimum qualifications in their bid response
 - Once the defined minimum qualifications are demonstrated, you must consider all bidders equally qualified
- No Negotiation allowed
 - Two Exceptions:
 - Emergency Purchase
 - When there is only one bid response
- Bid Opening – Open to the Public
 - Names and all prices are read aloud



Formal Solicitation Methods

Request For Proposal (RFP)

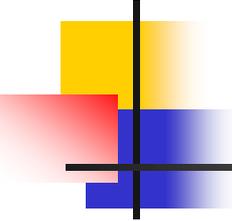
- Primarily used for the purchase of Services, a combination of goods and services, or highly complex procurements
- The respondent is required to propose how the goods/services will be delivered
- The evaluation criteria is based upon a combination of factors:
 - Pricing 60 points (20 points for CMR)
 - Qualifications 40 points (80 points for CMR)
- Standardized Qualifications criteria at TFC are:
 - Relevant Experience & Qualifications
 - Methodology/Budget & Schedule Compliance
 - Quality Control / Safety
- Awarded to the highest ranked respondent once evaluation/interview is completed
- TFC process allows for an 'Interview' to clarify vendor's responses and to further evaluate the highest ranked respondents
- Negotiation IS allowed
- RFP Opening – Open to the Public
 - TGC §2269 Construction - Names and all prices are read aloud; all others, names only



Formal Solicitation Methods

Request For Qualifications (RFQ)

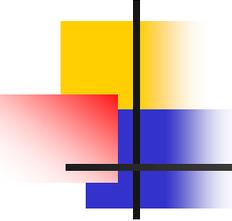
- Primarily used for the purchase of Professional Services, as defined by TGC §2254.
- The respondent is required to demonstrate their qualifications for the services required.
- Standardized Qualifications criteria at TFC are:
 - Relevant Experience & Qualifications 60 points
 - Methodology/Budget & Schedule Compliance 25 points
 - Quality Control / Safety 15 points
- Awarded to the highest ranked respondent, based upon demonstrated qualifications, once evaluation/interview is completed.
- TFC process allows for an 'Interview' to clarify vendor's responses and to further evaluate the highest ranked respondents.
- Negotiation IS allowed
 - This is where the agency negotiates a fee schedule for the project
- RFQ Opening – Open to the Public
 - Names of respondents only



Formal Solicitation Methods

Proprietary Purchases

- Texas Government Code Section §2155.067
 - Defined as: product that is proprietary to one vendor and do not permit an equivalent product to be supplied
- Justification Form Required – Template on TFC Web Portal:
 - Procurement Docs: <http://portal.tfc.state.tx.us/>
- For Formal procurements (>\$25K), is **NOT** exempt from the procurement solicitation process
- Attach Justification Form and quote to the requisition
- Select 'Yes' on the requisition to the question 'Is this a proprietary purchase?'

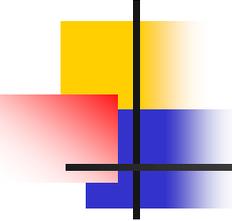


Formal Solicitation Methods

- Proprietary Purchases (con't)

The Proprietary Purchase Justification must include the following information in order to document best value to the State:

- describe the product or service the agency proposes to purchase, and provide a statement regarding the agency's business need and planned use;
- explain why the agency specifications for the product or service are written as they are, and why those specifications are necessary to accomplish the agency's goal for the procurement;
- state the reason that no other competing products or services will satisfy the need of the agency and provide examples of the technical, practical, or operational risks that would occur if competing products or services are selected;
- specify whether the purchase is sole source or competitive
- **NEW FORM ON THE WEBPORTAL**

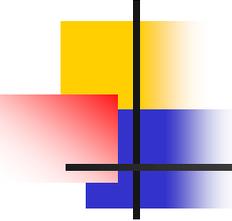


Formal Solicitation Methods

- Proprietary Purchases (con't)

Examples of **Non-Compliant** Proposed Proprietary Purchase Justifications:

- “Our professionals have identified [vendor’s product] as the most durable, safe, and efficient system of its kind.” **NONSTANDARD TESTING**
- “[The vendor] has claimed their technology is proprietary and we agree.” **UNSUBSTANTIATED**
- “[Vendor] is the exclusive patent holder of US Patents [X, Y, and Z]. No other manufacturer can legally produce [the product] with the same properties.” **NON-COMPETITIVE, SPECS TOO STRINGENT, ALLOWANCES FOR CERTAIN SPECIALTY PURCHASES (LAB, R&D)**
- “Our agency has performed research [on these products]. The manufacturer can provide [a range of products] that will enable [our agency] to [meet our statutory requirement].” **UNSUBSTANTIATED**

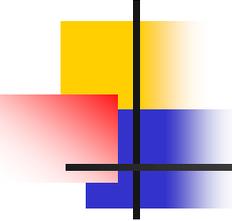


Formal Solicitation Methods

- Proprietary Purchases (con't)

Examples of **Non-Compliant** Proposed Proprietary Purchase Justifications:

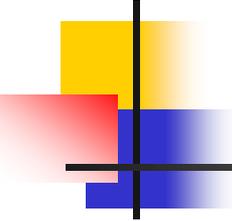
- “Our staff tested [these products] against others, and only [the identified products] that passed our rigorous qualification process were placed on the agency’s approved products list. We can only buy products on our approved products list; therefore, these products are proprietary.” **NONSTANDARD TESTING**
- This vendor is our incumbent and only their products will work with the equipment we already have. **UNSUBSTANTIATED, UNLESS PROVEN; SOFTWARE HAS ALLOWANCES**
- “The [brand] furniture purchased will be used to provide a comfortable and aesthetically pleasing work environment for employees’ working in the office so they may provide customers frequenting the building excellent customer service in a welcoming atmosphere.” **THIS IS THE STATE OF TEXAS, NOT GOOGLE. DEFINING AN ACCEPTABLE MINIMUM REQUIRMENT = BEST VALUE.**



Formal Solicitation Methods

■ Emergency Purchases

- Defined by Texas Gov't Code Section §2155.137;
- Defined by Texas Administrative Code Rule §20.210;
- Rule §20.82 Delegated Purchases applies to your purchase;
- Further explained in the Procurement and Contract Management Guide;
- Emergencies occur as the result of unforeseeable circumstances and may require an immediate response to avert an actual or potential public threat. If a situation arises in which compliance with normal procurement practices is impractical or contrary to the public interest, an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property, or to avoid undue additional cost to the state.
- Emergencies are NOT defined as a potential lapse in funding, unless the case can be made that it would cost the state additional monies if not acted upon before the current biennium funds lapse. However, this is not a typically valid reason, which is typically attributed to poor planning.
- Justification form required, and the form must be in the file, and if the purchase is >\$25K, the form is to be sent to SPD.
- For Formal procurements (>\$25K), the purchase is **NOT** exempt from the procurement solicitation process or the formal procurement requirements....however the minimum posting times do not apply.



Developing your Statement of Work

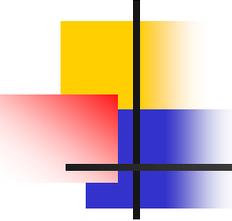
A [Statement of Work](#) is a written expression of the goods and/or services you require.

