

# Best Practices & Procedures for Public Purchasing

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# Code of Ethics

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
2. Demonstrate loyalty to your employer by diligently following lawful instructions of your employer, using reasonable care and only authority granted.

# Code of Ethics

3. Refrain from any private business or professional activity that would create a conflict between personal interests and those of your employer.
4. Refrain from soliciting or accepting money, loans, credits, discounts, gifts, entertainment, favors or services from present or potential suppliers.

# Code of Ethics

5. Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations.
6. Promote positive supplier relationships through courtesy and impartiality.

# Code of Ethics

7. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
8. Ensure that all segments of society have the opportunity to participate in government contracts.

# Code of Ethics

9. Discourage purchasing office involvement in employers sponsored programs of personal purchases which are not business related.
  
10. Enhance the stature of the purchasing profession by improving your technical knowledge and adhering to the highest ethical standards.

# Cooperative Purchasing

- Everybody benefits
- Averaging effect
- Toolbox
- All contracts are not created equal
- Verify with cooperative

# Cross Training

- At least two persons should be capable of performing every task
- Desk manual
- Comfort Zone
- Practice at least annually



# Customer Orientation & Refresher Training

- All new employees should attend
- Long-time employees should receive refresher at least once every three years
- Withhold the keys

# Customer Surveys

- Make it brief
- Make it easy
- Share results with suppliers

# Gifts & Entertainment

- Set limits
- Business lunch
- Supplier plant visits

# Sample Policy

- Employees may not accept gifts or excessive entertainment from a vendor.
- Gifts include any items not obviously of an advertising nature.
- Excessive entertainment includes transportation other than of a business nature, transportation beyond city limits and overnight accommodations.

# Life Cycle Costing

- Think long term
- Don't get mired in minutia
- Sole source concerns

# Negotiation Opportunities

- Emergency
- Proprietary/Sole Source
- Single Response
- DIR (Department of Information Resources) Contracts

# Networking

- Don't reinvent the wheel
- Provide references, not endorsements

# Pre-bid Conferences

- Convenient, not mandatory
- Allow respondents adequate time to review invitation
- Allow attendees to question
- Do not amend invitation at conference
- Issue written addendum if necessary to all respondents



# Procurement Cards

- Training
- Restrictions
- Build Supplier Base
- Withhold or revoke privilege

# Quality

- Low bid syndrome
- Environmental benefit
- Public perception
- Humpty Dumpty

# Purchasing Scores Cost Criteria

- Lowest cost proposal receives perfect score
- Other scores are determined by dividing the cost of the low proposer by their cost
- If maximum value for cost is 40, the cost score of the lowest proposer is 40
- If the lowest proposer cost is \$100,000, and the next lowest proposer cost is \$120,000, the cost score for the second lowest proposer is \$100,000 divided by \$120,000 (83.33) multiplied by 40 points
- $83.33 \times 40$  points yields 33.33 points for second low proposer cost score

# References

- Require comparable references (3-5)
- Check them and document results
- Write legibly

# Staff Meetings

- Keep team members informed
- Get to know team members
- Ensure consistent responses
- Recognition

# Supply Agreements

- Typically for twelve month period
- May be renewable
- May be shorter
- Should be revisited carefully as end approaches
- Extension clause to avoid contract lapse

# Up-to-date Website

- Provide contact information for staff by commodity
- Office hours and holidays
- Bidder enrollment

# Written Quotes

- Request in writing
- Receive in writing



# Acknowledgement by Seller

- Used primarily for non-routine purchases
- Must merit extra effort for buyer & seller
- Acknowledgement copy of printed purchase order
- Seller acknowledges receipt and acceptance of order and the date(s) by which delivery will occur

# Standardization

- Lower prices
- Faster delivery
- Conserves space

# Questions?

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