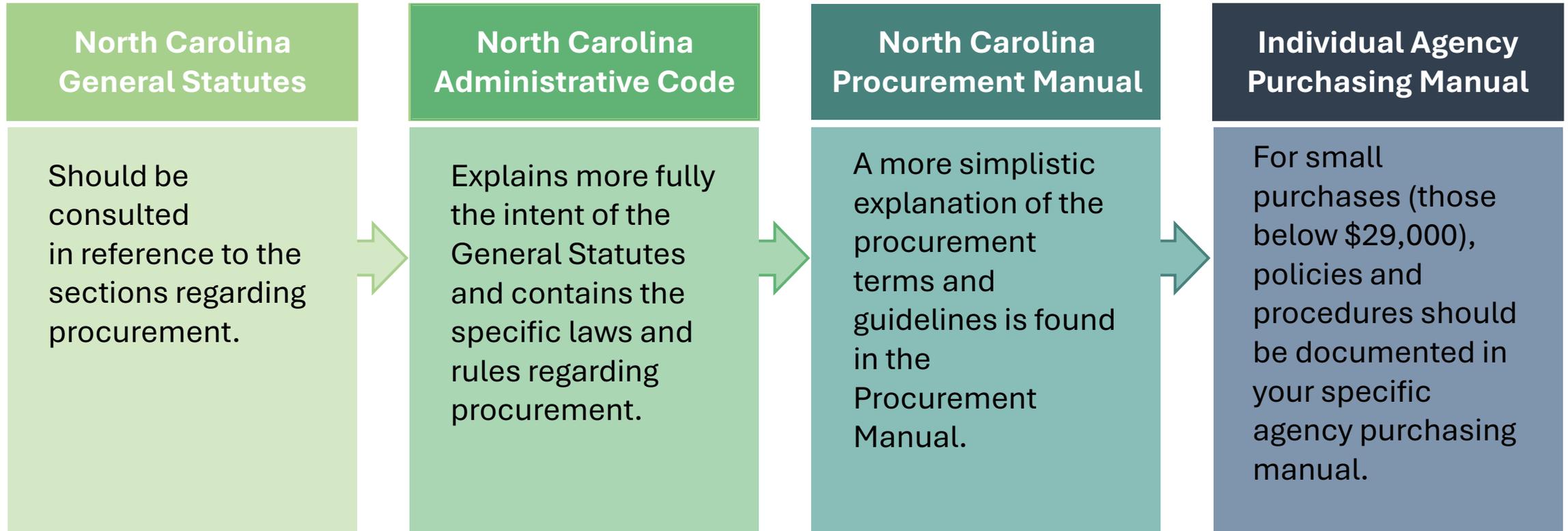**ELEVATE YOUR PARTNERSHIP WITH STRATEGIC SOURCING**

LAURA TERRY & SARAH LYONS
PURCHASE & CONTRACT

Sources of Authority

North Carolina General Statutes	**North Carolina Administrative Code**	**North Carolina Procurement Manual**	**Individual Agency Purchasing Manual**
Should be consulted in reference to the sections regarding procurement.	Explains more fully the intent of the General Statutes and contains the specific laws and rules regarding procurement.	A more simplistic explanation of the procurement terms and guidelines is found in the Procurement Manual.	For small purchases (those below $29,000), policies and procedures should be documented in your specific agency purchasing manual.

PEAK

3

Hierarchy of Authority

Secretary of Department of Administration

State Purchasing Officer

Division of Purchase & Contract

Agency Purchasing Officer

Who is Subject to P&C Rules?

