

State Term Contracts

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The logo for PEAK features the word "PEAK" in a bold, white, sans-serif font. A white arrow starts from the bottom left of the letter 'A' and curves upwards and to the right, ending above the letter 'K'.

PEAK

SMARTER PROCUREMENT
FOR PUBLIC GOOD

Breakout Session



State Term Contract Management

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Department of Administration



STATE TERM CONTRACTS

WHAT ARE THEY AND WHY DO WE HAVE THEM

- The DOA Division of Purchase and Contract creates a State Term Contract (STC) when there is significant need for goods or services throughout our State Agencies and other entities.
- STCs are intended to be put in place to make procurement decisions more efficient and effective as a whole.
- By soliciting for those needed goods and services as a bundle via a competitive bidding process, the State negotiates favorable terms and prices for our Agency customers.
- In addition to favorable prices, awarded vendors also provide a variety of rebates and incentives that also benefit the State.

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WHAT FACTORS ARE CONSIDERED?

During the process of establishing STCs, P&C considers several factors, which include:

- 1) Which items are most used or purchased by the state
- 2) Whether lower prices can be obtained through volume discounts
- 3) Whether transportation costs are included in the pricing
- 4) Whether warranties may be included in the contract
- 5) The availability of online catalogs within NC eProcurement for order processing efficiency

EXAMPLES OF FREQUENTLY USED STC's

- Furniture
- Office supplies
- Fleet Vehicles
- Equipment Rental Services
- Fuel
- Laboratory Supplies and Equipment
- Maintenance, Repair and Operations

What Happens at P&C?

WHAT HAPPENS INSIDE PURCHASE AND CONTRACT?

- STCs are bid out and awarded by our Contract Administrators (CA) in the Strategic Sourcing section. CA's do the pre-award work.
- Upon award, Contract Managers (CM), in the Contract Management section, take over and work with vendors and end users to facilitate the function of STCs.
- CMs monitor the contract throughout its lifespan to ensure the contract is utilized correctly, ensure vendors are meeting the terms of the contract, make changes to the contract when necessary, and utilize information gathered over the course of the contract to determine whether a renewal or new contract is needed and more. Factors taken into consideration include spend, issues, identified needs, challenges or opportunities presented by market conditions, vendor performance.
- CMs then present this information and their recommendations regarding the course of the contract to the CAs.
- A determination is then made whether to renew, extend, resolicit or terminate the contract.

Purchasing from STC's

- STC goods and services must be purchased in accordance with the instructions for that contract. (For example, some STCs may specify a minimum or maximum quantity or dollar value for each order. Read each contract carefully prior to ordering.)
- Orders valued less than any minimum quantity indicated on the contract synopsis should be obtained in accordance with normal agency procurement procedures.
- Orders that exceed any maximum quantity should be forwarded to P&C for processing.
- In situations where a special item or service is needed for a particular application, the CM for the STC should be consulted for appropriate action.

TWO WAYS TO PURCHASE FROM STC's

- eProcurement Catalog
- Direct ordering online via ePro
- Request for Quote (RFQ)
- Directly contact STC vendors

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***BUT WHAT ABOUT ...
ARE THERE ANY QUESTIONS ABOUT***

- THE PURPOSE OF STC's
- CONTRACT MANAGEMENT/SOURCING STRATEGY'S DECISIONS REGARDING STCS
- PURCHASING

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Requests for Exceptions

- STCs are put in place to make procurement decisions more efficient and effective; they are not intended to be shopped.
- However, exceptions can be made if there is a significant impactful procurement concern.
- More common reasons for allowing exceptions include: emergency, pressing need, more cost advantageous to compete via formal solicitation, need for compatibility, unavailability or delay, quality, quantity or services not being met by the STC.

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How do I Request a STC Exception

Steps:

1. Submit STC Exception into PIP (STC Exception Request Form) and attach documentation if possible.
2. If the documentation cannot be attached to the form request, E-mail the STC Exception Supporting Documentation to the contract manager.

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STC Exceptions

Emergency or Pressing Need

Emergency or Pressing Need exceptions should be based on NCAC 05B.1602.

- **Pressing Need** – unforeseen causes, including but not limited to delay by contractors, delay in transportation, breakdown of machinery, unanticipated volume of work.
- **Emergency** – situations which endanger lives, property, or the continuation of a vital program which can only be rectified by immediate, on the spot purchase or rental of commodities, printing or services.

COOPERATIVE PURCHASING AGREEMENTS

North Carolina sometimes utilizes cooperative purchasing agreements for STCs. Adopting cooperative agreements via Participating Addendum allows the State to leverage an existing competitively awarded contract that combines the purchasing power of many states. Their usage also reduces the time, resources and administrative workload required to conduct a new solicitation.

Examples of Cooperative Agreement Organizations NC has used in the past:

- NASPO ValuePoint
- OMNIA Partners
- Sourcewell

PARTICIPATING ADDENDA

A Participating Addendum (PA) is the document the State signs to join and use a cooperative purchasing agreement that was originally awarded by another governmental entity.

In NC, a STC PA is a written agreement between the NC DOA Division of Purchase and Contract, the cooperative contracting organization and the vendor(s) holding the master agreement. The document allows NC agencies to legally use a national cooperative agreement by adding North Carolina –specific terms and conditions.

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WHERE CAN I FIND INFORMATION ABOUT STCs

- STCs are found on the DOA website under the STC tab.
- Search within the search bar by contract number, name or key word.
- Within the links to the individual contracts, you will find a synopsis of the contract that includes, among other information, the term of the contract, the vendors on contract along with their contact names and information, ordering information, a pricing link, if applicable, and contract updates.
- The DOA also sends out Statewide Announcements to introduce new STCs as well as significant changes to or information regarding the STCs.
- CMs are also always available to answer STC questions and/or help guide you to find answers.

WHERE TO FIND STATE TERM CONTRACTS

<https://www.doa.nc.gov/divisions/purchase-contract/statewide-term-contracts>

STC USER SURVEYS

Working Together to Make STCs Better

- Submit STC Surveys to CMs to provide feedback on what is working or not working with STCs you utilize. Eg. product selection, quality & availability, vendor responsiveness, delivery timeliness.
- Give your feedback to your agency or entity's procurement director if you are not the person who receives surveys.
- Pass along your suggestions for new STC's that you may see a need for to your P&C team!

QUESTIONS

- EXCEPTIONS
- COOPERATIVE AGREEMENTS
- YOUR CHALLENGES WITH STCs
- STCs TO CONSIDER



PEAK THANK YOU!

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