Procurement: We are not Vogons

It is a very sobering feeling to be up in space and realize that one's safety factor was determined by the lowest bidder on a government contract.

Alan Shepard, U.S. Astronaut

https://www.youtube.com/watch?v=cbN1NaQ7yQI
“Vogons are one of the most unpleasant races in the galaxy. Not evil, but bad-tempered, bureaucratic, officious, and callous…. They can’t think, they can’t imagine, most of them can’t even spell. They just… run things.”

Hitchhiker’s Guide to the Galaxy
What we are

• Concerned about getting you what you need
  (Note: not necessarily the same as what you want)
• Concerned about the best interest of the University
• Concerned about best product/service at the best price (best value)
• Concerned about competition – it does amazing things for producing lower prices, better quality
• Interested in solutions
What we are not

• Vogons!! (officious, callous, etc.)
• Looking for more work than is necessary
• Interested in complicating matters
• People who like to say “No”
• People who want to control the situation
Basic Overview

• We directly handle purchases over $25,000
• Are you seeking information?
  o Request for Information (RFI)
• Is price your only concern?
  o Request for Quotes ($25k-$150k)
  o Invitation to Bid ($150k+)
• Do you have other factors to consider?
  o informal Request for Proposals ($25k-$150k)
  o (formal) Request for Proposals ($150k+)
• Pre-existing contracts: OSU price agreements, State of Oregon contracts, cooperative agency contacts
• Other circumstances (sole source, exemptions, alternative procurement methods)
• We usually default to our own contracts, more room to negotiate after procurement is completed
Pencils

“We want to buy some pencils”

- Mechanical vs. non-mechanical?
- Graphite vs. charcoal or grease?
- If graphite, how hard?
- What color markings?
- What kind of casing: round, hexagonal?
- What color casing?
- How fine a point?
- Eraser, yes or no?
- Any specific length?
- Anything you DON’T want?
  - e.g. golf pencils
Value we (actually) add

- Unexpected value - you might not know everything
- Clarity, another set of eyes, common-sense questions
- Prevent worse-case scenarios
  - You not getting what you need
  - Limiting competition
  - You having to spend more than you wanted to
  - Vendor protests that force a restart of the whole process
  - Conflicts of interest
  - Poor audit findings
  - Having your purchase featured in the news as a poor purchasing practice
Hiring a firm to provide lab services
  - Specify that the firm has to have x number of years of experience.

What if the firm has junior scientists on staff—do you want them doing the work?
  - Ok, specify that only persons with x number of years of experience at the firm can do the work.

How do you know which persons at the firm will do the work to corroborate their experience?
  - Ok, specify that only persons with x number of years of experience at the firm can do the work, and the responses must contain resumes.
• I already know the best company/product out there - why do I need you?

• I already vetted everyone out there on my own - why do I need you?

• We did an RFQ for equipment, got the lowest price, but I now realize that the software it comes with is inferior to the other respondents - can I award to someone else?
Scenarios

• Budget of $60k, lowest bidder is only $40k- what can I spend the rest of my money on now? Can I get more stuff?

• Contract has expired but we really still need it- what can I do?

• I’ve already spent $24,000 on a project and now I need to spend $5,000 more, but that breaks the threshold- what do I do now?
Ways to make it easier

• Involve us EARLY

• Develop functional reasons for your desires

• Be prepared to explain “why” until it hurts

• Understand your preferences may not be sufficient

• Think about what is truly required

• Keep asking yourself: “What do I need in order to be completely satisfied that the work will be done?”
Ways to make it harder

• Using previous knowledge
  o I’ve worked with X company in the past before; I know they’re good

• Communicating with the respondents on your own
  o Taking phone calls, answering questions, giving them a “head’s up”

• Splitting work into “phases” on purpose

• Not getting specific enough with what you need

• Using one vendor’s specs to build your own
  o Has to be generalizable enough to promote competition

• Doing your own process before contacting us
Remember, because we care...