Subject to P&C Rules

State Agencies

Institutions

Community Colleges

UNC-System Universities

NC School of the Arts

NC School for Science and Mathematics

NCGS Chapter 143, Article 3

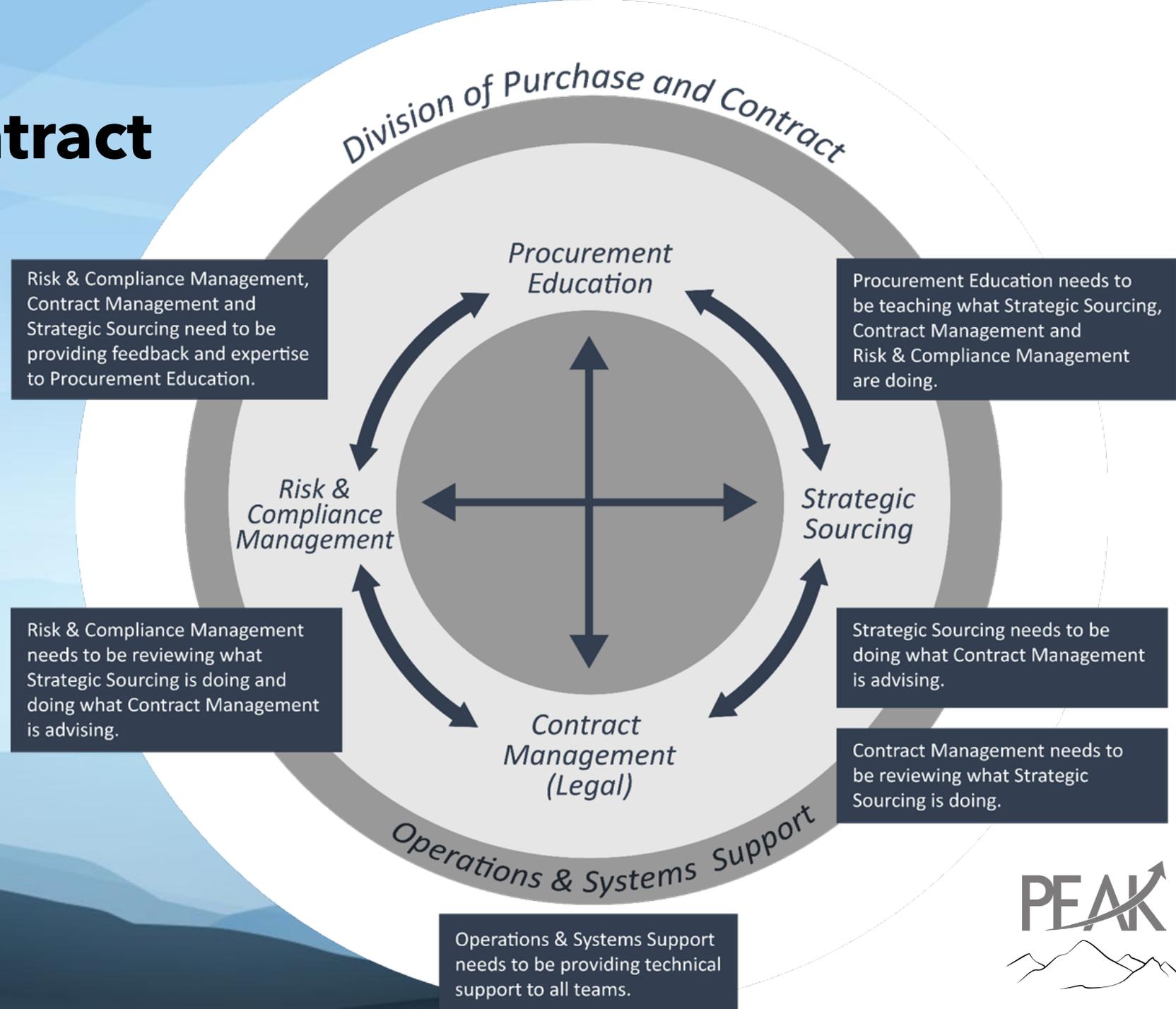*(NCGS = North Carolina General Statute)*

