

## The FAQ's of AEP 2012

Over the past weeks and month, AEP applicants have asked for clarification and advice on how to improve their applications for 2012. These questions and answers are provided below to assist other applicants who may have similar questions:

### **4a. Formal survey of procurement performance, completed by internal (department) customers**

**Question:**

We spent a lot of time and effort on 4a for last year's submission (creating the internal survey).

It was created and tabulated in February 2011. May we resubmit the same findings for the 2012 award application or must we create a new survey?

**Answer:**

Yes, as long as last year's submission still meets this year's date requirement, you may submit the same findings again for the 2012 award.

**Question:**

A new feature to Question 4a is an actual count of recipients who received the surveys. If we are unable to pull an exact amount of recipients for the survey are we all allowed to submit an estimate? For example, "over 100 employees" or "over 200 employees."

We launch an e-mail internally to multiple departments and individuals, but have no way to count how many individuals actually receive the survey announcement. The survey results are provided to us with respondent counts, but not recipient counts.

**Answer:**

Criteria 4a states that the survey must have been conducted on or after January 1, 2010. So, it looks like your February 2011 survey is still acceptable.

I think it's okay to list a estimate. The purpose of adding this language was to insure that the survey was actually distributed throughout the agency. We wouldn't want to find that it was only sent to two people and those two people responded or to only those that would give a good review. If you can't give an exact number, be as specific as possible about who you sent it to, i.e. list the departments, subdivisions, etc.

**4c. Formal internal customer training within past year with a minimum of two scheduled and agendaized workshops.**

**Question:**

We were denied points for this criterion on our 2011 application and received the comment, "Need to document at least two comprehensive training sessions on procurement topics." Although we submitted three (3) examples of internal customer training our department provided in participation with other departments, we do acknowledge that one submission failed to note our department on the agenda, although we did present. However, we feel that two of our submissions met the submission requirements as previous years submissions (2009 and 2010) followed the same submission and agenda topics. Perhaps, "comprehensive" should have been defined or offered as suggestion for improvement on future AEP submissions rather than a total decline of points.

**Answer:**

The training documentation you submitted was not comprehensive. The first training was software training, not purchasing training. As you noted, the another training session indicates that Purchasing shared a 15 minute time slot with a Budget presentation. And, the third training meeting you submitted does not mention Purchasing at all. The evaluation committee is looking for evidence that the agency provided training to its users about purchasing processes, policies, ethics, updates to purchasing laws and internal policies, etc.

**4e. Performance Measures Specific to Procurement Function – Question 1**

**Question:**

This section states, "A copy of performance measures and the results for the most recently completed fiscal or calendar year and the prior year for comparison."

Would information from the end of our last fiscal year (July 1, 2010 – June 30, 2011) and information from this year in May 2012, prior to the end of our fiscal year be acceptable? Our fiscal year would end after the deadline for application.

**Answer:**

The committee is looking for at least two full years (calendar or fiscal) of performance measures to fulfill this criterion. Here's how the wording changed from 2011 to 2012 for this criterion: "A copy of performance measures and the results for the most recently completed fiscal or calendar year and ~~comparison to past statistics~~ *the prior year for comparison.*" This is a tough 5 points to earn as it requires data tracking over a long period of time combined with analysis and action.

#### **4e. Performance measures specific to procurement function – Question 2**

**Question:**

We were denied points for criterion 4e on our 2011 application and received the following comment from the evaluators: “Need to include past statistics, the purpose for measuring and clear statement of how the data will be used to improve efficiencies and effectiveness.” We received points for this same criterion the previous two years, although we had a comment of “weak” on our 2009 submission for 4e. We thought we had made the necessary improvements by submitting the measurement data using statistic data from the current year and completed previous year (equivalent to “past”) and our explanation for its purpose as required by the statement. If multiple years of “past statistics” are required, that should be stated in the question. Or, if the most completed fiscal year qualifies as the baseline rather than current year measurements perhaps the question would read as such. Based on previous years of successful submission with awarded points we would not have been aware to change our patterns of submission.

**Answer:**

I agree, this criterion is challenging. I think the evaluators had trouble seeing that these were performance measures and not just goals for your procurement function.

**For 2012, the description for 4e will read:**

“The performance measures should be on multiple purchasing areas. This criterion requires that you provide the measurements, the purpose of the measurements and the action plan on what you will do as a result of the data collected.

**Submit:** A copy of performance measures and the results for the most recently completed fiscal or completed calendar year and the prior year for comparison.

