

Frequently Asked Questions from Purchasers

1. Why can't I buy locally?

You may buy locally provided the item(s) are not on term contract, or you are using your flexibility rule (community colleges and universities only). If not on term contract, you may also buy locally if the dollar value is less than \$5,000, and your internal benchmarks and policies permit it. Otherwise, buying locally without seeking competition can be considered to be too restrictive and not promoting maximum competition.

2. What is the difference between a statewide convenience contract and a statewide term contract?

It is not mandatory to purchase items from a statewide convenience contract. Although our rules do not define what a "convenience" contract is, it is usually one that you are not required to buy from.

A statewide term contract is a contract intended to cover all normal requirements for a commodity or service for a specified period of time based on aggregated estimated quantities. Statewide term contracts are established by P&C or ITS for state entities to utilize. When a commodity or service is covered by a statewide term contract, it is mandatory to purchase from that contract in most cases unless exempted by general statute. In all cases, follow the instructions included in the contract, which may vary by contract, or contact the P&C contract administrator for further guidance.

3. Do I have to purchase from a statewide term contract?

State agencies, universities and community colleges are required to purchase from statewide term contracts. However, universities and community colleges have additional flexibility in their use; community colleges may purchase an item from sources other than those listed on contract if they can find the exact same item at a lower price than term contract, and the total purchase price is within their delegation; universities may purchase an item from sources other than those listed on contract if they can find a similar item at a lower price than term contract, and the total price is within their benchmark; LEAs and local governments may purchase from statewide term contracts or by other means provided for in Article 8 of Chapter 143 of the NC General Statutes.

4. What if the item/product on state contract does not fit our needs?

In this case you must document for the record why a state contract item does not fit your needs and then handle the purchase in accordance with established rules for items not covered by a statewide term contract.

5. How do I find out if an item is on State contract, and should I read the term contract for the item that I am buying?

To determine if an item is on a statewide term contract, conduct an E-Procurement catalog search using “Explore Catalogs”. Enter the item name, manufacturer’s SKU number, or the state term contract number. P&C’s website may also be searched using the “Term Contracts” section.

When purchasing an item that is listed on a statewide term contract, it is recommended you read the contract for special ordering or shipping instructions, minimum order requirements, or provisions for abnormal quantities. You can view the term contract by clicking on the contract icon shown with the item description, or by viewing it from P&C’s website under “Term Contracts.”

6. Do I have to obtain P&C’s approval for an item that is not specifically on Statewide Term Contract?

You do not need P&C approval to purchase an item that is not specifically covered on state contract. However the purchase must be completed according to procedures for non-contract purchases. Competition should be sought where available.

7. How do I determine which vendor to purchase from when there is more than one vendor listed on the Statewide Term Contract?

You may elect to purchase from any contractor listed on state contract for the specific item they are authorized to provide. When selecting a source for an item available from multiple contractors, determining factors to consider may be the cost, availability, location, and/or area distributors. You are strongly encouraged to utilize a NC vendor vs. out of state, or choosing a HUB vendor.

8. How do I go about establishing an agency specific term contract?

Determine your agency contract needs by estimating the annual quantities to be purchased, estimated dollar value of the contract, and the contract period for the items, printing, or services required for your agency. The agency may establish the contract if the contract value does not exceed the agency’s delegation and competition is sought, if required. If the

estimated expenditures during the initial term of the contract, or during an extension, will exceed the agency's delegation, then a requisition including requirements and estimated contract value must be submitted to P&C (or ITS Purchasing) to process on behalf of the agency.

9. When should I have a mandatory pre-bid conference?

Mandatory pre-bid conferences/site visits should only be used when deemed to be absolutely necessary for prospective bidders to apprise themselves of conditions, which will affect the performance of the work called for, that may not be possible to clearly identify in the solicitation document.

We recommend that you only urge and caution prospective bidders to attend rather than making it a mandatory requirement. If the vendor does not attend, then the submission of a bid shall constitute sufficient evidence of compliance with all conditions and no allowance will be made for unreported conditions that a prudent bidder would recognize as affecting the performance of the work called for.

10. What should I do if a bidder fails to sign & return an addendum to a bid?

Your available actions are determined by the instructions that were included in the bid addendum. When preparing addendums, determine beforehand whether or not the addendum needs to be returned. Ask yourself if the addendum increased the specification requirements or if it would affect the price offered. If it does, then the addendum should be returned.

If the addendum will have little or no impact on bid responses, such as simply extending the bid due date, it should not be a requirement that the bidder sign and return the addendum. Just remember that your actions are determined by the instructions stated in the bid addendum.

11. Do I have to seek competition on published materials?

Seek competition where available and when required according to established P&C benchmarks, as well as your internal policies or benchmarks. When competition is not available, the reason should be supported and documented for the public record.