Not Subject to P&C Rules

Public Schools

Charter Schools

Local Government

County Government

City Government
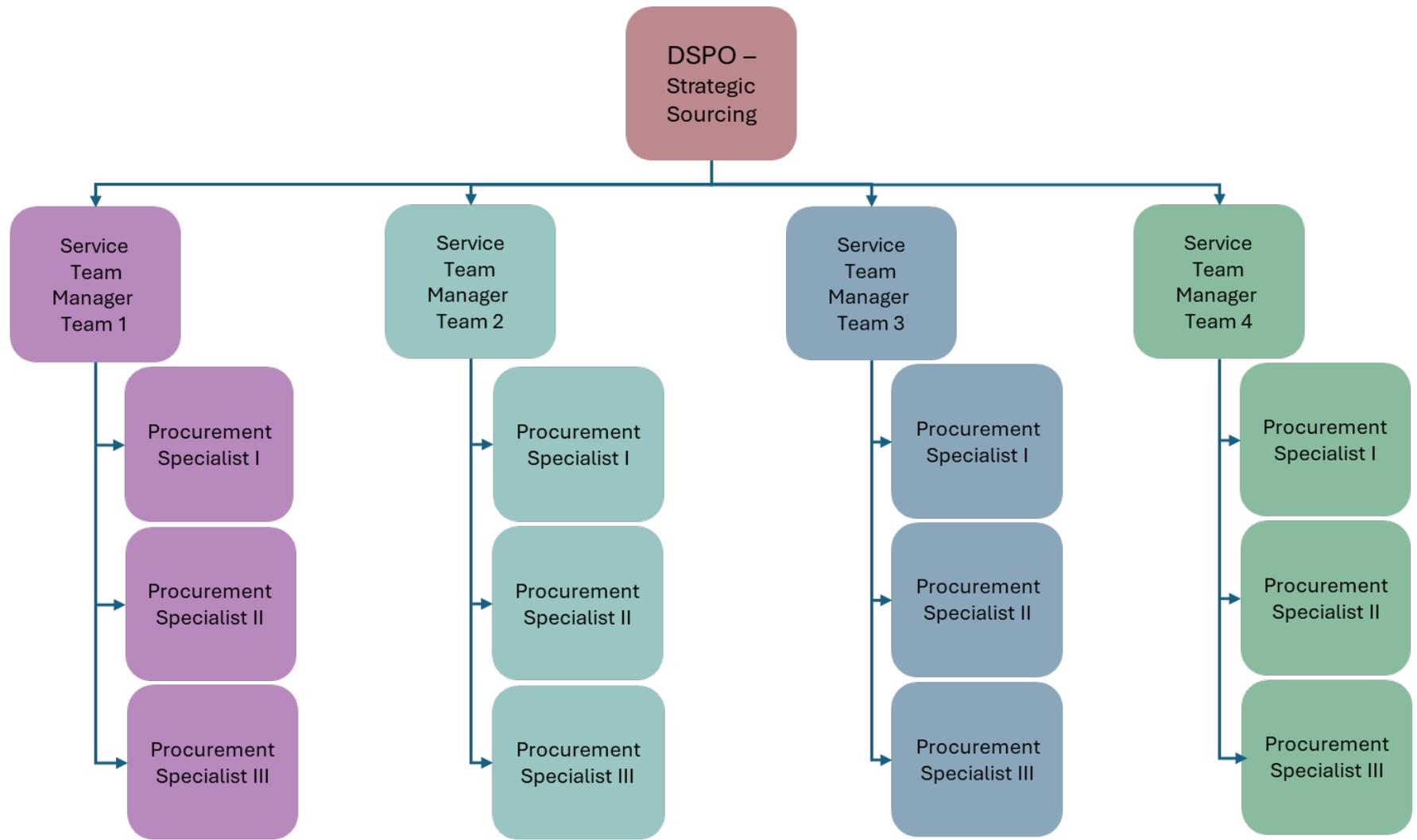
Town Government

NCGS Chapter 143, Article 8

Introduction to Purchase & Contract

Purchase and Contract is led by David O'Neal, the State Purchasing Officer, and is made up of five sections. Each Section is led by a Deputy State Purchasing Officer:

- Procurement Education (PE) – Jody Cleven
- Contract Management (CMS) – Melissa Pressley
- Risk & Compliance – Belinda Preacher
- Operations and Systems Support – Danielle Hearst
- **Strategic Sourcing – Nicole Hunter**

Division of Purchase and Contract

Procurement Education

Risk & Compliance Management

Strategic Sourcing

Contract Management (Legal)

Operations & Systems Support

Risk & Compliance Management, Contract Management and Strategic Sourcing need to be providing feedback and expertise to Procurement Education.

Procurement Education needs to be teaching what Strategic Sourcing, Contract Management and Risk & Compliance Management are doing.

Risk & Compliance Management needs to be reviewing what Strategic Sourcing is doing and doing what Contract Management is advising.

Strategic Sourcing needs to be doing what Contract Management is advising.

Contract Management needs to be reviewing what Strategic Sourcing is doing.

Operations & Systems Support needs to be providing technical support to all teams.

PEAK

WHY do we have to go through *Strategic Sourcing???*

Also known as "Why can't we do this ourselves ???"

