

## Reverse Auction Tips



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Director, DFA Office of Purchasing, Travel and Fleet Management

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## Legislative Update

- ▶ House Bill 1106 (2017) - Effective Jan. 1, 2018
- ▶ House Bill 1109 (2017) - Effective Jan. 1, 2018
- ▶ Senate Bill 2674 – Effective March 5, 2018

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## HB 1106 – Electronic Bidding

- ▶ Requires all agencies and governing authorities with limited exceptions (entities without high speed internet, counties with population less than 20,000, cities with population less than 10,000) to provide a **secure electronic method of receiving bids**
- ▶ DFA required to set **standards** for receipt of such bids by state agencies



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## HB 1106 (Cont'd)

- ▶ **Certificate of Responsibility** conflict (where law requires “on the outside of envelope”) addressed to allow electronic bidding in construction

YATES CONSTRUCTION, LLC	
Record Type	Licensed
License Number	18506 -MC
Address	P.O.BOX 54
City	PHILADELPHIA
State	MS
Miss. County	NESHOBA
Zip	39350
Phone	601-656-5411
Fax	
DBA Name	
Expiration Date	07/08/2017
Minority No	
First Issue	08/09/2010
Class(es)	
Classification	Qualifying Name
BUILDING CONSTRUCTION	WILLIAM G YATES JR
CONSTRUCTION MANAGEMENT	WILLIAM G YATES JR
HEAVY CONSTRUCTION	WILLIAM G YATES JR
HIGHWAY, STREET AND BRIDGE CONSTRUCTION	WILLIAM G YATES JR
MUNICIPAL AND PUBLIC WORKS CONSTRUCTION	WILLIAM G YATES JR
Officers	
Name	Title
WILLIAM G YATES JR	PRESIDENT
YATES CONSTRUCTION, LLC	

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## HB 1106 (Cont'd)

- ▶ AG Opinion - Choctaw County Schools (Adams) June 1, 2018
- ▶ Question presented: is Choctaw County School District exempt from electronic bidding since Choctaw County has less than 20,000 residents?
- ▶ “It is the opinion of this office that for purposes of Section 31-7-13(c)(v) a school board is a unit of county government.”



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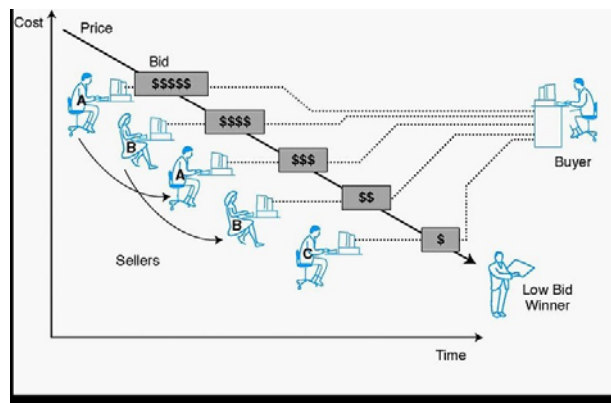
## HB 1109 – Consolidation



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## HB 1109 (Cont'd)

- ▶ Requires **reverse auctions** to be the primary method for receiving bids during the competitive bidding process



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## Specifications

- ▶ Specifications need to be open enough to encourage competition
- ▶ Check the NIGP library
- ▶ Call OPTFM
- ▶ Other governing authorities

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## Before the Auction

- ▶ Qualify your vendors before they are invited to participate in the auction.
- ▶ Do not use their quotes as the only way of setting the auction starting price.
- ▶ Hold pre-bid vendor conferences.

## Options for the Vendor

- ▶ Vendors must have a way of participating if they chose not to participate online.
- ▶ Must have a computer available or someone from the entity will enter the bid for the vendor.
- ▶ Reverse Auction is not required to be conducted online.
- ▶ Vendor should alert the governmental entity if they will be attending in person.

# Reverse Auction Exemptions

- ▶ Purchasing entities must seek PPRB approval for exemption from using reverse auction as method of procurement.



- ▶ PPRB must approve any contract entered into by an alternative process.

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# Reverse Auction Exemptions

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## Reverse Auction Exemptions

- ▶ Reverse Auction exemptions – Must justify why reverse auction will not work for the commodity you are purchasing.
- ▶ Questions – How many vendors did you notify? How many vendors have bid in the past? If you have trouble getting responses, are your specs restrictive?

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## Mission Statement

The Office of Purchasing, Travel and Fleet Management promotes economy and efficiency in procurement functions for governmental entities within the State of Mississippi and to provide a consistent, efficient, and cost effective fleet management program for all vehicles owned by the State of Mississippi.

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# Questions?



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# Contact Information

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