12. What should I do in a situation of a tie bid?

Before you determine that you actually have a tie bid consider all factors, such as, delivery offered, early payment discounts (if offered), or any other

*pertinent factors. If all of this is still identical, then look to see if one of the bidders is a **NC** bidder. If not, then consider where the product is made (NC vs. another State, or US vs. off shore), or whether one of them is a **HUB** vendor or small business. You can use this in your decision to break a tie bid. On the other hand, if the reciprocal preference law can be applied in the evaluation, then you no longer have to be concerned about a tie bid.*

When all things are considered equal, then the winner may be determined by a coin toss or other similar method. In this case, it is recommended at least two agency personnel be present to witness the tiebreaker.

13. Can I accept a product that deviates from the contract specifications or term contract specs?

Products delivered that deviate from the contract specifications should not be accepted.

14. Who is responsible for contacting P&C to request a Quality Acceptance Inspection?

If required in the contract, the vendor supplying the product is responsible for contacting P&C to request an inspection.

15. What is the correct language to put in a bid document for item(s) that will require State inspection?

QUALITY ACCEPTANCE INSPECTION: *Upon completion of the project, as called for herein, the contractor must request a Quality Acceptance Inspection. Such requests must be forwarded (in writing or e-mail) to the Division of Purchase and Contract, Attn: Quality Acceptance Inspections, 1305 Mail Service Center, Raleigh, NC 27699-1305. Fax # (919) 807-4510.*

INVOICES WILL NOT BE PAID UNTIL QUALITY ACCEPTANCE HAS BEEN ACCOMPLISHED.

16. Should an invoice be paid prior to inspection?

Invoices should NOT be paid prior to inspection and acceptance by the State.

17. When do I request an inspection?

Refer to P&C's website under "Quality Acceptance Inspection" for a complete list of items that require an acceptance inspection by the State

prior to final release of payment. The Quality Acceptance Inspection shall be mandatory when the item costs \$10,000 or more, except as noted (see list of items for exceptions).

18. Why do we use commodity codes?

Commodity codes provide a standardized and efficient method of capturing purchase history for all government entities. Commodity code data can be analyzed to determine where dollars are being spent. Statewide term contract items are also identified and cataloged in the E-Procurement system by the commodity code. Whenever posting bids on IPS, the commodity code is the key that identifies and alerts potential sources of supply of any bidding opportunities. This is why it is important to select the correct commodity codes on purchases.

19. How can I identify HUB vendors?

Vendors register on-line as a HUB through VendorLinkNC and are certified by the Office of Historically Underutilized Businesses. To determine a vendor's HUB status, visit the VendorLinkNC website provided below and look under "Search for Registered Vendors."

<http://www.ips.state.nc.us/ips/vendor/srchven.asp>

HUB vendors are identified in E-procurement contract catalogs. Additionally, when using the E-Procurement eQuote tool, HUB vendors are identified and may be selected on the eQuote. Users may sort eQuote responses by HUB status in the tabulation.

20. What happens if a bidder does not sign the bid?

Failure to sign a bid or proposal prior to submittal shall be grounds for rejection, and the bid shall not be considered. However, in order to reject an unsigned offer, instructions to the bidder must be stated in the solicitation document.

21. When is it appropriate to seek clarification on a bid or proposal, and what type of information can I request?

When an offer appears to have an obvious error, or when an error is suspected, the circumstances may be investigated and clarification may be sought in writing from the offeror. When an offer is in substantial compliance with the solicitation document but includes something not clear in intent or some particular fact, or there are other ambiguities in the offer, clarification may be sought in writing.

Avoid seeking additional information not required in the solicitation document, and never ask for mandatory proposal information that was omitted from the offeror's original proposal. Whenever seeking clarification, changes in prices are not permitted.

22. What is the difference between an IFB, RFP, and RFQ, and which documents are appropriate to use when soliciting competition?

a) IFB (Invitation for Bids) is a solicitation document normally used in soliciting competition for formal sealed bids from potential sources of supply.

b) RFQ (Request for Quote) is often used to solicit pricing from a sole source vendor, or used to solicit informal competition on the open market. The RFQ & IFB are very similar in function. State agencies may also solicit competition by using eQuote in E-Procurement when the total value of the contract is less than \$10,000 (universities; \$25,000).

c) RFP (Request for Proposals) is a solicitation document normally used for soliciting competition for contractual and consultant services. The contents of the RFP should include a brief introduction and background of the project, a detailed scope of work, proposal requirements, and criteria for evaluating offers.

A RFP or IFB must be used for soliciting competition on contracts valued over \$25,000.

All of these documents shall include the State's general contract terms and conditions. Document templates are available on P&C's website at <http://www.doa.state.nc.us/PandC/divforms.htm>

23. How many quotes are required?

There is no minimum requirement on the number of quotes, bids, or offers solicited or received; however, competition must be sought whenever possible. This may be accomplished by way of advertisement via the Internet (IPS), sending out written quotes, or by using eQuote, whichever methodology is required by rule.

When only a single offer or a single acceptable offer is received, or where reasonable and available competition is not obtained, the reason shall be ascertained and made a matter of record in accordance with NC Administrative Code T01:05B.0312.

24. When do I use IPS and when should I use eQuote?

IPS must be used to advertise formal solicitations over \$10,000 (universities; \$25,000) but may also be used for informal solicitations.

eQuote may be used for informal requests for quotes up to \$10,000 (universities; \$25,000). LEAs and Local Governments may use eQuote up to \$90,000.