Authorization and Accountability (01 NCAC 05B)

Compliance with Regulations (01 NCAC 05B .1605)

Risk Mitigation

Quality Assurance

If and when you are ready, request a delegation increase
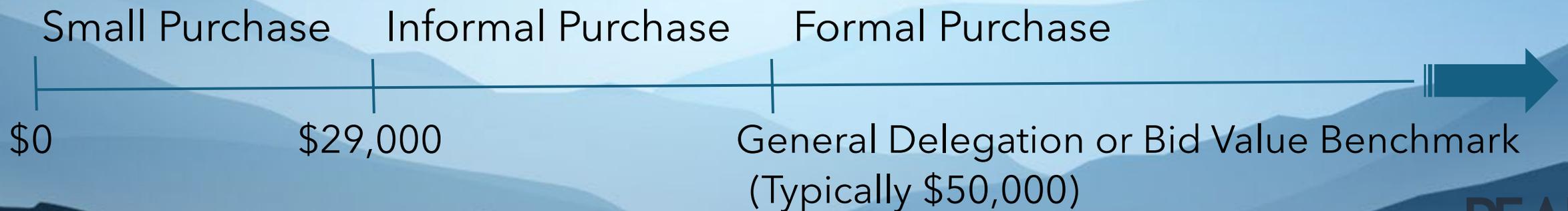
Reference the P&C Procurement Manual

PEAK

General Delegations

Entities shall not independently award purchases that exceed their general delegation, whether based on the original contract amount or the contract amount as amended, **without P&C approval**.

Entities shall use P&C solicitation templates for purchases that exceed their general delegation.

Entities shall submit both their solicitation for preliminary review and for award recommendation.

Procurement Thresholds

Small Purchase   Informal Purchase   Formal Purchase

$0 $29,000   General Delegation or Bid Value Benchmark
                                                 (Typically $50,000)

Check out the Procurement Manual for more information.

Three Types of Solicitations

Document	Purpose
RFQ **(Request for Quote)**	Used for non-advertised procurements (waiver of competition); goods and services.
IFB **(Invitation for Bid)**	Used to seek competition and obtain offers for well-defined goods and simple services.
RFP **(Request for Proposals)**	Used for seeking competition and obtaining offers for more complex services or a combination of goods and services.

Templates can be found in the:
➢ Sourcing tool
➢ Sourcing library in Ariba, or in
➢ Procurement Information Portal (PIP)

PEAK

Methods of Evaluation

RFQs and IFBs are typically evaluated using the lowest cost technically acceptable method.

RFPs are evaluated by criteria specified within the solicitation through the Best-Value Trade-Off Method. There can be one-step evaluations and two-step evaluations, although the one-step evaluation is more commonly used. With this method, offers are ranked using the evaluation factors and their relative importance or weight as specified in the solicitation document.

Where are the forms for your request?

Procurement Information Portal (PIP) Strategic Sourcing Page

NC eProcurement Sourcing Library

Sourcing Project Documents Tab

Internal Processes

1) Check any Statewide Term Contracts for the commodity you need.

   - Remember G.S. 148-134 which requires all agencies and community colleges to give preference to products made by Correction Enterprises. And where needed goods or services are not available from Correction Enterprises, state entities must determine whether those items can be supplied pursuant to the STC established with the nonprofit work centers for the blind and severely disabled.

2) Entities should follow their internal policies:

   - For purchases under entity delegation, internal policy may include soliciting at least three (3) competitive quotes or bids.
   - Prior to submitting to P&C for requests over their delegation

3) Additionally, entities should develop initiatives to encourage and promote the use of HUB Vendors.

PEAK

eProcurement Training

Training materials including videos, job aids, and quick guides can be found online at https://eprocurement.nc.gov/training

NCEP Sourcing Training

Learn how to use the NCEP Sourcing Tool

NCEP Contracts Training

Learn how to use the NCEP Contracts Tool

NCEP Buyer Training

Learn how to use the NCEP Buyer Tool

Vendor Training

Learn how to use NC eProcurement as a Vendor

eVP State Procurement User Training

Learn how to use the eVP tool as a State Purchaser

NCEP Training Videos

Self-learn and review how to use NC eProcurement resources

NC eProcurement
Getting Started

NC eProcurement Sourcing is a tool that allows users to manage Sourcing Events at both the State and Agency level. There are several benefits to the Sourcing tool such as document storage, electronic approval flows, and the ability to run reports. NC eProcurement Sourcing acts as a centralized tool for vendors and entities to communicate during a public solicitation for goods or services. Depending on assigned permissions, some users may see different options.

I.   Logging In

To access NC eProcurement Sourcing, users will click the link from the NC eProcurement website, which will direct them to enter an email and password.

NCDIT

Sign in

someone@example.com

Can't access your account?

Back   Next

II.   Home Tab

P&C's Internal Approval Flow

In most cases the value of the project dictates the approvals required.

