

PURCHASING POWER

A publication of DAS Procurement Services

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SPECIAL
ISSUE

Financial Freedom!



EXTRA! New legislation will change the way the state goes shopping. (Your job has just become a lot easier.)

With the end of the legislative session came the beginning of a revolutionary new era in state purchasing. Governor John G. Rowland recently signed and placed into effect a number of major changes in procurement legislation aimed at simplifying the purchasing process for virtually everyone working in state government.

One of the more sweeping changes raised the open market threshold - the maximum purchase limit on quotations - to \$50,000, a move that will allow DAS Procurement Services to be more responsive in handling smaller transactions. Another involves the piloting of a new multiple-criteria bid format which will for the first time allow additional factors such as quality and turnaround time to be applied to bids.

DAS Procurement Services Manager Jim Passier says each of these changes represents a tremendous step forward. They will give DAS and state agencies far more buying power and flexibility than ever before, and the entire procurement process will be sped up, simplified, and improved.

No more sweating the small stuff

When asked what effect raising the open market threshold to \$50,000 will have on DAS Procurement Services' workload, Passier answered by statistically demonstrating the lopsidedness of the current arrangement.

"Right now, 53 percent of our bids are below \$50,000," he said. "Yet they only account for four percent of our total spending." So since more than half the bids processed amount to under five percent of the state's purchases, this change would eliminate an exorbitant amount of work expended on hundreds of relatively tiny contracts. "That's why we are so excited about this change," he said. "It permits us to focus our work on the larger bids and RFPs where greater benefit can be obtained."

Passage of this legislation not only allows DAS to implement these changes within Procurement Services, DAS would also be

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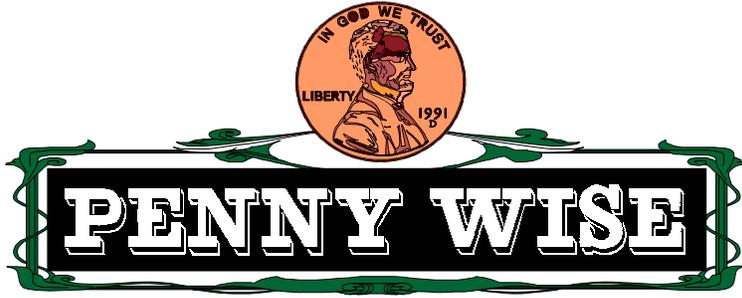
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Pushing the Threshold

What the new procurement legislation means to you

FOR THOSE OF YOU who can contain the anticipation, who can resist the urge to immediately turn to my column to see what I have written, you read in our lead story about the significant changes that were passed in the recent legislative session. I want to devote this article to explaining how these changes will be implemented, especially the increase in the sealed bid threshold to \$50,000.

Passage of this legislation allows DAS to implement this change internally and to delegate this authority to individual agencies, probably via an MOU. State agencies will agree to work with DAS Procurement Services to prepare and submit Requests For Quotations to Procurement for posting on our website and for email notification of potential bidders. Use of our e-mail notification system will assure that vendors receive notification of these quotation opportunities that will no longer be advertised.

Procurement utilizes a Microsoft Word plug-in program called "Hot Docs" that automates the preparation of the 40 or more different forms and documents used to develop bids and RFPs. Several of our customers have begun to use this program to create special bid terms and conditions as well as proposal pages that are then e-mailed to Procurement. We will be expanding this process to handle quotations and envision that customers will be able to prepare the quotation forms using Word and Hot Docs and e-mail them directly to us. We will complete a quick review of the material, post the quote on the web and e-mail vendors registered for the appropriate commodity code. Vendors will return their quotes and the customer will be promptly notified of the results and an award determination will be made jointly. The customer will then be able to issue a purchase order immediately.

We will be working with a small group of customers to design and test a prototype of this process that will be rolled out to other agencies as quickly as possible. Our goal is to develop an automated approach that utilizes available technology and features extremely rapid turnaround time.

While working to implement these changes, we will use the new thresholds for requisitions received in Procurement. This will sim-

plify the processing of many requisitions that are now handled as sealed bids.

There are other changes in our new legislation that will help us be more responsive and flexible. Those are mentioned in the article and I am not going to go through them here. The key point to remember is that this legislation was drafted as part of our overall strategy to remove barriers to improved service and responsiveness and to concentrate on the important items where major improvement can be achieved. This legislation is aligned with our mission, vision, values, goals, objectives, strategy, plans, directions, intents, wishes, principles, etc., and can be best stated by two simple rules:

1. Our job is to get our customers what they need.
2. See rule number 1.

As always, comments and questions are welcome. Feel free to email me at jim.passier@po.state.ct.us. 

Jim Passier

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able to delegate this capability to individual agencies. These delegations will replace General Letter 71, and will be done at DAS' discretion, most likely through a Memorandum of Understanding on an agency-by-agency basis.