- For FDC Construction projects, the Statement of Work is typically:
 - Solicitation document
 - Project Manual
 - Drawings
 - 2015 UGC/Supplementary/Special Conditions
 - TFC construction contract template
 - Any other

- For FDC A/E projects, the Statement of Work is typically:
 - Solicitation document w/ detailed description of the services requested
 - Study (optional)
 - TFC A/E Services Contract
 - Any other

- For PREM and all other agency goods/services (except leasing), the Statement of Work is developed by the Program, and integrated into the solicitation and contract:
 - Solicitation document
 - Scope of Work Template (see next slides)
 - Fully developed contract through Legal based upon your technical Statement of Work, sent to Legal Services via email after development with Procurement

Developing your Statement of Work (con't)



- The Statement of Work is very important as it forms the basic framework for the resulting contract. A 'needs assessment' should be conducted first and is the foundation for the Statement of Work. The Statement of Work is a detailed description of what is required of the contractor to satisfactorily perform the work. The success or failure of a contract can usually be linked to the adequacy of the planning, analysis and thoroughness of the statement of work. Time spent planning, analyzing, and drafting the statement of work will result in saving time, resources, money and will improve the quality of the goods or services provided. It is very important that the statement of work:
 - Secure the best economic advantage utilizing best value;
 - Be clearly defined;
 - Be contractually sound;
 - Be unbiased and non-prejudiced toward respondents;
 - Encourage innovative solutions to the requirements described, if appropriate; and
 - Allow for free and open competition to the maximum extent reasonably possible.

Developing your Statement of Work (con't)

■ Needs Assessment

- The purpose of the needs assessment is to ensure the contracting team plans for the correct contracting objective. A clear definition of the contracting objectives and purpose to be accomplished by the contract is intended to assist the team later in developing the statement of work, solicitation, negotiation and contracting documents, and in verifying the performance of a contractor. This assessment should incorporate the initial needs assessment conducted by the agency when the determination was made to contract out for the service instead of performing it in-house.
- If the contracting purpose implements, changes or supports an agency's statutory duties, it is useful to identify existing statutory requirements, agency rules, policies and business processes that will be impacted by the contract. If business processes or practices are not documented, it is often useful to document the business processes. Once the legal requirements and business processes are clearly identified the agency can assess how these duties or processes will be changed or impacted. Document any concerns or risks identified by the assessment so that the changes and risks can be managed or mitigated in the contract document.
- The success of many contracts is dependent upon how well business requirements are documented, communicated and understood by the contractor community. Do not assume that the contractor community understands the business of your agency. Detailed agency business practices are frequently incorporated into the statement of work in a contract, so agency staff input and cooperation is critical when planning and developing a statement of work and during acceptance testing.

Developing your Statement of Work (con't)

- Needs Assessment (con't)
 - **Well Formed Contracting Objectives and Purpose**
 - A well formed statement of the contracting objectives should provide a general understanding of what will be accomplished by a contractor. Well formed objectives will help guide and keep the contracting process focused and on track.
 - **Technique**
 - Defining the contracting objectives, assumptions, and constraints may sound simple and straightforward, but this definition process can be quite complex. Agencies may find that individuals on the contracting team hold different views as to the procurement's objectives. The following questions are intended to assist the team in clarifying and harmonizing potential divergent objectives and interests. Answering the following three questions will aid agencies in defining and refining the contracting objective:
 - What does your agency specifically need?
 - What will fulfilling this need do for your agency?
 - How will your agency know when the need has been met?

Each procurement is different; therefore the description of the objective, assumptions and constraints will vary. A good measure of the quality of the statement of work is whether the contracting objectives, assumptions and constraints make sense. Are the objectives, assumptions and constraints described too broadly or too narrowly? Could the reader answer the three questions?

Developing your Statement of Work (con't)

- Needs Assessment (con't)

- **Research**

- Contact and interview people within the agency and other agencies who have developed solicitations, drafted contracts and engaged in contractor oversight similar to the one being planned. Document the strengths, weaknesses, problems and the lessons learned in the interviews. Use the internet to search for copies of solicitation documents, contracts and oversight documents or products used by others. Review websites for useful information. Check with universities, trade associations and professional organizations to identify industry practices, methods, standards and rules that will deliver the goods or perform the services. Another approach to identifying information regarding the availability, features or measures for the purchase of goods or services is to publish a Request for Information (RFI). Potential contractors may respond to the RFI with information that will assist the agency during the contract management process.
- While researching, agencies may wish to contact potential contractors to discuss the procurement. This is an acceptable practice as long as the agency solicits information from more than one contractor and advises the contractor up front that the agency's interest at this point is strictly for research purposes and that any formal requests for pricing or other information will be made through the formal competitive sealed bid or competitive sealed proposal process.

- **Business Model**

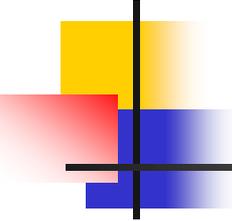
- A business model should represent a high level view of how the intended business transaction is expected to work. The business model may include plans relating to a contract strategy, contract management, and contractor performance monitoring approach, as well as financial assumptions and limitations.

Developing your Statement of Work (con't)

- Needs Assessment (con't)

- **Cost Estimates**

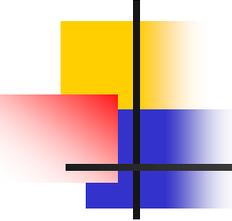
- During the planning stage of the procurement, it is necessary to develop an estimated cost of the procurement. The cost estimate should assist agencies in determining which type of procurement method to use. Even if limited by budget restraints, an estimated cost will provide an idea of the range of services that the agency can include in the statement of work.
 - It is recommended that agencies contact someone within the agency who has knowledge in the subject area to assist with the cost estimate. However, if unable to find anyone with knowledge in the subject area, agencies may choose to contact several contractors to obtain pricing information. If contractors are contacted, be sure to advise them that you are obtaining price estimates for information purposes only and that the estimate is not a formal solicitation. In obtaining price estimates from potential bidders, care should be taken to avoid giving a potential bidder a competitive advantage.



Developing your Statement of Work (con't)

■ Risk Assessment

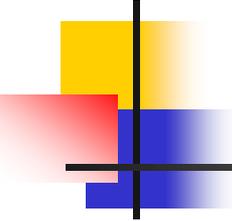
- Risks are inherent in all the stages of the procurement process. Limited resources require the use of risk assessment because there is not sufficient time to oversee all aspects of a contract. An effective risk assessment model will help focus monitoring resources on contractors with the highest risk of noncompliance. First, identify risk factors. Risk factors are indicators that assess the risk of the contract or project objectives not being achieved. General risk factors may include, but are not limited to:
 - Past performance of similar contractors;
 - Turnover in agency key personnel;
 - The dollar amount of the contract;
 - Factors from desk reviews, such as the variance between expected and actual performance;
 - Significant problems with payment requests;
 - Results of previous monitoring visits;
 - Results of monitoring visits completed by other agencies or divisions within the same agency that contract with the same contractor;
 - The length of time since the last monitoring visit; and
 - How experienced should the contractor be for the type of work to be performed.
- Once the risk factors are identified, assign weights to each factor. Weights describe how significant each factor is in identifying the contractors who should be monitored. However, weights can also be designed to ensure statutory or policy requirements. For example, if the statute requires a site visit every three years, the assigned weight would be indicative of the period since the last site visit.