Over Agency Delegation up to $300,000
STM Approval

$300,001 - $500,000
DSPO SS Approval

$500,001 and over
SPO Approval

Over $1M Requires
CMS (Legal) Approval

APPROVED

Changes to **ANY** Terms & Conditions requires review by the CMS team.

Your request will be assigned and acknowledged within 3-5 days.

Ariba Approval Flow Changes

When a request needs additional information/documentation the STM or Procurement Specialist can add the requester to the approval flow or deny the request.

	Ariba	eForm
If you are added to the approval flow...	Address what is needed and click "Approve". You can attach documents and comment in your approval.	Address what is needed and click approve. You can make a comment when you approve the request.
If your request is denied...	Address what is needed and submit a new round.	Withdraw the request, address what is needed, and resubmit.

PEAK

Solicitation Preparation

Usually completed at **end-user** level

⟹

- Identify need and define
- Gather information
- Develop specifications and scope of work (Could be completed by Purchasing)

Purchasing gets involved

⟹

- Develops solicitation
- Review before posting
- Review before award

Can enhance or inhibit competition

⟹

Write for maximum competition

- Focus on what it must have in order to do what you need it to do (fit, form, fashion, etc.)
- ***Do Not*** copy and paste specifications directly from manufacturer

Why are Commodity Codes Important?

NC utilizes the United Nations Standard Products and Services Code (UNSPSC),
the global standard of commodity and service codes.

Standardized commodity codes are used to:
- Provide a standardized method of sourcing
- Identify the procurement as goods or services
- Provide electronic notification of bidding opportunities
- Identify term contract items
- Provide detailed history of commodity purchases
- Increase savings and efficiency for the state
- Analyze spend data

NCEP Buyer Login

Access NC eProcurement

NCEP Sourcing & Contracts Login

Access NCEP Sourcing & Contracts

eVP Procurement User Login

Access eVP Agency App to create and manage Solicitations and submit HUB Reports

eVP Public View

Access Vendor Login, Solicitations, Contract Extensions and Public Vendor Search

Correct commodity code usage promotes accuracy in reporting and provides P&C with the vital statistics needed to determine contract usage and vendor participation. Use of correct commodity codes is also a factor considered in compliance reviews.

Agencies may search for commodity codes by accessing the P&C website or the UNSPSC website. The NC eProcurement website Public Vendor Search allows North Carolina eProcurement registered vendors to be searched by commodity code.

PEAK

Submitting Preliminary Review Requests (PRR)

Before soliciting a procurement over your delegation, it must come to P&C for review and approval. Submit as a project in Ariba or submit an eForm in eProcurement.

Job Aids

Getting Started & Creating a Sourcing Project - NCEP Sourcing Training |NCeProcurement

Procurement Request eForms (Non-Sourcing)

Extended contract term?

Does your request have a cumulative contract term greater than 3 years? If so, you need Extended Contract Term approval from the SPO prior to submitting your PR Request!

Procurement Exceptions (Non-IT) | NC eProcurement

Procurement Request eForms (Non-Sourcing) - Section V

Make sure your service team is selected!

PEAK

Documents often submitted with PRRs

The Preliminary Review Procurement Checklist guides you through the procurement request process.

Where to find it:

- Ariba users under the "Documents" tab, or for
- eForm users in the Procurement Information Portal (PIP).

