

# PROCUREMENT UPDATE

November 11, 2013





## FIRST A LITTLE HISTORY

- **SECTION 11-35-70.** School district subject to consolidated procurement code; exemptions.

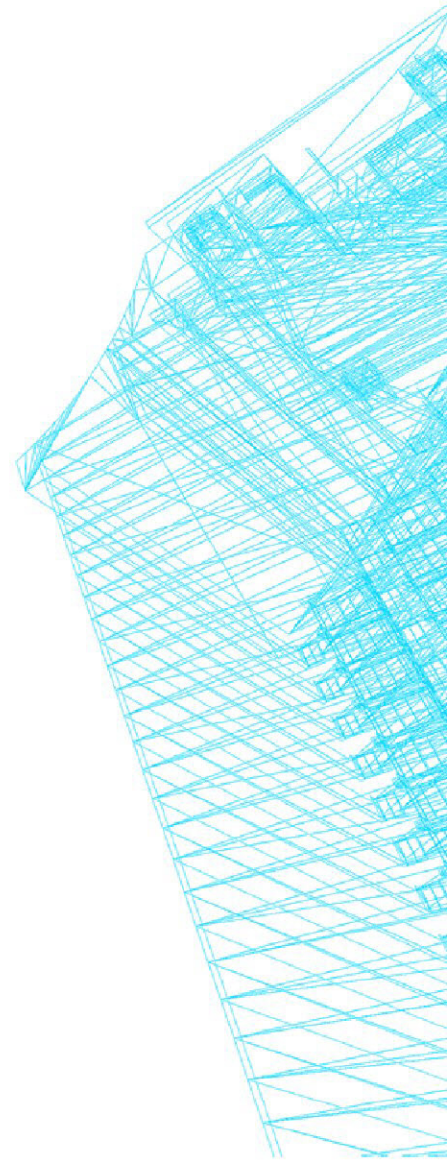
Irrespective of the source of funds, any school district whose budget of total expenditures, including debt service, exceeds seventy-five million dollars annually is subject to the provisions of Chapter 35, Title 11, and shall notify the Director of the Office of General Services of the Budget and Control Board of its expenditures within ninety days after the close of its fiscal year. However, if a district has its own procurement code which is, in the written opinion of the Office of General Services of the State Budget and Control Board, substantially similar to the provisions of the South Carolina Consolidated Procurement Code, the district is exempt from the provisions of the South Carolina Consolidated Procurement Code except for a procurement audit which must be performed every three years by an audit firm approved by the Office of General Services. Costs associated with the internal review and audits are the responsibility of the school district and will be paid to the entity performing the audit.

HISTORY: 1984 Act No. 493; 1985 Act No. 109, Section 1; 1993 Act No. 178, Section 13; 1997 Act No. 153, Section 1.



# MODEL PROCUREMENT CODE

Was developed for school districts subject to Code Section 11-35-70 by the Procurement Services division of the South Carolina Budget and Control Board





# SMALL PURCHASES

Current Code	New Model Code
Not Greater than \$1,500 No competition. Must be considered “Fair and Reasonable”	Not Greater than \$2,500 No competition Must be considered “Fair and Reasonable”
\$1,500.01 - \$5,000 Solicitation of at least 3 verbal or written quotes	
\$5,000.01 - \$10,000 Solicitation of at least 3 written quotes	\$2,500.01 - \$10,000 Solicitation of at least 3 written quotes
\$10,000.01 - \$25,000 Public advertisement and written solicitation of written quotes, bids, or proposals	\$10,000.01 - \$50,000 Public advertisement and written solicitation of written quotes, bids, or proposals





# LARGE PURCHASES

Current Code	New Model Code
\$25,000.01 and above Public advertisement and competitive sealed bidding or Request for Proposal	\$50,000.01 and above Public advertisement and competitive sealed bidding or Request for Proposal



# POSTING AND NOTICE OF AWARD

Current Code	New Model Code
\$25,000 - \$50,000 Posting of Statement of Award <i>(direct contract award)</i>	\$50,000.01 - \$100,000 Posting of Statement of Award <i>(direct contract award)</i>
\$50,000.01 and above 16 day Notice of Intent to Award	\$100,000.01 and above 10 day Notice of Intent to Award



# PROTESTS (REQUIRED MINIMUM VALUE)

Current Code	New Model Code
\$25,000.01	\$50,000.01





# TIME LIMIT FOR PROTESTS

Current Code	New Model Code
Solicitations – 15 days <i>(typically for specifications)</i>	Solicitations – 15 days <i>(typically for specifications)</i>
Awards – 15 days	Awards – 10 days



# ARCHITECTURAL/ ENGINEERING (MINIMUM # OF FIRMS REQUIRED FOR INTERVIEW)

Current Code	New Model Code
5 firms (if less than 5 responders, interviews will be held with those who responded)	3 firms (if less than 3 responders, interviews will be held with those who responded)



# MODEL CODE VENDOR PREFERENCE

- 7% Resident Vendor Preference (RVP)
- 7% Resident Contractor Preference (RCP)
- 7% South Carolina End Product Preference (SCEPP)
- 2% US End Product Preference (USEPP)
- 10% maximum RVP + SCEPP
- 9% maximum RVP + USEPP
- No preference can exceed 10%





## LOGISTICS

- Only applies to solicitations
- The vendor must make the request for the preference that they are eligible for
- Preferences are for evaluation purposes only. They **do not change** the price offered by the vendor

Example: Vendor A bids \$12,000 for a single piece of equipment. Vendor B bids \$11,500. Vendor A qualifies for SCEPP. Vendor B does not. For evaluation purposes, Vendor A's price will be decreased by (7%) to \$11,160. Vendor A wins the bid.

**WE PAY \$12,000**

- Preferences are applied to each line item or end product of work



## EXCEPTIONS

- Does not apply to any acquisition of motor vehicles
- Does not apply to any solicitation conducted as a Request for Proposal (RFP) or Competitive On-Line Bidding
- Does not apply to small purchases valued at \$10,000 or less
- Does not apply to a **single item** over \$50,000
- Does not apply to a **single contract** over \$500,000
- Does not apply to any procurements made through Article 9, Construction, Architect-Engineer, Construction Management and Land Surveying Services



## GSWSA LOCAL PREFERENCE

- A responsive and responsible GSWSA service area vendor who is within 5% of the lowest non-local Bidder, may be given the opportunity to match the bid submitted by the non-local bidder and thereby be awarded the contract.
- This preference shall apply only when purchases are \$10,000 or more in value.





# HORRY COUNTY COUNCIL'S PROPOSED LOCAL PREFERENCE

- The apparent low bidder on a formal sealed bidding procurement over \$25,000 but not exceeding \$100,000 is **NOT** a local vendor and the next apparent low bidder is local and the local bid is **with-in 5%** of the non-local bid, then the local vendor has the opportunity to meet the apparent low non-local bid.
- The apparent low bidder on a formal sealed bidding procurement over \$100,000 but not exceeding \$10,000,000 is **NOT** a local vendor and the next apparent low bidder is local and the local bid is **with-in 2%** of the non-local bid, then the local vendor has the opportunity to meet the apparent low non-local bid.