Developing your Statement of Work (con't)

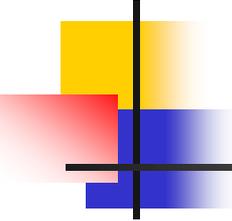
- Risk Assessment (con't)

- Next, rate each of the risk elements.
- It is important to note that the risk assessment is a dynamic process that should be updated regularly to reflect the results of monitoring visits, reviews of payment vouchers, desk reviews, etc. For example, if a contractor has fallen significantly behind schedule in delivering services to the targeted population, the risk assessment should be updated to indicate the elevated risk and this impacts how the contract is monitored in the future. Likewise, if a contractor is well ahead of schedule in delivering services to the targeted population, the risk assessment should be updated to indicate the lower level of risk.



Developing your Statement of Work (con't)

- Needs and Risk Assessment Forms:
 - FDC utilizes their own Needs and Risk Assessment Matrix, and is completed by the Project Manager and attached to the requisition
 - PREM and all other programs must utilize the following, and are located on the webportal under 'Procurement', 'Solicitation Templates and Forms':
 - <\$25K: The Scope of Work Template contains a needs and risk assessment
 - >\$25K: Formal Needs Assessment, and the Formal Risk Assessment Matrix.



Developing your Statement of Work (con't)

A Statement of Work typically has the following elements:

- Intro/background
- Scope
- Term
- Service requirements
 - Agency
 - Contractor
 - Subs
 - Training on installed equipment
 - Licenses and certifications
- Performance Measures
 - Inspection/testing
 - Delivery Requirements
- Non-compliance measures
- Pricing
 - **Developed with Procurement**

Developing your Statement of Work (con't)

I. Estimated Cost

- In this field, enter the cost that you anticipate will be spent during the initial period of the contract. This should be based on past trends, studies, or a vendor quote.
- Putting an accurate amount here will assist in requisition entry to ensure all required approvals are added to the approval path, assist procurement in providing accurate estimates for solicitation time tables.

II. Introduction

- Enter a short one sentence summary of what you want to purchase.

III Background/Needs Assessment

- The purpose of the needs assessment is to ensure the contracting team plans for the correct contracting objective. A clear definition of the what is needed will assist in filling out the rest of the statement of work, solicitation, contracting documents, and in verifying the performance of a contractor. You should answer these questions:
 - What purpose will it serve?
 - How has this been purchased in the past? – Were these services performed under a proprietary purchase, emergency purchase, formal solicitation (IFB, RFP), In-house?
 - What departments/divisions do these services affect? – This will assist Procurement in deciding who needs to be providing input, review, and feedback while developing the solicitation and contract.
 - How will the agency know that the need has been fulfilled? – Will there be a punch list, completion report, visual inspection?

Developing your Statement of Work (con't)

■ IV. Risks

- Risks are inherent in all the stages of the procurement process. Limited resources require the use of risk assessment because there is not sufficient time to oversee all aspects of a contract. If we identify the risks early in the planning phase, we can build safeguards into the contract. The risk assessment should include:
 - Identifying the Risks – What are the risks if this service is not performed?
 - Insurance – Are there any specific insurance types that we can require that would help alleviate some of the risk?
 - Certifications and Licenses – Are there any trade certifications or governing body licenses that we can require to ensure qualified contractors?
 - Reference Materials – Are there any published standards or trade practices that we can reference in the specifications?
 - Limitations – Are there any special circumstances limiting what we want done and what the vendor can provide? (Example: not enough money in the budget to perform full scope of services?)

Developing your Statement of Work (con't)

■ V. Scope

- What is to be provided? – Here is where you need to be as detailed as possible. All services listed here should fall under the description entered in the introduction.
- Deliverables:
 - What is acceptable? – Provide criteria, levels of service, etc.
 - What is unacceptable? – Provide thresholds of what is acceptable, Ex. More than two instances in one calendar year arriving late to a jobsite.
- When are goods/services to be provided?
- What program areas or managers are responsible? – Identify Contract Manager and designated representatives.
- What methodologies will be used to perform the services? – Use items listed in the Risk section.

■ VI. Change Management – How will changes be handled? (POCN, Contract Amendment)

- Schedule changes
- Service Requirements
- Scope Changes
- Additions/Deletions
- Penalties

Developing your Statement of Work (con't)

■ VII. Reports and Meetings

■ Reports

- Will reports be required?
- How often?
- Who will read the reports? – It is a waste of time to have reports generated if no one will be reviewing them.
- What is the purpose of the report?
- How long must the reports be kept?

■ Meetings

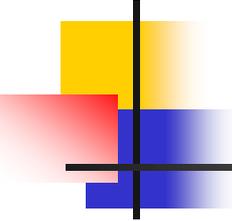
- Are meeting required?
- How often?
- Who should be in attendance?
- What is the purpose?

■ VIII. Resources – Who is providing what?

- Vendor – What is vendor providing?
- TFC – What is the agency providing?
- Client Agency – What is the client agency providing?

■ IX. Pricing

- What is the industry or trade standard for these types of services?
- Are bonds required? (Bid Bond, Payment Bond, Performance Bond)
- What fees are allowed?
- What fees should be excluded?

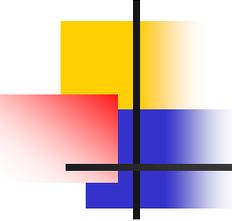


Developing your Statement of Work (con't)

For non-construction and non-A/E solicitations, the Contract Manager/End User/Requestor will develop a Statement of Work for the goods/services required:

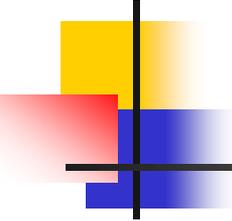
- For repeat services, where a Statement of Work has already been incorporated into the current contract, you should:
 - Meet with your Contract Specialist to incorporate 'lessons learned' from the current contract into a 'marked up' version of the current contract, in order to practice continuous improvement and strive to achieve better value for the state.

- For a 'new service', where there is no former statement of work to utilize as a template, you should:
 - Complete the Statement of Work template, located on the Procurement webportal page under 'Solicitation Templates and Forms; and
 - From the Formal Needs Assessment, the Formal Risk Assessment, and the Statement of Work template, **create a written narrative of the services to be procured.**



Developing your Statement of Work (con't)

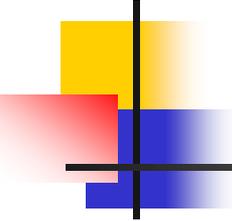
- Complete a requisition with the SOW and supplemental material attached
 - Procurement will develop the solicitation document and assist in refining the Statement of Work with you once the requisition is fully approved
 - Legal Services will then develop a 'Contract', based upon your developed SOW, which will become a part of the solicitation document
 - Legal Services, your Contract Specialist, and your Purchaser will work with you during this phase
 - Once the 'Contract' is completed, Procurement will incorporate that document into the solicitation
 - Procurement will then work with you to finalize the solicitation:
 - Pricing component
 - Evaluation Team
 - Schedule of Events
 - Other considerations



TFC Solicitation Process

Prior to beginning the solicitation process, you, your program manager and/or DED should have completed the following:

- **Cost Estimate / Analysis**
- **Scope of Work / Contract**
- **Needs Assessment**
- **Risk Assessment**
- **HUB Determination Form (>\$100K)**
- **Determined the Procurement Method with Procurement**



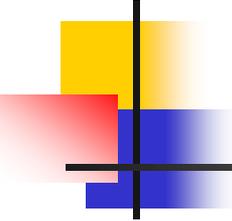
TFC Solicitation Process

The following is reproduced from the 'TFC Solicitation Process Checklist – Program' , available on the webportal:

- Procurement
- Forms
- Solicitation Templates and Forms

This is a useful checklist/roadmap, and is a tool you should use to familiarize yourself with the formal solicitation process, and to assist you through all of the steps required to successfully complete and award a formal solicitation.