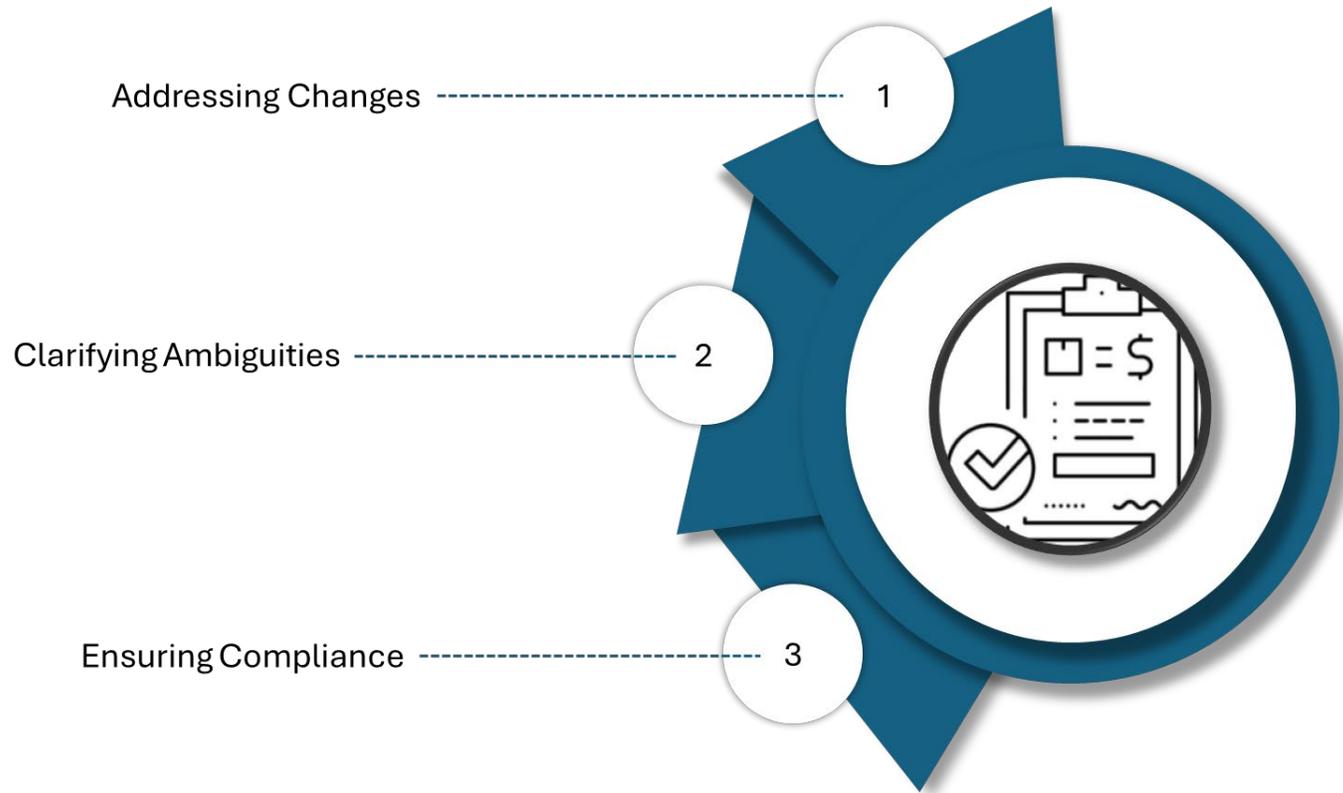| Documents to Submit	
o Draft Solicitation o Evaluation Matrix (RFP) o Preliminary Review Procurement Checklist	**If Applicable:** o Preliminary Review Procurement Checklist o Brand Specific Justification o WOC: Request for Waiver of Competition o WOC: Sole Source Letter o WOC: Vendor Quote

PEAK

After the PRR is Approved

What's the next step?

Posting & Opening a Solicitation	Issuing a Solicitation
Post the solicitation for a minimum of 10 days	Issue the solicitation to the Vendor.
Once the bid closes, publicly open at date time and location specified in the solicitation	Once the Vendor responds to the solicitation, review the response to determine if Vendor is responsive.
Late offers are not accepted	
Create a Bid Opening Attendance Sheet (Two (2) Agency employees must be present to witness)	
Complete the Administrative Review to determine Vendor responsiveness	
Review bids based on the evaluation criteria outlined in the solicitation	

PEAK

Addendums

Addressing Changes --------- 1

Clarifying Ambiguities ---------- 2

Ensuring Compliance ---------- 3

- To revise specifications/scope of work of a solicitation

- To revise the timeline of a solicitation

- To cancel a solicitation, you must issue an addendum before you cancel

- Addendums should only require a signature and be returned if they contain information that impacts a vendor's response. Since addenda with modifications or answers affecting contract performance become part of the contract, the signature acknowledges agreement to those updates.

PEAK

Clarification

01 NCAC 05B .0307 ERROR/CLARIFICATION
   When an offer appears to contain an obvious error or otherwise where an error is suspected, the circumstances may be investigated and then may be considered and acted upon. Any action taken shall not prejudice the rights of the public or other offering companies. Where offers are submitted substantially in accordance with the procurement document but are not entirely clear as to intent or to some particular fact or where there are other ambiguities, clarification may be sought and accepted provided that, in doing so, no change is permitted in prices.

We recommend phrasing the question in a yes/no format.

BAFOs

- A BAFO can provide an opportunity to address any concerns that arose during the evaluation process, like clarifying technical aspects or aligning the proposal closer with the state's goals.

