



Electronic Bidding

Presentation

School Food Service Program

LSU Pennington Biomedical Research Center

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Louisiana Public Bid Law

Title 38 Basics

- Purchases: (1) Up to \$10,000—your policy applies; (2) Over \$10,000 but less than \$30,000—at least three quotes required; and 3) Over \$30,000—a competitive solicitation is required. There are 2 electronic bid options where a competitive bid is required:
- R.S. 38:2212.1 Sealed Bids:
 - Requires an agency to provide vendors the opportunity to submit their bids electronically
 - “(4)(a) Contractors shall be provided the option to submit bids for public contracts through a uniform and secure electronic interactive system”
- R.S. 38:2271 Electronic Reverse Auctions:
 - (b) "Reverse auction" means a competitive online solicitation process on the Internet for equipment, supplies, and other materials in which vendors compete against each other online in real time in an open and interactive environment.

What Qualifies as a Uniform and Secure Interactive Electronic System for Purposes of Sealed Bids per 2212.1

Requirements:

Uniform

- The process for submitting bids must be the same for each bidder.

Secure

- The agency cannot see or open the bids until the bid deadline. The agency is required to open the bids at the appointed time and place.
- The bidders can only submit, retrieve or cancel their bids per R.S. 38:2212.1 and other applicable provisions.
- The platform must be “auditable,” meaning the system must record all transactions electronically between the agency and/or the platform administrators and bidders.

Interactive

- Means the agency must be able to post all information, requirements and specs on the platform.
- All information, requirements and specs can be accessed by bidders through the platform.
- All bids and bid documents required can be submitted, i.e., uploaded into the system for submission.

What Does Not Qualify as Secure Interactive Electronic System for Purposes of Sealed Bids

Examples:

- Receipt of bids by email (emails can be opened prematurely)
- Merely posting solicitations on a “bulletin board” or online searchable data base (bidders must have a platform to submit their bids electronically)
- Receiving bids through a system where the agency has no access to what is going on (presents a security issue)

What is Electronic Interactive Bidding or a “Reverse Auction”

Basics:

- Its online
- Its competitive
- Its in “real time”
- It takes a minimum of 15 days from advertisement to commencement of bidding.
- After receiving notice of a solicitation (1) vendors log into (or create) an account; (2) review the solicitation (3) confirm their desire to participate by prequalifying; 4) Submit bids during the time allotted for bidding in a competitive fashion.
- The label “Reverse Auction” is somewhat of a misnomer. It refers to the ability of bidders to lower their initial bids to remain competitive.
- The process is flexible. The statute allows an agency to adopt its own rules as to how the process will proceed, including:
 - “The bidding provisions of Title 38 do not apply” . . . This means that the agency controls the process in a manner that is in its best interests.

How to Choose an Electronic Platform Provider

There are no publicly owned platforms available. Several privately-owned platforms exist however.

- Some platforms specialize in a certain buying process or product group.
 - Some specialize in large public works projects such as highway or facilities construction.
 - Others specialize in traditional sealed bids.
 - Still others specialize in purchase of products, materials, supplies and equipment whether a Sealed Bid, RFP or an Interactive Online Bid is involved.

How to Choose an Electronic Platform Provider (Continued)

Platforms vary in sophistication or in the amount of consultation provided.

- In the simplest of forms, some platforms are designed to allow a buyer to upload a self-created solicitation in PDF form onto the platform. Vendors must then download the response form, fill it out as required, then upload the response in PDF form along with the required documentation back onto the platform.
- More sophisticated platforms merely require the buyer to submit its specifications and its standard solicitation language. The platform provider can then build an electronic solicitation template that becomes the “standard” template for a particular agency when making similar purchases. The platform provider can also build an electronic response template that becomes the “standard” template for vendors to use to respond to the agency’s needs.
- Other platforms are “do-it-yourself” platforms that license their program to you. The agency is responsible for training on the platform, creating all of its standard solicitation and response templates as the system may allow, activating events in the system, etc. These tend to be the most expensive platforms to utilize and are often boondoggles requiring endless maintenance fees and expensive updates and fixes. When the program is no longer “supported” by its creator, a new system has to be acquired.
- Some platforms are dual purpose. In addition to providing a platform to conduct solicitations, they also provide a data base of registered vendors who will receive notice of the opportunity to bid.
- Still, other platforms go the extra yard and also provide “sourcing” services. This means that they will provide notice of opportunity to: 1) Vendors “known” to the Agency; 2) Vendors in their data base; and 3) Additional Vendors who have been researched as qualified and capable of responding to a particular solicitation.