CHECKLIST REVIEW



RFP / RFQ Evaluation Process

Remember, RFP's and RFQ's contain elements other than pricing, typically called 'evaluation criteria', for the overall evaluation process.

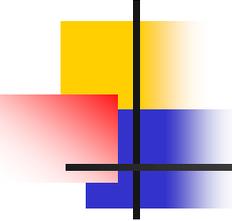
Also remember, you, as a Project/Contract Manager, have coordinated with Procurement to schedule the evaluation of the responses.

Once the schedule for the evaluation is confirmed, Procurement will reserve a room.

Prior to the evaluation, Procurement will vet the initial responses, and will remove the pricing and the HUB Subcontracting Plan.

When you arrive at the evaluation meeting, you will be greeted by the Purchaser.

The Purchaser will have the responses collated for each evaluator, along with an Evaluation Score Matrix for each response and a Non-Disclosure / Evaluation Team Brief. The Purchaser will review these forms with you prior to the evaluation.



RFP / RFQ Evaluation Process

Here are excerpts from the TFC Non-Disclosure Statement:

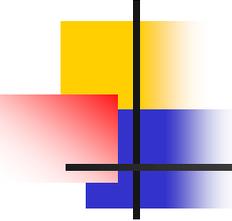
I, _____, the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein.

I am acting at the request of the Texas Facilities Commission as a participant in the solicitation referenced above.

I am acting of my own accord and am not acting under duress. I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any present or future economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service in connection with any submittal or involved respondent in return for favorable consideration. I have not established a personal preference or position on the worth or standing of any respondent participating in this action that will prevent my fair evaluation of the submittals against the criteria.

I agree not to disclose or otherwise divulge any information pertaining to the contents, status, or ranking of any submittals to anyone other than the evaluation team leader or other evaluation team members. I understand the terms "disclose or otherwise divulge" to include, but are not limited to, reproduction of any part or portion of any submittal, or removal of same from designated areas without prior authorization from the evaluation team leader. I agree to perform any and all evaluations of said submittals in an unbiased manner, to the best of my ability, and with the best interest of the State of Texas paramount in all decisions.

I further disclose that I have no knowledge of any of the competitive offers submitted for consideration in response to this solicitation.



RFP / RFQ Evaluation Process

Here are excerpts from the TFC Evaluation Team Brief:

Sign Non-Disclosure Form. This form states that you do not have a personal interest in any of the respondents. You will not divulge any information concerning the proposal/evaluation to anyone who is not a part of the team.

Evaluate/score each proposal independently and impartially.

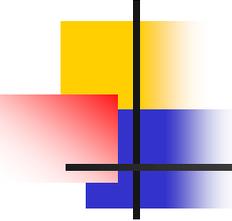
Questions between team members are allowed. A member with technical expertise in the project may help the team members better understand whether the respondent met the requirements of the RFP/RFQ. However, **team members should not influence other team members' scoring by giving individual opinions or sharing their scoring.**

If a team member has questions on a submittal, request the purchaser to contact the respondent, get an explanation and share the response with all team members.

Purchaser will be responsible for tabulating scores for the team.

If a respondent/contractor contacts you concerning their submittal or scoring, refer the contact to the purchaser, name here.

Each Evaluator must sign these forms as an affirmation that you will abide by the rules of the evaluation.



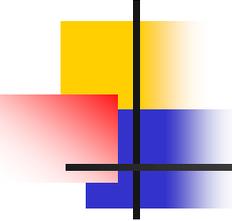
RFP / RFQ Evaluation Process

Evaluating Responses

- During the initial evaluation of the responses, as stated in the Evaluation Team Brief, each submittal is to be scored **independently and impartially**, and according to **how well the vendor responded to our written requirement**, as stated in the solicitation document.
 - This means that when scoring the vendor's response, you:
 - Cannot use previous personal experience on a project, unless listed in the vendor's response
 - Cannot use any other external source for evaluation purposes, (internet, word of mouth, references), unless listed in the vendor's response

The 'interview' portion of the evaluation process is when you can discuss all related issues, more about that later.

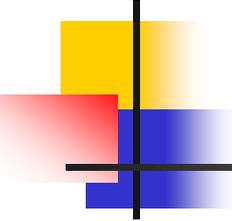
- After signing the Non-Disclosure / Evaluation Team Brief, you may begin the evaluation of the responses.



RFP / RFQ Evaluation Process

Evaluating Responses

- Each response will have an Evaluation Score Matrix with it:
 - This sheet contains a reproduction of the 'evaluation criteria' sections listed in the solicitation document.
 - Write your name on each sheet, in the space provided.
 - Write the name of the vendor's response you are evaluating, in the space provided.
 - Score each section as listed on the Evaluation Score Matrix.
 - For each section of the vendor's response that you score in either a minimal range of allowed points or a maximum range of allowed points, you must provide comments in the space provided.
 - **Remember, everything you do in state government is subject to the Open Records Act, and, if challenged, you must be able to justifiably explain your scoring and commentary of the responses.**



RFP / RFQ Evaluation Process

Evaluating Responses

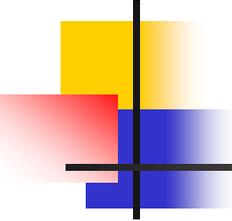
- The 'Art' of evaluation
 - The evaluation of the pricing component is done by Procurement, and is based upon a mathematical formula. This is a **quantitative** score (variables in **red font**):

$$=IF((1-(X5-\$X\$5)/\$X\$5)*VALUE>0,(1-(X5-\$X\$5)/\$X\$5)*VALUE,0)$$

Example: if the '**VALUE**' set for Compensation and Fees is '**60**' points, and the Vendor with the lowest price is in cell '**X5**', then the formula looks like:

$$=IF((1-(X5-\$X\$5)/\$X\$5)*60>0,(1-(X5-\$X\$5)/\$X\$5)*60,0)$$

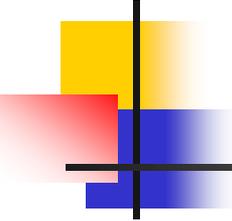
- This formula awards all '60' points, or the entire allocated points for pricing, to the vendor with the lowest price
- If the next lowest vendor is 10% higher than the lowest price, then that vendor's allowed pricing points will be a '54', or 10% from the allocated points for pricing.
- If you follow that formula through, then a vendor who is 50% higher than the lowest price, will receive a '30', or half the allocated points for pricing, and a vendor that is 100% higher than the lowest price will receive a '0' for pricing.



