

Chapter highlights

Purpose: The purpose of this chapter is to provide IT purchasing professionals with descriptions of various IT procurement methods and when to use these methods.

Key points:

- Fair and open competition is the core concept behind the Virginia Public Procurement Act. The procurement methods available that utilize competition are quick quotes, competitive sealed bidding, competitive negotiation and auctions.
- There are circumstances where competitive procurements are not practical. There are times when only one supplier is practicably available or when an emergency must be addressed immediately.

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Introduction

When an agency determines that there is not an existing contract to service its existing IT acquisition need, the agency must determine the method as to how to procure the desired IT acquisition. The two main approaches are competitive procurement methods and non-competitive procurement methods. Generally, it is in the best interest of the Commonwealth to maximize supplier competition to the greatest extent possible when making any IT acquisition; however, other methods are available and can be applied as circumstances dictate.

14.0 Competitive procurement methods

Fair and open competition is the core concept behind the Virginia Public Procurement Act, § 2.2-4300(C). The procurement methods available that utilize competition are quick quotes, competitive sealed bidding, competitive negotiation and auctions. The dollar amount, overall complexity and level of risk associated with the IT procurement are factors to consider in choosing the appropriate competitive procurement method. The procurement lead/sourcing specialist or procurement project team (see manual Chapter 13, Procurement Project Team, for more information) should define the business need and select which procurement method would be most appropriate for the type of IT product, solution or service desired. An overview of when to use the respective competitive procurement methods is outlined in the following table. Remember that a VITA statewide contract shall be used first, if available, for any procurement method listed in this table (See section 14.0).

Method	When to use	Where to learn more
Quick quotes	- Total procurement value ranges from \$10,000-100,000 - Any IT purchases expected to exceed \$10,000 in total value require posting a public notice on eVA. Contact VITA at scminfo@vita.virginia.gov for software licenses not available on a statewide contract - Quick quotes up to \$10,000 will be set aside for micro businesses, with a minimum of one quote, if available (refer to VITA Policy for Small, Women and Minority Businesses for additional guidelines) - Quick quotes from \$10,000 to \$100,000 will be set aside for DBSBD-certified small businesses, with a minimum of four quotes, if available (refer to VITA Policy for Small, Women and Minority Businesses for additional guidelines)	eVA Chapter 7
Competitive sealed bidding: Invitation for Bid (IFB)	- Total value of the IT Procurement is between \$200,000-\$250,000 - Total value of the IT procurement is greater than \$250,000. Needs and requirements are clearly defined - Price is the determining factor - Terms and conditions are not complex and are not negotiable - Procurements over \$250,000 must be conducted by VITA unless delegated to agency by VITA	Chapter 22
Competitive sealed bidding: IFB or two-step IFBs	- Must have clearly defined requirements with an established threshold for pass/fail - Technical and pricing proposals are evaluated separately - Invite and evaluate technical offers to determine their acceptability to fulfill the requirements - Allows for discussions to clarify the technical offer and requirements - Negotiations are not allowed - Procurements between \$200,000-\$250,000 must be competed - Procurements over \$250,000 must be conducted by VITA unless delegated to agency by VITA	Chapter 23

Competitive negotiation: RFP	• Total value of the IT procurement is greater than \$200,000 • Procurements over \$250,000 must be conducted by VITA unless delegated to agency by VITA • Needs and requirements are complex and/or are not clearly defined; seeking a solution • Price is not the sole determining factor • Terms and conditions are complex and will likely require negotiation	Chapter 24
Public and online auctions	• Does not apply to software • Contact VITA at scminfo@vita.virginia.gov if interested in procuring IT through an auction including on-line public auctions • Must have CIO approval in advance	Chapter 19
Reverse auctions	• Commercial commodity buys with well-defined specifications and universally accepted standards • Products with a well-qualified and established base of suppliers • Aggregate small buys for multiple users • Must have CIO approval in advance	Chapter 19

14.1 Non-competitive procurement methods exceptions

There are circumstances where competitive procurements are not practical, when only one supplier is available or when an emergency procurement exists. An overview of when to use non-competitive procurement methods is outlined below.

Method	When to use	Where to learn more
Sole source procurements	• There is only one solution practicably available • Product or service is only practicably available from a single supplier • Total value of the IT procurement exceeds \$10,000	Chapter 16
Emergency procurements	• There is a serious or urgent situation requiring immediate action to protect persons or property. • Utilize competition to the extent practicable	Chapter 17
Joint and Cooperative procurements (including GSA)	• Can provide expedited acquisition • Other public body's contract must have been jointly and cooperatively procured and allow for purchase by other public bodies • Contract was solicited "on behalf of other public bodies" • Item is not available on an existing statewide contract or available through a DSBSD-certified small business • Supplier must agree to all of VITA's standard terms and conditions • Requires CIO approval	Chapter 20