How to Choose an Electronic Platform Provider (Continued)

Platforms are not Free and Payment Models Differ

- Licensing Model: Typically expensive; an agency must rely on its IT department to operate or to update, etc.
- Subscription Model: Typically charges an agency by its size (i.e., number of solicitations issued in a year's time). Vendors are also charged to register in the system on a yearly basis or on a per bid basis. Rates are rarely stable or consistent. This is a "use it or lose it" model.
- Administrative Fee Model: Neither an agency nor a vendor is charged to use the system. An administrative fee is paid by a successful vendor—typically a small percentage of the total value of the sale.
 - Advantages:
 - The process only pays for success. If a solicitation does not result in a purchase, for any reason, then use of the platform costs nothing.
 - Vendors are not required to pay fees to register or to obtain specifications. A vendor is more likely to participate if it costs nothing. A vendor does not mind paying an administrative fee because the vendor considers the fee as "overhead" that must be reflected in a price bid.
 - The Buyer is free to use such a model "on demand," meaning an agency is not locked into a contract. The Buyer may use the platform even if it uses another platform.

Choose Electronic Bidding Only

Sealed Bids: R.S. 38:2212.1(f) “Public entities shall have the option to require that all bids be submitted electronically for any competitive bid let out for public bid.”

Online Interactive Bidding: R.S. 38:2271(A)(2)(b) “. . . a competitive online solicitation process on the Internet for equipment, supplies, and other materials in which vendors compete against each other online in real time in an open and interactive environment.”

Advantages of Electronic Only:

- Less paperwork; no mailouts; no receipt of paper bids at an agency’s office
- Notice of Addendums to registered vendors is automatic
- Vendors are allowed to “build” and save their submittals in the system, and return to complete, and hit “submit” when ready.
- The entire process is electronically documented. The audit trail shows when a solicitation was accessed by a vendor; when registration occurred; when responses were loaded in the system; whether or not required documentation was uploaded and when a bid was submitted.
- Bids are not lost. All bids are opened and revealed at once. There is no “discovery” of misplaced bids. There is no reliance on the mail or courier services.
- Bid results can be tabulated automatically in any manner required: By product; By vendor; By quantity; By weight.

Choosing the Correct Platform to Get Started

Platform Provider Capabilities:

Choose a platform provider who:

- Can get your particular department up and going immediately.
- Can accommodate both electronic sealed bids and interactive online “reverse auction” bids, and who can advise your agency which one will work the best for a particular bid.
- Has the capability, experience and the desire to customize bids for the types of purchases you make. A one-size-fits-all platform may not work for school food services program purchases.
- Is paid on an Administrative Fee Basis Model. With no upfront costs and no long term agreements, you will have the flexibility to utilize the platform that meets your needs and not feel pressured to use a platform the rest of a school may already use and has already paid for. The money allocated to purchase the food supplies pays for use of the platform as well.

Choosing the Correct Platform to Get Started (Continued)

Platform Provider Capabilities (continued):

Choose a platform provider who:

- Can assist you in transitioning to electronic bidding effortlessly.