RFP / RFQ Evaluation Process

Evaluating Responses

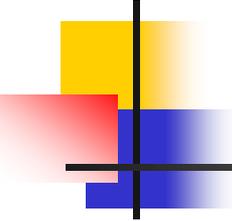
- The 'Art' of evaluation (con't)
 - The evaluation of the experience and qualifications component is done by the evaluation team, and is based upon the **evaluator's educated opinion** of the vendor's response. This is a **qualitative** score (subjective).
 - Procurement will check the evaluator's scores to ensure that they are in an 'acceptable' range of subjectivity:
 - This means that evaluation scores that are inconsistent with other evaluator's scores will be questioned; comments on the 'Evaluation Score Matrix' will help explain your score.
 - Evaluators are allowed to revise their scoring, upon a second review of the vendor's response in question.
 - The Project/Contract Manager will check references (P/F) and Litigation History (P/F).
- After the initial evaluation of the responses is completed, you will turn in your scores, along with the vendor responses, to the Purchaser.
- The Purchaser will now make the initial evaluation tabulation by combining the pricing (quantitative) scores and the experience and qualifications (qualitative) scores together, to produce a ranking of the respondents.



RFP / RFQ Evaluation Process

Evaluating Responses

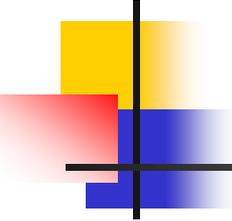
- Review Initial Evaluation with Project/Contract Manager - **RFP**
 - After Procurement checks for data entry and formula accuracy, the Purchaser will send the initial evaluation scores to the Project/Contract Manager to discuss next steps:
 - **One response**: optional interview, direct negotiation and/or Best and Final Offer (BAFO) from the only respondent.
 - **Multiple responses**: ask all respondents for a Best and Final Offer (BAFO), or revised pricing prior to interview. This may produce a revised score of the sixty point pricing (quantitative) evaluation criteria component.
 - **Multiple responses**: once the initial tabulation is complete, interviews and/or oral presentations with the acceptable proposals/top scoring respondents. This will produce a revised/final score of the forty (40) point subjective (qualitative) evaluation criteria component.
 - **Multiple responses**: Purchases **not solicited** made under TGC §2269: Negotiation, Value Engineering discussions, and a Best and Final Offer (BAFO) is requested from the vendors participating in the interview process. This may produce a new score of the sixty (60) point pricing (quantitative) evaluation criteria component.
 - **Multiple responses**: Purchases **solicited** under TGC §2269: After interview, and a top scoring respondent is clear, negotiation and/or value engineering discussions are conducted with the top scoring vendor. If an agreement cannot be reached with the top scoring respondent, then that vendor is formally dismissed from the negotiation process and discussions are then held with the next highest scoring respondent until a mutually acceptable agreement can be reached.



RFP / RFQ Evaluation Process

Evaluating Responses

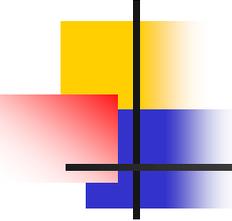
- Review Initial Evaluation with Project/Contract Manager - [RFQ](#)
 - After Procurement checks for data entry and formula accuracy, the Purchaser will send the initial evaluation scores to the Project/Contract Manager to discuss next steps:
 - **Multiple responses:** Purchases **not solicited** made under TGC §2254: Negotiation and Value Engineering discussions, and a Best and Final Offer (BAFO) is requested from the vendors participating in the interview process. This may produce a new score of the sixty (60) point pricing (quantitative) evaluation criteria component.
 - **Multiple responses:** Purchases **solicited** under TGC §2254: After interview, and a top scoring respondent is clear, negotiation and/or value engineering discussions are conducted with the top scoring vendor. If an agreement cannot be reached with the top scoring respondent, then that vendor is formally dismissed from the negotiation process and discussions are then held with the next highest scoring respondent until a mutually acceptable agreement can be reached.



RFP / RFQ Evaluation Process

Evaluating Responses

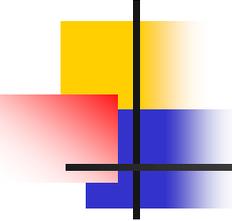
- Review Initial Evaluation with Project/Contract Manager - [RFQ – CMR 2-Step](#)
 - After Procurement checks for data entry and formula accuracy, the Purchaser will send the initial evaluation scores to the Project/Contract Manager to discuss next steps:
 - **One acceptable response**: Purchaser determines if response is within budget; requires Procurement discussion with the Program; if acceptable, request Pricing for Step 2.
 - **Multiple responses**: Procurement discussion with the Program; determine what firms to request pricing for Step 2. New tabulation and ranking with pricing factored in; Procurement discussion with Program to determine which firms to interview.



RFP / RFQ Evaluation Process

Evaluating Responses

- The Interview Process
 - After review of the initial tabulation, there may be a need to clarify and/or hear oral presentations from vendors who rank in the top scoring range of respondents.
 - This is a mutual discussion and decision between the using Program and Procurement.
 - Once the vendors targeted for an Interview are identified, the Purchaser will:
 - Discuss with the Program/Contract Manager the criteria for the interview, if not already identified in the solicitation document.
 - Coordinate and schedule the interview with Evaluation Team members, if not already identified in the solicitation document.
 - Notify the selected vendors of the interview expectations, and time and place for the interview.
 - Interviews are typically 45-60 minutes in length, and can include the following:
 - A short presentation (approx. 10 - 15 minutes) detailing company history and projects relevant to the current project, and confirmation of information presented in the proposal.
 - Attendance by team members assigned to the project to represent themselves as to their relevant experience and proposed involvement in the project. Representation by the Project Manager and the Superintendent(s) is key in this interview.
 - An elaboration of the proposed methodology for the project.

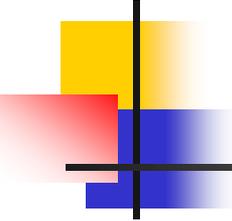


RFP / RFQ Evaluation Process

Evaluating Responses

- The Interview Process (con't)
 - TFC can also request other information, as long as it is communicated prior to the interview, and to all vendors participating in the interview process.
 - After all interviews are completed, the Evaluation Team may discuss the merits of each interviewed vendor's presentation, however each team member will **individually** re-score the experience and qualifications criteria based upon what was learned in the interview process.
 - For non-construction, excluding RFQ's for Professional Services (as there is no pricing on these solicitations at this point), there may also be a request for revised pricing, which would re-score the pricing criteria based upon the submitted revised pricing.

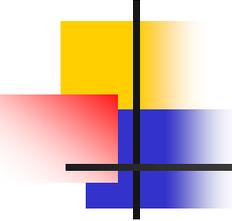
- **The Initial Evaluation is the 'application' from the vendor to do the work, and the 'Interview' is the final decision making factor to award the work.**



RFP / RFQ Evaluation Process

Evaluating Responses

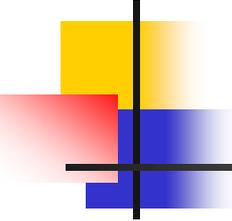
- Re-tabulation based upon the Interview
 - After the evaluation team completes the re-scoring of the experience and qualifications criteria, based upon what was learned in the interview, the Purchaser will re-tabulate the scores of the interviewed vendors to produce another ranking.
 - Based upon this ranking, TFC will begin negotiations with the highest ranked respondent.



RFP / RFQ - Negotiation

- Preparing for Negotiation

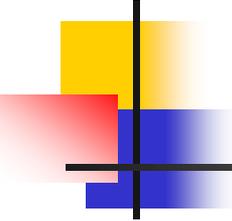
- The Evaluation Committee will determine if price negotiations are necessary and may negotiate final pricing per applicable Texas Government Code.
- For construction, a breakdown of the lump sum into a schedule of values based on the Construction Specifications Institute 16 division of work will be required of the highest scoring respondent after the interview process. The evaluation committee will determine if negotiations are necessary. Award of a contract may be made without negotiations, if in the best interest of the State. The evaluation committee will evaluate the finalists and make a recommendation for award.
- For Professional A/E Services, typically the Program Manager negotiates the fee schedule:
 - Prices must be 'usual and customary, per TGC §2254.
- For all other services, a breakdown of the submitted pricing is allowed, and should be reviewed prior to the negotiation for obvious standout items that may seem out of the norm for that particular item, or service.