Lowest bidder vs. best bidder

Also new is a pilot program that affects what can be listed among bid criteria. Under the present arrangement - as has always been the case - the low bidder wins the contract. But with the passage of this legislation, that will no longer necessarily be the case. Buyers can now establish a certain quality standard or service agreement up front, enabling them to get the best suited products and services - not just the cheapest.

Passier said this change will "make bids work a bit more like RFPs." That is, buyers can set up certain ground rules in the bid request, much as in a formal RFP. So whereas in the past bids were based on simple specs like size and color, they can now include criteria such as comfort and delivery time. This will not only improve the quality of the products the state purchases, but it will hasten and facilitate several transactions by reducing the number of products that must be bought through the more extensive RFP method.

It's even easier for sole-source buys. Passier says that in cases where one certain vendor is exclusively capable of providing a product or service, the buying process can be cut down to a simple on-the-spot authorization for purchases under \$50,000.

What does it all mean?

The benefits of the new legislation will be far-reaching. Aside from making virtually all facets of the procurement process quicker and easier, the purchasing agents themselves will have more and more buying power - whether they are a DAS contract specialist or a purchasing officer at a state agency. For Passier and the DAS Business Advisory Group, these changes represent the fruits of a year of hard work.

"In July 1998, we wrote down all the things we wanted to change," Passier recalls. "We gave it to (DAS' legislative liaisons) Janis Nome and Joe Prevuznak and they made it happen. It was a really fascinating thing to watch."

Humbly, Nome deflected the praise. "This bill was basically drafted by the Procurement Services staff," she said. "They went through the statutes line by line to remove unnecessary requirements and streamline certain procedures; they really deserve the credit for the final product."

Passier seemed most excited about the enhancements DAS Procurement Services will now be able to make with respect to customer service. Ultimately, he said, passage of the legislation means his group has been given the power to do a better job. "This will increase our responsiveness, enabling us to focus where we can make a difference." ■

\$UCCESS \$TORY

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Re-Wired Procurement Website Expands

The DAS Procurement website - www.das.state.ct.us/busopp.htm - has recently undergone an overhaul so extensive, it almost warrants rehashing the tired cliché: "if you haven't been there recently, you haven't been there at all."

Among the features added to make the website more comprehensive and even easier to use include: a list of recently closed sealed bid notices that have a contract award pending; all the latest contracts - including OrderLink contracts and supplements; a repository for breaking news, messages, and notes; and a main email address, which will enable Procurement personnel to channel all incoming communications directly to the hands most capable of providing assistance. *(And surely to be one of the more heralded additions to the web page - select Purchasing Power back issues are now*

available in Adobe Acrobat format. - Ed.)



These new additions are part of a continuing effort to enhance the web page's utility. The site already has a sealed

bid/proposal vendor registration section at which vendors may register their names on a list to receive an e-mail alert when bids for their particular commodities are added, as well as links to the Business CONNECTIONS Set-Aside Program site and a newly separate listing of other agencies' sealed bids.

Also included are a multi-function bidder reference section, and subsections with individual e-mail links for DAS Procurement personnel and for all contracts available to state agencies and towns. In addition, the website features an exhaustive collection of general information such as a master list of commodity codes; driving directions to DAS Procurement Services headquarters in Hartford; and an address book of all state purchasing offices, including names and locations, phone and fax numbers, and e-mail addresses. ■

DAS Procurement Services Prepares to Host NASPO Conference

All spaces for the Northeast Regional Conference of the National Association of State Purchasing Officers, hosted and coordinated by DAS Procurement Services, have been filled.

Organizers say they were overwhelmed by the response to the three-day event, to be held July 28, 29, and 30 at the oceanfront Water's Edge Resort and Country Club in Westbrook, Connecticut.

Attendees will participate in seminars dealing with topics such as e-commerce, Internet opportunities, and new procurement initiatives such as the Travel and Purchasing Cards, and will hear from guest speakers Commissioner Dr. Henry Lee of the Department of Public Safety, State Comptroller Nancy Wyman, and stress management therapist James Ayotte. **■**

Schilke Keeps His Word: "Outta Here by 2000!"

Ted Schilke - a man part prophet, part purchasing guru, and 100% pal - has seen the future...and it no longer involves him coming to work with us at DAS. While his gain will be our loss, the least we can do is see him off in grand style (we all

know that's how Ted would want it) in a party to be held in the Waverly Room of the Adams Mill Restaurant in Manchester, Connecticut on Friday, July 16 from 12:00 noon until "when-ever." A \$20 donation is requested. Please R.S.V.P. to either Jill Belisle at (860) 713-5064 or Maureen Blackburn at (860) 713-5066 with a check payable to "Cash." **■**



ALL NEW! PURCHASINGPOWER Online

By popular demand, a new special section on DAS Procurement Services' website (www.das.state.ct.us/busopp.htm) now features select back issues of the *Purchasing Power* newsletter in Adobe Acrobat format. This issue and all future issues will be available for reference there as well. **■**



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