

State Procurements

***Presentation to
the R.I. Senate Committee on Finance
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The Rhode Island **State Division of Purchases**

The central contracting authority responsible for all state departments and agencies (with the exception of certain public agencies as defined by law).

R.I. Gen. Laws §37-2-1, et seq.
“State Purchases Act”

State purchasing law that sets forth general terms and conditions for procurement by any state governmental entity, except as otherwise provided by law.

Purpose of the Law

To ensure transparency, fairness, competition, established procedures, and means to obtain the best deal for Rhode Island.

Procurement Examples

- Extensive range of procurements...goods and services, large and small

Examples of state procurements:

- Architectural, legal, financial, armed security services, software development, purchase of ink, fleets of vehicles, ovens and dishwashers, tent rentals, maintenance

Who has authority to enter into state contracts?

§ 37-2-22. Small purchases.

- All State Departments and Agencies have direct small-purchase authority to a limit of:
- \$10,000 for construction
- \$5000 for all other purchases
- Note: artificially dividing procurements to satisfy the authorization level is not permitted.

§ 37-2-12. Centralization of the procurement authority

- Once over monetary threshold and subject to the provisions of § 37-2-54, the central contracting authority responsible for all state departments and agencies is the “Chief Purchasing Officer.”
- For state agencies = Director of Department of Administration

§ 37-2-12. Centralization of the procurement authority (cont'd)

- Public agency - does not have to utilize the centralized purchasing of the state through DOA, but must adhere to general principles, policies, and practices of act.
- In public agencies, the Chief Purchasing Officer = Executive Director or Chief Operational Officer.

Examples of Public Agencies that may handle own procurement contracts

- R.I. industrial recreational building authority
- R.I. commerce corporation
- R.I. industrial facilities corporation
- R.I. refunding bond authority
- R.I. housing and mortgage finance corporation,
- R.I. resource recovery corporation
- R.I. public transit authority
- RI student loan authority
- R.I. turnpike and bridge authority,
- Convention center authority
- **R.I. lottery commission**

- § 37-2-7(16)

Powers and Duties of Director of the Division of State Lottery

R.I.G.L. §42-61-4. The director has the power and duty to:

(6) Enter into contracts for the operation of lotteries...

(10)(xiv) Promulgate rules and regulations as to the manner, standards, and specification for a process of competitive bidding for division purchases and contracts.

Determining the procurement method

In general:

- Request for quotes (RFQ) for goods
- Request for proposals (RFP) for services.
- RFQs are evaluated primarily on cost;
- RFPs are evaluated based on both the quality of the technical aspects of the proposal and cost.

§ 37-2-17. Method of source selection

- All state contracts and purchases (except small purchases, purchases subject to provisions of §37-2-54, and purchases otherwise exempt) must be solicited through the Rhode Island Vendor Information Program (RIVIP).

Manners of awarding state contracts:

- Competitive bidding
- Competitive negotiation
- Noncompetitive negotiation
- Small purchases; or
- Reverse auctions

(except for those identified in R.I.G.L. § 37-2-54)

Manners of awarding state contracts

§ 37-2-21. Noncompetitive procurements.

Exemptions from competitive bidding may occur when chief purchasing officer or purchasing agent determines :

- only one vendor provides the good or service (sole source);
- only one vendor is uniquely qualified to provide the good or service (single source); or
- when health and safety are immediately at stake (emergencies)

§ 37-2-21. Noncompetitive procurements.

Sole Source Awards

A sole source procurement is a procurement where only one source is practicably available for the goods or services required.

Single Source Awards

A single source procurement is one in which two or more vendors can supply the commodity, technology and/or perform the services required by an agency, but the State agency selects one vendor over the others for reasons such as expertise, availability, critical need or previous experience with similar contracts.

Noncompetitive procurements (cont'd)

Emergency Procurements

- There exists a threat to public health, welfare, or safety
- Inadequate anticipation of need shall not be considered justification for “emergency” purchases
- Repairs are limited to only those necessary to address the emergency situation.

Writing Requirement

§ 37-2-6. Determinations.

Every determination required by this chapter shall be in writing, based upon written findings of fact, and shall be retained in official contract file.

Enabling Legislation

- In specialized circumstances, the Legislature may enable an agency to enter into a procurement contract notwithstanding general laws
- The legislation dictates that the contract include certain criteria, limitations, and/or safeguards

Enabling Legislation (cont'd)

- Historically, the Legislature has enabled the Lottery to enter into such contracts
- In 2003, 2005, 2010, and 2016 for services with various providers