Getting Started:

- Your staff has demands. You do not necessarily have time to train on a platform, and to develop electronic templates before using it.
- Your initial attempts will simply follow your regular pattern: 1) Prepare your solicitation and necessary newspaper ad; 2) Place your solicitation and documentation in the hands of your platform provider; 3) The ad and the solicitation will be revised to add the electronic bidding element with instructions; 4) You will review and proof the electronic version; and 5) the newspaper ad and the electronic publication will occur simultaneously.
- Those vendors wishing to submit electronically will download the solicitation, may fill in the responses manually and will upload their responses onto the platform

Choosing the Correct Platform to Get Started (Continued)

Platform Provider Capabilities (continued):

- Initially, you will accept both delivered (i.e., “paper”) and electronic bids. Your staff has demands. You do not necessarily have time to train on a platform, and to develop electronic templates before using it.
- In following solicitations a customized (and standardized) electronic solicitation template should be developed by the platform provider to assist you. At this point the electronic version will begin driving the “paper” version. Even where paper submittals is accepted, the bidders will be instructed to go to a link to download the specifications and response sheets. As you continue to transition, all bidders will begin accessing solicitations and response forms through electronic links and will fill out electronic forms only.
- At this stage the transition by both buyer and seller to going entirely electronic is complete. Instead of downloading, printing and delivering paper responses, all vendors will simply want to hit the “SUBMIT” button and receive instant notification that their submission has been received.

INSTRUCTIONS

1. Review the advertisement below
2. Download the bid documents/specifications from the Downloads Tab
3. Complete all tasks on the Tasks Tab
4. Submit your bid by the deadline

ADVERTISEMENT NOTICE TO BIDDERS

BID NAME

MUNICIPALITY

The **[Purchasing Agency]** will accept electronic sealed bids on **[Complete description of what is being purchased] (i.e. Chemicals, Vehicles, Widgets etc.)** as specified in the bid documents. Bids will be accepted as sealed electronic bids through LaMATS e-Auction Services (EASiBuy) on **[The Day of the Week], [Date] (i.e. July), 201?, at [Time] (i.e. 10:30 a.m.)**.

Interested vendors must register at <https://lamats.eauctionservices.com/login> to access and/or download the complete solicitation and attached specifications. Please direct inquiries to **[Municipality Contact information] (i.e. City Clerk, City Clerk, City of Patterson, 1314 Main St, Patterson, LA 70392, at 985-395-5205)**.

After bid closing, results will be publicly opened at Patterson City Hall, 154 N. Main Street, Patterson, LA 70546 and read.

Tasks Checklist

Task #1 Download all five (5) Documents from Downloads Tab and review thoroughly

Task #2 Doc. #2 Bid Form is complete indicating that my product meets or exceeds the required specifications. If I have taken exception to any of the specifications and propose an alternate of equal quality, I have indicated such and have included documentation in support

Task #3 Copy of Bid Bond or Cashier's Check Attached

Task #4 ...

Task #5 ...



ePurchasing and Sourcing Experts With Best-In-Class
Cloud Services www.easibuy.com

We make it easy for complex procurement
codes to integrate with the world's leading
e-procurement technology

LPS/EASiBUY Overview

- Delivers world class purchasing services to Louisiana local government and innovative sealed bid and reverse auction software in a results-driven model
- The LPS/EASiBuy cooperative partnership provides a “commercial grade” multi-phase procurement process for local governments
- The solution is not just a software solution – front-end professional services and consulting set us apart
- We can provide on-site assistance of all bids events
- EASiBuy has works with some of the largest governments and agencies. By partnering with LPS, EASiBuy is able to provide “large government” assistance to the local level
- The LPS/EASiBuy solution preserves the sealed bid and security environment required in public procurement in full compliance with Louisiana law

The LPS/EASiBuy Reverse Auction Process

- EASiBUY's Managed services include:
 - Market research – test current pricing in the market
 - Strategic sourcing – identify and engage qualified suppliers
 - Solicitation development – creation of solicitation documents
 - **Online reverse auction – collect pricing online**
 - Bid tabulation reporting – deliver reports of bid results
 - Post-bid support & implementation – provide contracting and implementation services
 - All at no direct or extra cost to you

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Implementation



PHASE 1: CONSULTING

- Select the bid with buyer
- Kick-off meeting
- Review Buyer spec package
- Strategic sourcing efforts
- Baseline / measurement tools
- Build bid on platform
- Buyer end-user training
- Supplier training

PHASE 2: AUCTION EVENT

- Manage on-site auction
- Open bidding
- Monitor from tech / ops centers
- Make live-auction adjustments
- Real-time supplier management
- Close bidding