RFP / RFQ - Negotiation

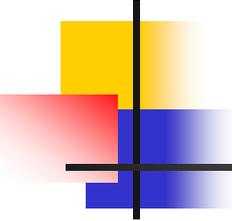
- Negotiation

- There are all types of negotiating techniques, however the State of Texas recommends integrative, or 'win-win' negotiation technique.
 - The goal is to award a contract at a reasonable price with the most qualified vendor, this is called 'best value'
- All discussions between vendors, during this phase, whether it is called 'negotiation', or 'value engineering', must be documented in order to:
 - Produce evidence of the evaluation team's methodology and reasoning for what is discussed/targeted
 - Produce a final result that will become part of the contract.
- Procurement typically assists with the negotiation by participating in the negotiation phase as either a facilitator, administrator, or team lead.
- Prior to the negotiation, the End User/Project Manager should meet with Procurement and/or your Program Director to discuss the negotiation agenda, and to identify primary and secondary considerations and an objective for the negotiation.
- No individual negotiations – team environment is encouraged.



TFC Award Process

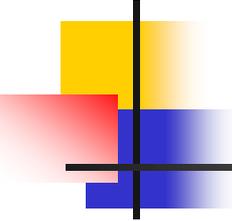
- **Award Concurrence and Approval**
 - After negotiation is completed and a final offer has been accepted, it is time to obtain award concurrence within the agency, and possibly also the Commission, prior to beginning the routing of your contract.
 - There are two levels of award concurrence here at TFC, you may have to obtain both:
 - **Internal Award Concurrence:** all award recommendations must receive this approval cycle.
 - Procurement will begin the recommendation with an email, summarizing the awarded vendor name and price, along with an attached final tabulation, to the following individuals:
 - Procurement Director
 - Project/Contract Manager
 - Manager/Director of Project/Contract Manager
 - Division DED of Project/Contract Manager
 - Executive Director (for awards that do not require Commission approval)
 - **Commission Approval**
 - Required for the following:
 - Professional Services awards >\$500K
 - Services awards >\$500K
 - Construction awards >\$1M
 - A 'Commission Action Item Memo' is required to be submitted to Legal Services on the deadline stated for the monthly Commission meeting.
 - The agency must publicly post the agenda for the monthly Commission meeting 7 days prior to the open meeting.



TFC Award Process

- Award Concurrence and Approval

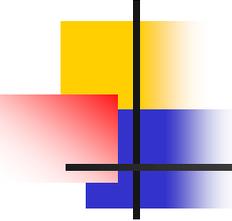
- Commission Meeting:
 - If your award is on the Commission meeting agenda, you are typically required to attend the meeting in case there are any questions from the Commissioners about the solicitation, vendor, award recommendation, etc.
 - Procurement will always have a representative there to assist, if needed.
 - After the award has been approved, you are free to begin the contract routing process.



TFC Contract Routing Process

- Preparing your draft of the Contract

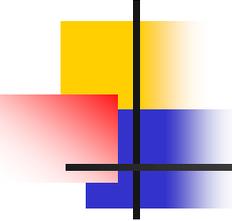
- Obtain the Contract Request Form from the webportal, in the 'Legal' "Forms and Documents" section.
- Use the contract template that was developed with Legal Services for your solicitation to determine what exhibits should be routed with the contract request form. Examples include:
 - A copy of the vendor's response to the solicitation (on CD)
 - Compensation and Fees
 - May also include a copy of the final negotiated Pricing/BAFO/Value Engineering summary
 - A copy of the APPROVED HUB Subcontracting Plan
 - A copy of the vendor's signed addendum or addenda
 - A blank 'Vendor Performance Report' (*more later*)
 - The Purchaser will also bring you the awarded vendor's submitted Bid Bond (if applicable). **This is a surety instrument and must be kept secure until release of the bid bond to the vendor.**
 - Release of the Bid Bond should be after contract execution, and typically at the Pre-Construction/Pre-Services meeting.
- Check with Martin or Debra, your Legal Services reps, to determine what documents should be routed with the CRF or sent to Legal Services in electronic format (email)



TFC Contract Routing Process

- Routing your draft of the Contract

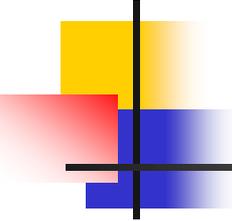
- Complete the Contract Request Form (CRF) to the best of your ability.
- Place all copies and exhibits inside a purple contract routing folder, and attach the CRF to the face of this folder.
- Or, initiate per DocuSign.
- Route according to the signature block at the bottom.
- You are responsible for tracking the form once it leaves your desk – remember, this is your contract and your award.
- BE PROACTIVE
- You may be contacted by Legal Services during the contract finalization phase to obtain any clarification or corrections to your contract draft – AFTER RECEIPT OF THE CRF.



TFC Contract Routing Process

- Contract Execution

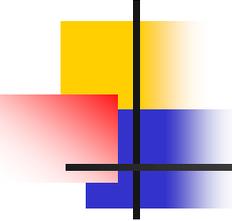
- When the contract is executed (both parties have signed), Legal Services will notify you via an email with the following information:
 - Contract Number
 - Contract Amount
 - Vendor Name
 - Description of Contract / Project Name
 - A link to the shared contract repository on the G:Drive.
- You should immediately click on the provided link, locate your contract, and verify that the contract and all exhibits are correct.
- Know how to locate the executed electronic copy of your contract on the G:Drive – this is the contract repository.
- Print a copy of the contract and all exhibits for quick reference during management of your contract.



Basic Contract Management

- Contract Management

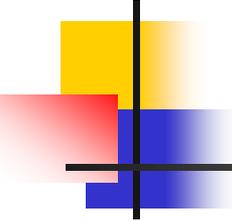
- Contract Management is a weighty responsibility – you are managing taxpayer funds and the distribution of those funds as payment for goods delivered and/or services rendered.
- You are also responsible for the management of the vendor and for performance measuring and approval of invoices for goods delivered and/or services rendered.
- State of Texas Procurement and Contract Management Guide
 - The State of Texas Procurement and Contract Management Guide is maintained by the Statewide Procurement Division at the CPA.
 - You may already be a certified PMP (Project Management Professional), or a registered Architect or Engineer, or even have vast knowledge of how to manage a project, however this does not exempt you from the state of Texas requirements, which this guide details.
 - The Procurement and Contract Management Guide can be located at the following link:
<http://www.window.state.tx.us/procurement/pub/contractguide/>
 - There is also a TFC Contract Manual on the TFC webportal under Policies and Procedures, Legal
 - If you manage a contract or project, you should be familiar with this publication – place a link to it on your ‘favorites’ on your internet browser.
 - **READ IT**
 - Much of the information presented today is based upon this guide.
 - CTCM certification available