- Changes to Requirements: If the requirements or scope of the project change after the initial submissions (for example, due to budget shifts, scope adjustments, or new regulatory requirements), issuing a BAFO allows vendors to submit updated offers based on the revised criteria.

- An entity can decide to decline all offers and negotiate with one or more Vendors.

- P&C Approval is required for BAFOs for solicitations over an entity's delegation.

Documents often submitted with requests:
Negotiation Rationale Memo (BAFO Justification)
Draft BAFO

Bid validity and when to extend?
The original solicitation's bid validity period must remain in effect (valid) until the BAFO is signed by the vendor. Complete Bid Validity Extension Form.

When the BAFO Request is Approved:

Make necessary revisions (if Applicable and issue the BAFO to the Vendor(s)

PEAK

Submitting Award Review Requests (ARR)

Before awarding a contract over your delegation, it must come to P&C for review and approval.

What is needed when submitting your request?

- Check the Award Recommendation Packet Checklist.
- Can be found at the link provided or in Ariba under the "Documents" tab, or for eForm users, in the Procurement Information Portal (PIP).

Make sure your service team is selected!

PEAK
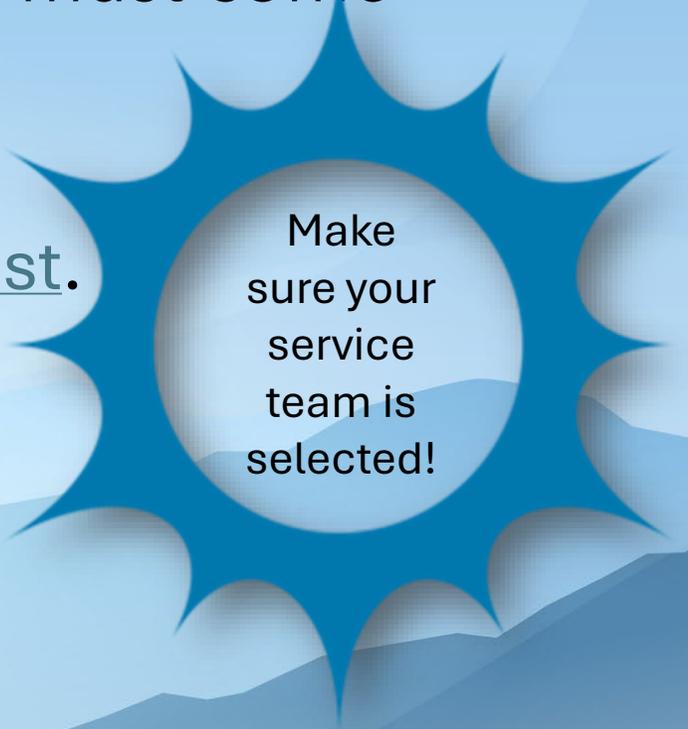
Documents often submitted with ARRs

Documents to Submit	
• Bid Administrative Review • Bid Evaluation - RFP • Bid Tabulation • Bid Opening Sheet • **All** Vendor Responses including attachments • Posted/Issued Solicitation (IFB, RFP, RFQ)	**If applicable:** • Addenda • Site Visit and/or Pre-bid Conference Sign-In Sheet • Lack of Competition Documentation • BAFOs • Request for Clarifications • Negotiation Documentation • Relevant Correspondence

PEAK

After the ARR is Approved

What's the next step?

- Sign the solicitation or BAFO to execute the contract with the Vendor(s)
- Send the executed contract to the Vendor(s)
- Notification of Award – post Award in eVP within three (3) working days
- Begin managing the contract

Contract Modification Requests (Amendments)

Any change in scope of work or increase in dollar amount exceeding initial P&C approval must be sent to P&C for review and approval.

If amendment increases contract amount above agency's delegation, the amendment should come to P&C for review and approval.