PHASE 3: POST EVENT

- Final bid tabs to Buyer
- Survey suppliers
- Buyer close-out call
- Award process of Buyer

Buyer View

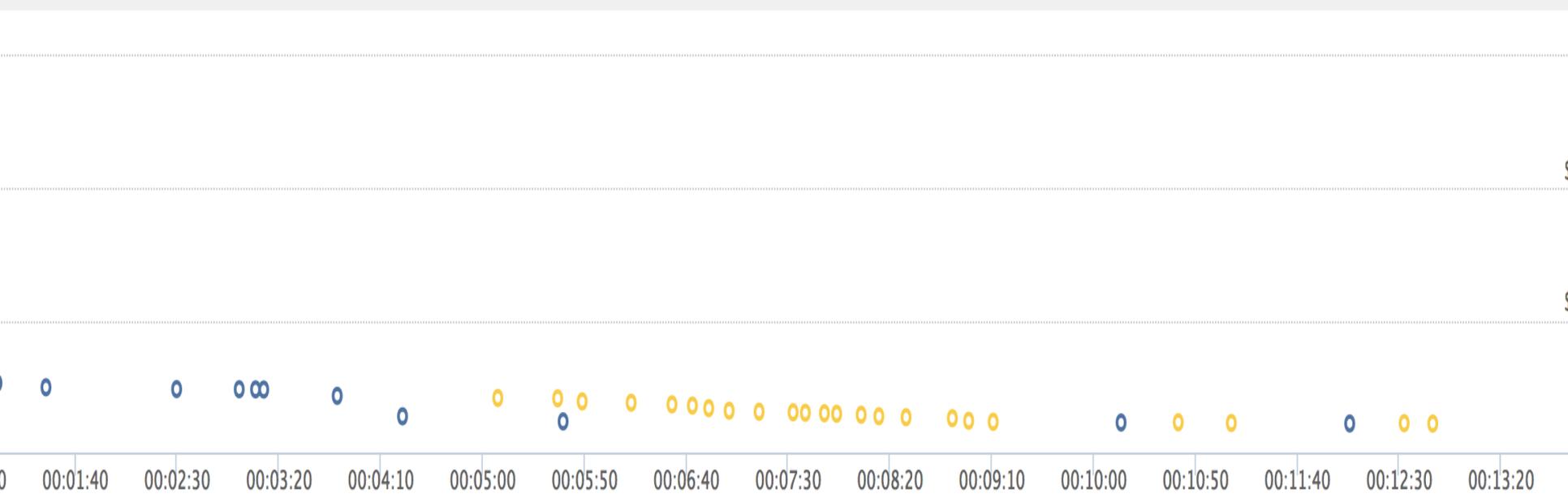
00:13 am
DURATION

00:15:47
50 Bids
18 EXTENSIONS

6 Changes
LEAD

0 Bidders
OUT OF 2

USD
CURRENCY



	RANK	BASELINE	BID	SAV
airy	1st	\$1,000,478.6330	\$921,871.1322	\$78,607
	2nd	\$1,000,478.6330	\$921,931.6510	\$78,546

Case Studies

Dairy Products

State of Connecticut

State bid for education and corrections for all Dairy products with a baseline of \$2.8M. 2 vendors participating

\$275K
saved



Food Service Management

Allegheny County, PA

Baseline spend of \$3.8M with 3 vendors participating

\$425K
saved

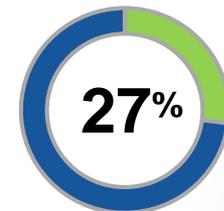


Bread, Pastries, and Poultry

Cook County

Baseline spend of \$490K with 2 vendors participating, resulting in 228 bids and 33 lead changes

\$133k
saved

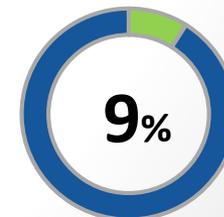


Food Term Bids

Hinds County, MS

Baseline spend of \$1.1M with 5 bidders participating

\$102K
saved



Contact Us

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(15)

www.lamats.net/lps

www.lamats.net/bidding

EASiBUY

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