**Submit:** A statement for each measurement on (1) the purpose for measuring, and (2) an action plan of how the data is used to improve efficiencies and effectiveness within your agency must be submitted to receive points.”

## 6. Procurement Organizational Structure

### Question:

We received the award but a couple items were denied. I can understand all of them except for criterion #6. I've attached the checklist scorecard analysis along with the documentation we provided. I would like some insight on how to improve the information we provided.

### Answer:

I reviewed your documentation for AEP criterion #6. The criterion specifies that "Procurement function reporting to Finance is not acceptable." Your agency describes Purchasing as a division of Finance. The committee is looking for documentation that Purchasing is on "at least the same organizational level as Finance." This was not evident on the org chart you submitted.

Also, there was no documentation (charter, ordinance, etc.) demonstrating that the Finance Director is designated as the "Chief Procurement Official." This would also apply to criterion #12a where you received points for the Chief Procurement Official having a degree.

## 8g. Posting of IFB tabulation and award documentation on website

### Question:

We currently post tabulations and award notices on our own department website and also through a third-party provider (Demandstar). However, do I need to demonstrate both? Or will a submission simply showing our own website posting be sufficient?

The "Submit" directions are unclear to me since it reads to submit one form of the posting, but then it states: "In addition, if you use a third-party service...." So I'm questioning that because we do post in both areas... am I required to demonstrate both in order to qualify for the points?

### Answer:

Be safe and show that you post the tabulations and award notifications on both your department website and on Demandstar.

"In addition, if you use a third party service provider, a direct link from your website to your agency's tabulations is required"

This means that you can't simply tell bidders that they must go look for your tabulations on Demandstar. They should be able to go to your website and see a link that takes them directly to the tabulations.

**10. Use of term (annual or requirements) contracts for at least 25% of total dollar commodity and services purchases**

**Question:**

Following previous years' successful submissions and using similar reporting features, we want to understand why we did not receive points this year on our submission. The evaluators provided the comment, "Need to submit a report that lists contracts and shows total to validate expenditure data."

Is the AEP Evaluation Committee looking for a detailed list of each contract we have in place and exactly how much money has been expended on the contract for a fiscal year?

**Answer:**

While you did submit a list of contracts and a summary table, there is not a clear correspondence between the two. The evaluators could not determine how your expenditure totals were calculated based on what was submitted.

For 2012, the following language will be added to this criterion: "The purpose of this criterion is to demonstrate that your agency has leveraged economy of scales through establishing annual requirement contracts for at least 25% of the total dollar commodity and service purchases. Provide the basis of your analysis, including where the expenditure totals came from."

**11b. Professional Certification for at least 65% of Professional Staff.**

**Question:**

Would a Certificate in Purchasing and Material Management from UCLA count as a Professional Certification for one of the staff members? Or does it have to be solely one of the certificates listed?

**Answer:**

Only the certificates listed under 11b will be accepted.

**12b. Education: A degree from an accredited four-year university or college earned by at least 65% of the professional staff**

**Question:**

Is an "Associates Degree" acceptable as long as it is from an "accredited four-year university or college?"

**Answer:**

A bachelor's degree is required to satisfy this criterion.

**13. Established a Procurement Staff "Professional Development Program.**

**Question:**

Two members of our staff in this current year attended a Buyer 101 course, taught for Southern California. In addition, our entire professional staff attended the CAPPO conference January 2012. We will also be attending the CAPPO Conference for next year. Would this qualify to meet the requirements of this section?

**Answer:**

Yes, that would be acceptable. Be sure that you include two lists: one for the current year (including since January 1, 2011) and one for the future year. Future should include dates after June 8, 2012. Be as specific as possible with the description of the training, the date of the training, the names and positions of the individuals, etc.

**14. Professional staff member with a leadership position in a purchasing association (5 pts)**

**Question:**

Can you help define what "association" means in the question for me? Would a "study commission" be equivalent to an association? The purpose of the study commission in question is as follows:

- (a) to review various purchasing laws and practices; and
- (b) to make recommendations with respect to these laws and practices to the State Legislature.

**Answer:**

No, a study commission would not qualify for points on #14.

**16. Adoption of statute or ordinance that allows for Best Value procurements for your agency**

**Question:**

I need a little help/clarification on criterion #16, Best Value Procurement Method. We were awarded 10 points for the criterion, but the evaluators commented, "Would be helpful if Best Value more clearly stated and defined". Was that comment directed to the wording in our statute or was it directed to the bid language we provided, or perhaps was it directed at both? I've attached the documentation from our 2011 submittal. I need to know if the evaluation committee is looking for the specific words "best value" to appear in our statute or only in our bid document.