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- After the required bonds (if applicable) are verified by the agency Insurance Analyst, Heidi Gonzales, you may return the vendor's Bid Bond, unless facilitated by Procurement.
- You should schedule a 'Pre-Construction' or 'Pre-Services' meeting with your awarded vendor.
 - Discuss the transition to the initiation of the contract
 - Meet key individuals on both sides
 - Set up a proper 'chain of command' for the management of your contract
 - Review any specific or special circumstances pertinent to your contract:
 - Discuss background check process – most all vendors and their subs – anyone who steps on state property - must complete a criminal background check prior to arriving at the job site.
 - Work with the agency Office of Risk Management (ORM), Tommy Oates
 - Set up a schedule of future meetings with the proper vendor representative to review contract performance and to discuss ongoing issues
 - You may or may not issue the 'Notice to Proceed' at this meeting
 - This officially tells the vendor he may start on the project

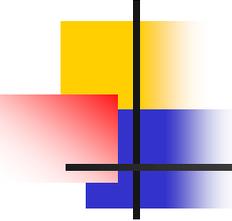


Basic Contract Management

- Ongoing Contract Management

- Measuring Vendor Performance

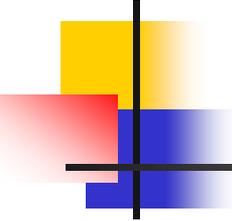
- There may be instances when the awarded vendor is not performing as expected, or is not meeting contract requirements. These issues could include any of the following:
 - Invoice errors / billing errors
 - Performance issues
 - Failure to meet specifications
 - Incidental problems or issues that may arise
- **A basic principle of Contract Management is due diligence on measuring performance with your vendor.**
- If you have problems with vendor performance, the TFC Contract and/or Purchase Order governing the project have terms and conditions that allow for disciplinary measures including:
 - Corrective Action Plans
 - 'Cure' Periods
 - Termination with Default
- Be diligent in measuring your vendor's performance and document everything.
- **Don't wait until a problem becomes a horror show – cure early.**



Basic Contract Management

- **Ongoing Contract Management**

- The State of Texas requires agencies to report vendor performance for delegated purchases (that's all of TFC's purchases) for contracts in amounts of \$25K or greater.
 - Procurement or your dedicated Contract Specialist will assist in the upload of this information once you send it to the Purchaser.
 - You can also request Procurement to enter a Vendor Performance Report at any time during the contract to document performance issues or outstanding performance.
 - You, as a Project/Contract Manager, are expected to work out minor performance issues on your own, however DOCUMENT – DOCUMENT - DOCUMENT.
 - Once the report is entered, the vendor has two weeks to respond with a rebuttal.
 - At the end of a project or services term, you should submit a final Vendor Performance Report to Procurement to either enter into the Vendor Performance Reporting System (if a CMBL vendor), or to place in the Procurement file.
 - Documented vendor performance is a reason to:
 - Disqualify a vendor 's response to a solicitation
 - Use performance as a measuring tool for evaluation purposes



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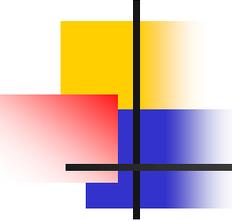
Contract Management - (*'Operate'; 'Oversee'*)

Reporting Vendor Performance – Vendor Performance Report (VPR)

- **FDC CONTRACTS:**
 - Completing a Vendor Performance Report (VPR) is a requirement when you report the Performance Measures for your project
 - The VPR, along with the Performance Measures, are returned to your dedicated Contract Specialist

- **PREM AND ALL OTHER CONTRACTS:**
 - When you, as a Contract Manager, approve the FINAL INVOICE', you must select the radio button on the invoice that asks the question: "Is this the final invoice for the PO?"
 - This will trigger APS to require you to complete a Statewide Procurement Division VPR
 - You will not be able to approve the final invoice without completing this form.

- Procurement or your dedicated Contract Specialist will enter the report into the Vendor Performance Tracking System (VPTS)

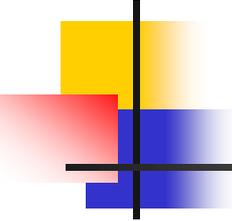


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Contract Management - (*'Operate'; 'Oversee'*)

Reporting Vendor Performance (con't)

- **The Vendor Performance Report (VPR) Form:**
 - Developed by the Statewide Procurement Division
 - This is a 'locked' form
 - Review of sections you must complete
 - 'Best Value' standard
 - Positive Performance
 - Comments
 - Negative Performance – Requires a 'Resolution Code'
 - Satisfactory Resolution
 - Unsatisfactory Resolution
 - Comments

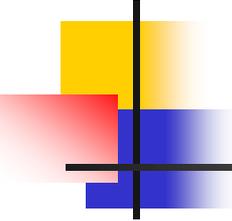


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Contract Management - (*'Operate'*; *'Oversee'*)

Reporting Vendor Performance (con't)

- **The Vendor Performance Report (VPR) Form:**
 - Debarment/Grade
 - Procurement will take care of the 'Debarment' issue – this is a rarity
 - 'A':
 - The selected score reflects that the contractor that delivered the good or service; that is the best value for the good or service because it complied with all the specifications and evaluation criteria identified in the solicitation documents; in full compliance of all material terms of the contract; and with complete or substantial customer satisfaction.

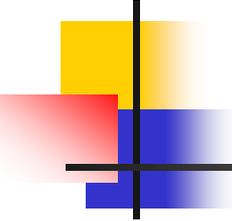


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Contract Management - (*'Operate'; 'Oversee'*)

Reporting Vendor Performance (con't)

- **The Vendor Performance Report (VPR) Form:**
 - Debarment/Grade
 - 'B':
 - The selected score reflects that the contractor delivered the good or service that is the best value for the good or service because it complied with all specifications and evaluation criteria identified in the solicitation documents; in substantial compliance of all material terms of the contract or promptly remedied any instance of non-compliance with the material terms of the contract; and with substantial or adequate customer satisfaction.

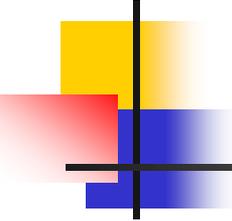


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Contract Management - (*'Operate'; 'Oversee'*)

Reporting Vendor Performance (con't)

- **The Vendor Performance Report (VPR) Form:**
 - Debarment/Grade
 - 'C':
 - The selected score reflects that the contractor delivered the good or service that is the best value for the good or service because it complied with all specifications and evaluation criteria identified in the solicitation documents; substantially remedied a majority of the in-stances of non-compliance with the material terms of the contract; and with adequate customer satisfaction. **A vendor that has been placed on an official TFC Corrective Action Plan (CAP) during the current contract term reporting period cannot receive a grade higher than a 'C'.**

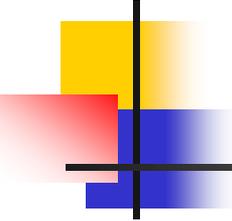


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Reporting Vendor Performance (con't)

- **The Vendor Performance Report (VPR) Form:**
 - Debarment/Grade
 - 'D':
 - The selected score reflects that the contractor delivered the good or service that was not the best value for the good or service because it did not comply with substantially all specifications and evaluation criteria identified in the solicitation documents; or in substantial non-compliance of material terms of the contract and failed to remedy a majority of instances of non-compliance with the material terms of the contract.