25. When is it appropriate to contact a vendor during the bid process?

After the bids have been opened, there should be no vendor contact during the evaluation period until after the contract award, unless there is a need to seek clarification from a vendor about their bid. In this case, permission to contact the vendor must be granted by the purchaser responsible for the solicitation document. It is best practice to have only the Purchaser communicate with the vendor during the evaluation period. All communication with vendors should be well documented in the purchase file.

26. Can I notify prospective bidders about a bid solicitation that has been advertised?

It is not recommended, but you may contact prospective bidders to alert them to a bid solicitation as long as you are not giving any preferential treatment to any vendor that might be perceived as an unfair advantage. In other words, if you notify one, then all known bidders need to be notified in the same manner.

27. What should I do if a sole source vendor is not registered in E-Procurement?

Contact the vendor and ask them to register in E-Procurement. If the vendor refuses to register, research the market for other possible sources of supply. If no other sources of supply exist and the vendor still refuses to register, contact P&C's E-Procurement/Education Outreach team for assistance. The representative will assist you by contacting the vendor on your behalf to request their registration.

28. Which takes precedence over the other – NC Administrative Code, General Statutes, or Agency Purchasing Manual?

The order of precedence is the NC General Statutes, NC Administrative Code, followed by the Agency Purchasing Manual.

29. What are the proper procedures for handling a vendor protest?

Protest procedures must be included in the bid solicitation document. For procedures language, please refer to P&C's standard bid templates under the sub-section titled "Instructions to Bidders". In order to ensure fairness and promote open competition, agencies, as well as P&C, shall actively follow-up and be consistent in responding to vendor protests. Agencies may establish their own procedures for handling protests for contracts valued under \$10,000.

30. Who is the Board of Award and what do they do?

When the dollar value of a contract for a purchase, lease, lease/purchase of commodities or printing exceeds the agency's delegation and is sent to P&C, that purchaser submits a recommended action to the Board of Award for consideration. This process occurs after obtaining competition, or validation of a sole source, or when reporting emergencies or other recommended action deemed necessary. After presenting the recommendation to the Board of Award, the Board's recommendation is submitted to the Secretary of Administration for final approval of the contract or other action.

The Board of Award normally meets once a week (usually Thursday) and is comprised of at least two voting members. The State Purchasing Officer or designee is responsible for conducting the Board meeting and one P&C employee is responsible for taking the minutes. The State Advisory Budget Commission may designate two or more voting members to serve as members of the Board. Please note the Board review and Secretary approval are not required for purchase exemptions permitted by statute or rule, special delegations, or through State or Federal Surplus Property.

31. What is the difference between brand specific and sole source?

Brand specific is when a manufacturer's name and product description is a requirement. Items offered in response to a bid solicitation must be the exact manufacturer, model and type specified. Brand specific may be needed due to compatibility and continuity of support. Competition must be sought whenever possible since brand specific products may be available from multiple sources of supply.

A sole source is when a needed product or service is available from only one source of supply. Under these conditions, competition may be waived. Whether a sole source or brand specific is being contemplated, proper written justification must be documented in the purchase file.

32. How do I ensure bid specifications are correct?

The process for ensuring correct specifications can be time consuming, but it is essential to pay attention to these details. The final specifications should be as non-restrictive as possible in order to maximize competition. You also want to achieve an end result that will provide items that will perform satisfactorily for its intended use.

Often specifications received from end-users will reflect a manufacturer's name and model number of preference. In order to open up the specifications to more competition, research the marketplace and make comparisons. You can review literature of similar items and develop generic specifications that are common across different models and manufacturers. Proofread the specifications for accuracy to determine if there are any errors or ambiguities that might not be clearly understood. Avoid using patented features considered to be exclusive to one particular product.

Finally, review the specifications with the end-user prior to their release. This process will ensure that the specifications are as accurate and as non-restrictive as possible.

33. What is the difference between a design specification and a performance specification, and how do I determine which type to use in my solicitation document?

Design specifications are the most restrictive type of specification. They often have precise detailed requirements that limit competition. Design specifications are used when it is essential for a product is to be constructed or manufactured to meet the client's specific needs. Design specifications are not well suited for rapidly changing technology. It is difficult to obtain the best value or generate maximum competition using this type of specification.

Performance specifications are probably the best method of describing requirements, but sometimes, the hardest to write. Instead of describing a product in terms of its design characteristics, a performance specification describes an item in terms of what it is expected to do. There is less concern about the material composition and how it is manufactured, and more about how it performs when put to use. Performance specifications are recommended for use in government purchasing whenever possible as they allow for maximum competition and provide some assurance that the required performance will be obtained. However, be sure the performance expectations are clearly spelled out in the contract and can be measured to determine performance. Also, in some cases specific components will have to be detailed in nature to ensure performance and

safety. Using this approach to procurement offers a better opportunity for ingenuity and new innovative ideas that will adequately perform a specific task at reduced costs.