**Answer:**

I reviewed your submission for Criterion #16, and it does meet the requirements for points. I'm not sure about the evaluators' comment, except that many of the submissions for that criterion did contain the words "Best Value" in the statute, ordinance, and/or the actual bid/RFP. I did notice that the "Evaluation Criteria" included in your bid document did not include an

**16. Answer (continued):**

explanation of how much each criterion was worth (for example, "Staffing Level Proposed" might be worth 5 out of 100 points to the evaluators).

**18. Lead Agency/Cooperative Purchasing – Question 1**

**Question:**

Does AEP define "two or more agencies" (in the first sentence of the question) as my agency + another agency= 2...or my agency as lead and two other separate agencies as qualifiers...so technically my agency + 1 + 1 = 2?

**Answer:**

I would award points if it was the lead +1. My interpretation of the question would start with the lead agency (agency conducting the bid process) and another or more agencies whose requirements are included in the bid specifications and/or requirements. A cooperative procurement must have an aggregate requirement.

**18. Lead Agency/Cooperative Purchasing – Question 2**

**Question:**

I am applying for the Achievement of Excellence in Procurement again this year. Last year's application for Criterion #18, Lead Agency/Cooperative Purchasing, we used an example of our office supply contract that was awarded on September 28, 2009 with an initial term through September 30, 2010.

This was a 1 year contract with an option for two (2) additional 2 year terms. Each year a new Blanket PO is issued and the vendor is given the opportunity to adjust his prices, based on our review of the consumer price index.

Can I use this contract again this year, even though your criteria says that contract award must be on or after January 1, 2010, because we re-award each year?

**Answer:**

I surveyed the other AEP Evaluation Committee members, and we agreed that on AEP criterion #18, "contract award" means the original award date, not a renewal. So, in order to receive points for #18, your original contract award must be January 1, 2010 or later.

## **19. Contract Award Authority**

### **Question:**

For the past six years we have applied for and received the AEP Award. On this year's submission, we did not receive points for Criterion #19, "Authority of the Chief Procurement Official to Solicit and Award Contracts." Can you help us to understand why points were not granted?

### **Answer:**

At your request, I reviewed your submission for Criteria #19, as well as the evaluators' comments.

Your documentation is a bit confusing, as the first page is a letter dated November 2009 with the statement, "All contracts and purchase orders exceeding \$30,000 will be reviewed and signed by an agency senior leader." This does not comply with the requirement that the chief procurement official "may solicit and award competitively bid contracts for goods and non-professional (non A/E) services in an unlimited dollar amount."

You were also denied points for this item last year (2010) with the same evaluator comment. Evaluators often refer back to scorecards from the prior year to determine if the agency has attempted to improve or clarify the submission. With no additional narrative explanation provided, the evaluators could not award the points.

For next year, I recommend that you provide a narrative "cover sheet" to help the evaluators follow your documentation. In particular, we will be looking for evidence that the chief procurement officer of your agency has the unlimited authority to solicit and award contracts.

This is a tough five points, and many agencies were not successful on this criterion. Try again next year, but provide a narrative that assumes the reader may not be familiar with the workings of a state government organization.



## **GENERAL AEP Questions:**

### **AEP Best Practices**

#### **Question:**

I am a member of my state purchasing association. After a few years' hiatus, Purchasing is putting together an application for the AEP award this year. We'd like to view successful applications from the past and I understand some are available on your website. Is my understanding accurate? Must a potential viewer be an NPI member? Please let me know what has to be done to view successful AEP applications from the past.

#### **Answer:**

The NPI website has a Best Practices section with examples from last year's applications that stood out to evaluators as most clearly fulfilling the application criteria. The Best Practices are available to NPI members only.

We'd love to have you as a member! The membership information is at [www.npicconnection.org](http://www.npicconnection.org)

### **AEP Award Recognition at conferences**

#### **Question:**

My agency was awarded the AEP Award for 2011. I attended the NIGP Forum in August, but our agency name was not included in the AEP Award listing during their awards ceremony. Why were we overlooked?

#### **Answer:**

As the AEP Chair, I am responsible for recognizing AEP awardees in attendance at the various sponsoring association conferences. I must rely on the information provided by AEP applicants at the time they submit their application as to who wants to be recognized at which conference(s). Please check off all the conferences you or a fellow staff member plan to attend during the year to ensure that your agency will be recognized at the event. You may check more than one event, and you do not have to be receiving your actual trophy at the event in order to have your agency name recognized.