Contract Modification Request (CMR) forms are located in the Ariba Tool and in the Procurement Information Portal (PIP).
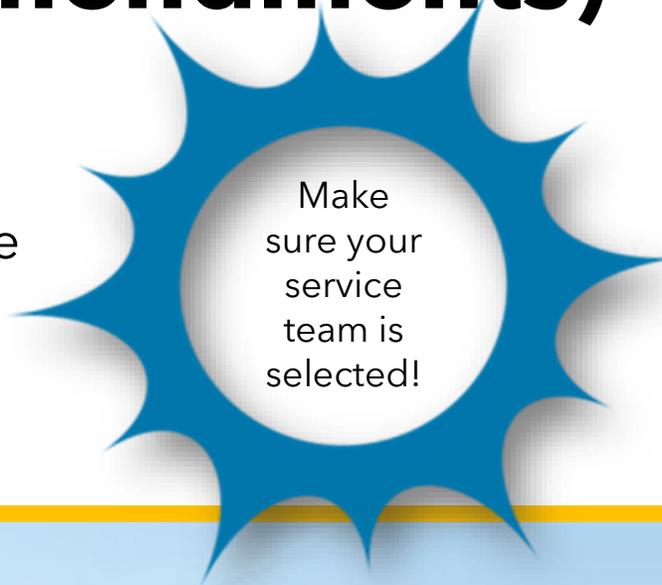
Make sure your service team is selected!

Common Modifications Include:
- Price Changes
- Product Additions
- Extensions
- Scope Changes
- NTE Increases

Extended Contract Term?
Does your request extend the term of the contract over 3 years?
If so, you need Extended Contract Term approval from the SPO prior to submitting your Request!
Even if you've gotten SPO approval for a previous request, each time you extend for any term over 3 years, SPO approval is required.

Once approved by P&C, the entity should send the amendment to the vendor for signature and then countersign to execute.

PEAK

Expired Contracts

An expired contract =
No Contract

- You cannot renew an expired contract.
- You cannot amend an expired contract.
- You cannot add funds to an expired contract.
- You cannot extend an expired contract.

PEAK

Why is Documentation Important?

- **Ensures Compliance and Accountability**
  Proper documentation ensures all procurement activities comply with state laws, policies, and regulations, reducing the risk of legal issues and promoting transparency.

- **Provides a Clear Audit Trail**
  Documenting every step of the procurement process creates an organized record that can be reviewed in case of audits or disputes, ensuring accountability and helping resolve issues quickly.

- **Facilitates Decision-Making and Transparency**
  Well-documented processes provide clarity on how decisions were made, helping stakeholders understand and trust the procurement process.

- **Supports Continuous Improvement and Best Practices**
  Maintaining thorough records allows for better analysis of past procurements, helping identify areas for improvement and ensuring the adoption of best practices in future procurements.

PEAK

Want more information?

Procurement Education is a section within the Division of Purchase & Contract and they provide many training and certification opportunities including the three (3) procurement certification programs (NCCM, NCP, NCPO).

- NCCM – NC Contract Manager

- NCP – NC Purchaser

- NCPO – North Carolina Purchasing Officer

NCCM certification is required by G.S. 143-49 (15), which mandates that all state employees responsible for awarding contracts or monitoring contract compliance must be certified through this training program.

Procurement Education Website

PEAK

Resources

eProcurement

Home Page

Training

- NCEP Sourcing Training

- Procurement Request eForms

Procurement Information Portal - Home - Access required

PEAK

Job Aids – Ariba Users

Project Owner

A Project Owner is a user who initiates and manages the Sourcing Project in the Ariba Sourcing tool. They are responsible for creating the Sourcing Project and managing the Sourcing Event before awarding the contract to the winning bid. They are also the only users with the ability to make any changes to that Sourcing Project.

1. Getting Started
2. Creating a Sourcing Project
3. Publishing a Sourcing Event (Non-IT)
4. Publishing a Sourcing Event (IT)
5. Viewing Posted NCEP Solicitations in eVP
6. Managing and Awarding a Sourcing Event (Non-IT)
7. Managing and Awarding a Sourcing Event (IT)

8. Entering Bid Tabulations and Awards
9. Creating a Contract Workspace from a Sourcing Project
10. Procurement Exceptions (Non-IT)
11. Exception Requests (IT)
12. Multi-Envelope Events
13. Adding Special Content to a Sourcing Event
14. Sourcing Reporting

PEAK

Job Aids – eForms

1. Procurement Matter of Record eForm

2. Special Delegation Request eForm

3. Procurement Request eForms (Non-Sourcing)

4. Statewide Term Contract Management eForms

eVP Procurement User

An eVP State Procurement User accesses the eVP Agency App to create and post solicitations, bid tabulations and awards, and have the ability to report HUB goods and services spend. They can also use the eVP Public Portal to search for registered vendors.

1. Posting Solicitations in the eVP Agency App
2. Viewing Bids for Posted Solicitations in eVP
3. Entering Bid Tabulations and Awards
4. Posting Contract Extensions
5. HUB Goods and Services Reporting
6. Searching for Registered Vendors

PEAK