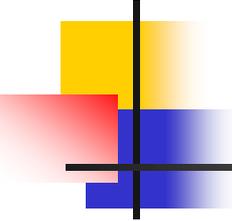


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Contract Management - (*'Operate'; 'Oversee'*)

Reporting Vendor Performance (con't)

- **The Vendor Performance Report (VPR) Form:**
 - Debarment/Grade
 - 'F':
 - The selected score reflects the contractor delivered the good or service that was not the best value for the good or service because it did not comply with all specifications and evaluation criteria identified in the solicitation documents; in substantial non-compliance of material terms of the contract and failed to remedy a majority of instances of non-compliance with the material terms of the contract; or in a manner that subjects the contractor to debarment.

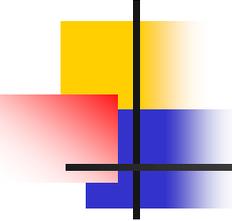


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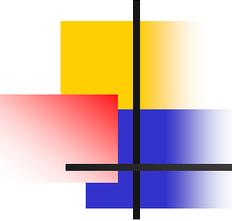
Reporting Vendor Performance (con't)

- **The Vendor Performance Report (VPR) Form: (con't)**
 - After the report is uploaded to the SPD Vendor Performance Tracking System (VPTS), the vendor gets a notice and has ten (10) days to rebut, comment, or file a formal protest associated with their report.
 - Protest can involve legal representation
 - Protest will involve the CPA SPD
 - Agency's decision on outcome, no action typically required



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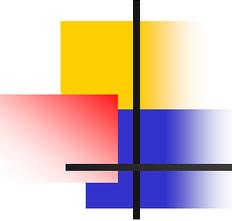
- Ongoing Contract Management – **Change Order Tolerances**
 - Change Orders for Commission approved Construction and A/E Contracts:
 - Construction >\$1M:
 - Single amendment cannot increase by more than 6% of original amount
 - Aggregate of all amendments cannot increase by more than 25% of original amount
 - Any amendments over these amounts requires Commission approval
 - A/E >\$500K:
 - Single amendment cannot increase by more than 6% of original amount
 - Aggregate of all amendments cannot increase by more than 25% of original amount
 - Any amendments over these amounts requires Commission approval
 - Services Contracts >\$500K
 - Single amendment cannot increase by more than 6% of original amount
 - Aggregate of all amendments cannot increase by more than 25% of original amount
 - Any amendments over these amounts requires Commission approval



Basic Contract Management

- **Renewal vs. Re-Solicitation**

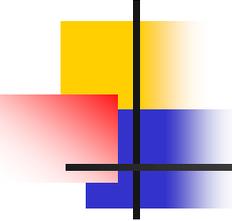
- TFC service contracts are typically awarded for the following terms:
 - 2-year initial term
 - 2, 1-year renewal periods or 1, 2-year renewal period, depending upon the service
 - Biennium will determine ending date (8/31/XX)
- Renewals are **OPTIONS**, and must be according to the originally awarded terms and conditions (unless otherwise negotiated):
 - Renewal periods are pre-determined periods of time
 - Renewal periods must be mutual and in writing, signed by both parties
 - **DO NOT ASSUME THAT THE VENDOR WILL AGREE TO RENEW THE CONTRACT**
- Programs should present a 'best value' methodology to determine if it is in the state's best interest to renew or re-solicit
 - Market conditions
 - complexity of the services
 - vendor performance



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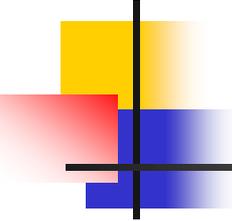
- Preparing for your next Solicitation

- During management of your contract, you should be documenting not only vendor performance, but a 'lessons learned' journal can also be extremely helpful in developing your next solicitation:
 - This should start in the 'evaluation' phase prior to award of the current contract – what worked and what did not work when writing the specification in regards to how the vendor community responded?
 - Do you need to tighten up your specs for the next solicitation?
 - Do you need to tighten up your minimum qualifications criteria for the next solicitation?
- You should be reviewing this material and preparing for your next solicitation ideally at least eight months from the final termination date of the current contract.
- **First Step: discussion with your vendor re renewal; what % escalation (if allowed); negotiated?; justification preparation**
- You should be **prepared and ready** to solicit for complex services 4-6 months from the final termination date of the current contract.
 - This will allow for a sensible solicitation schedule, proper evaluation of the responses, proper time to negotiate, proper time allowed for contract execution, and proper time for the vendor to transition into the new contract to be able to start on the expected start date.



Summary

- Follow the guidelines outlined in this training:
 - KNOW the different types of solicitation methods and what each one allows
 - KNOW the TFC solicitation process
 - KNOW the TFC award process
 - KNOW the TFC contract routing process
 - FAMILIARIZE yourself with the State of Texas Contract Management Guide
 - ALWAYS ask a TFC Purchaser for assistance if needed



Summary

- Solicitation Lead Times

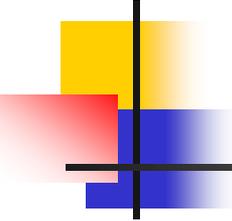
- The lead times below are typical estimates; each formal solicitation can take on a life of its own:

- IFB:

■ Spec development	2-3 weeks
■ CATRAD review (\$>5M)	1-4 weeks
■ Procurement pre-posting / finalize solicitation	1 week
■ Posting	2-4 weeks
■ Tabulation	1 day
■ Reference checks / confirm qualifications	2 days
■ Award concurrence (w/o Commission)	1 week
■ Award concurrence – Commission Approval required; meet once/mo; 3 rd Wed of month	1-4 weeks
■ Contract Execution	2-4 weeks

TOTAL ESTIMATE

8-16 WEEKS



Summary

- Solicitation Lead Times

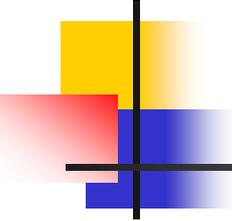
- The lead times below are typical estimates; each formal solicitation can take on a life of its own:

- RFP/RFO:

■ Spec development	2-6 weeks
■ CATRAD review (\$>5M)	1-4 weeks
■ Procurement pre-posting / finalize solicitation	1 week
■ Posting	3-5 weeks
■ Evaluation / Interviews	1-3 weeks
■ Reference checks / confirm qualifications	2 days
■ Award concurrence (w/o Commission)	1 week
■ Award concurrence – Commission Approval required; meet once/mo; 3 rd Wed of month	1-4 weeks
■ Contract Execution	1-4 weeks

TOTAL ESTIMATE

10-20 WEEKS



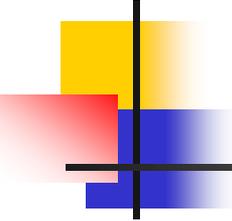
Summary

- Had Enough?

Thought So!

This is a lot to absorb; just know that the TFC Procurement Program is responsible for the integrity and the validity of the solicitation, and our main goal is to mitigate risk for your procurement - we will be there every step of the way with you.

- We are available for lunch most days (kidding).



Additional Training

This training and other tools are available for review on the TFC webportal under Procurement Docs:

<http://.portal.tfc.state.tx.us/>

- TFC Procurement Training – GENERAL
 - Summarizes the overall procurement process according to state and TFC requirements.
- TFC Procurement Training - DATABASE
 - Summarizes the Database steps necessary to install and utilize the Procurement Databases
- TFC Contract Management Training
 - Reviews the CTCM class curriculum, and focuses on TFC Contract Management