

The Bureau of Land Management National Training Center presents Supervisors Audio Forum. Now the host of your program, Yolande Texidor.

\_\_\_\_\_ I'm Yolande Texidor, your host from the National Training Center.

Welcome to the Supervisors Audio Forum. Today's topic is working with contractors. The presenter for today is Alissa Varrati. Alissa is from the Alaska State Office in Anchorage. Alissa is currently a procurement analyst with 11 years of experience at the Bureau of Land Management. Before I turn this session over to Alissa, I would like to briefly give you a overview of the agenda for today. The presentation will be 45 minutes today. At the end of the presentation, we're going to allow 15 minutes for questions and answers, and also I'd like to remind you that the slides from today's presentation will be available on the Knowledge Resource Center within 30 days. If you have any problems accessing that, just call to the NTC and we'll help you with that. Alissa, are you ready?

Yes, thank you, Yolande.

Yes, welcome.

Good morning. Today we're going to talk about dealing with contractors, or rather how to build successful relationships with contractors. This topic tends to be a little dry, so I ask that you bear with me. While it might not be the most

interesting, this knowledge will provide you, supervisors and customers the tools necessary to make your procurements a smooth and painless process. As procurement professionals, our job is to get you what you need to do your job, and thus support the agency's mission. A better understanding of how procurements work enable you to get through the process with less frustration, and allows you to better explain the process to vendors when conducting your market research. Additionally, knowing what to expect allows you to better plan your future projects. Briefly, the areas we'll cover today include conducting market research, how to find existing opportunities with the BLM, how to qualify for an award, BLM's Set-Aside Requirement, invoicing and payment requirement, past performance information, and helpful hints for contractors. For clarification purposes, when I use the term 'you' or 'customer,' I'm referring to our BLM project folks submitting requests to procurement. Let's get started. Market research is the process of collecting and analyzing information about capabilities within the market to satisfy agency needs. Market research is a joint effort between the customer and the procurement staff, with the initial market research beginning with the customer. Through this process, the customer is able to clearly define the requirement and determine what options exist within the market. Additionally, especially for recurring requirements, the customer is able to identify possible new technologies, methods, efficiencies, or perhaps even development of an entirely different requirement. Market research is at the heart of any acquisition. Once a request is received by your procurement office, we too conduct our own market research. This is done to identify any possible

oversights on the part of the customer, to verify the information provided is accurate, and to ensure that the procurement is processed within the appropriate markets and categories as required by procurement policy and regulation. Good market research benefits everyone. The better job you do with a customer when conducting your market research, the more likely you are to get the best product to meet your need and the timelier the procurement process becomes, allowing your action to be processed faster, resulting in you getting what you need faster. When you're speaking with vendors, be sure to clearly identify that you are only conducting market research and have no intention of actually placing an order. Remember, only a warranted contracting officer has the authority to place orders in excess of the micro-purchase threshold. There have been many occurrences where an employee did not clarify that they were only asking for a quote as part of their market research and the vendor actually ended up sending us a product with an invoice. Believe me, you don't want to be on the initiating end of a ratification. When conducting your market research, it's often helpful to let vendors know where they can locate the solicitation package once it's issued. The BLM has been acquiring goods and services electronically via the internet for several years now. Forecasted opportunities are entered into the advanced procurement plan by December 1 each year and are available to the public. This allows prospective contractors to search the database to see what upcoming opportunities are planned for the fiscal year. Data entry into the advanced procurement plan is the responsibility of the Program Office. In my experience, the majority of procurements are not entered into the APP, however, that said,

the information that is entered is a useful planning tool for both BLM and vendors. Actual requirements in the solicitation phase are available in several areas. All open market requirements, regardless of dollar value, are posted to the FedConnect web site. All open market requirements greater than \$25,000 are posted to the FedBizOpps web site. Vendors can search either of these databases using a variety of search criteria, view the full solicitations, and provide electronic quotes. Procurements processed via GSA Federal Supply Schedules, called established source \_\_\_\_\_ are available in the GSA e-Buy web site. Vendors who hold Federal Supply Schedules for the items being procured can view solicitations and provide quotes via e-Buy. Directing potential vendors on where to locate available opportunities is only half the battle. Vendors are required to jump through several hoops before they can even be considered for award of a government contract. It is important that vendors meet these requirements before they provide a quote, or they may not be considered when the award selection is being made. The first thing vendors need to do is obtain a Dun & Bradstreet number. This is a unique identifying number, similar to a Social Security number, associated with a particular vendor. Vendors apply for their Duns through Dun & Bradstreet. Once vendors have a Dun, they're required to register in the Central Contractor Registration. This is an electronic database where pertinent vendor information such as contacts, e-mails, bank accounts, addresses are stored. Our contract rating system is FBMS interfaces with the CCR so we don't have to collect this data for every award. Prior to implementation of electronic databases to collect this data, the vendors had to

submit this information every time he received an award, so it was a pretty cumbersome process. CCR registration requires an annual update in order for the vendors to remain active. Lastly, we recommended that vendors register in the Online Representations and Certifications Application, known as ORCA. Vendors are required to provide representations and certification for each federal award they received, the Reqs and Certs verify information such as business size, business categories, product origin and so on. Hard copies of Reqs and Certs are about 10 pages and are cumbersome for vendors to complete regularly. ORCA allows them to enter the data one time and apply it to all awards. The procuring activity can then access the data and include it in our contract file. ORCA, like OCCR requires an annual update. While these qualification steps are generally guided by the procurement staff, it saves a lot of time, effort and hassle on the tail end of things if vendors are able to start this process before they even provide a quote. If you let the vendor know there are special requirements they must meet, even if you only direct them to procurement, you've headed off potential complications. Aside from conducting your market research and developing your requirement, you've got to get your request processed by Procurement, who may or may not understand what you want and why. What you need to be aware of as a customer is that we may not be able to obtain what you want, how you want. Have you ever submitted a request to your procurement office and felt like they completely disregarded all that market research you put so much effort into? You found a vendor who offers the product you were looking for at a really great price, and your procurement

staff didn't even ask them for quote, or maybe you provided three quotes to your contracting officer, and they still issued a solicitation. This can be very frustrating for the customers, but there are good reasons for why your procurement staff takes the courses of action they do. First, and possibly most importantly, procurements are a competitive process. The Competition and Contract Act of 1984 set forth requirements for all procurements in excess of the micro-purchase threshold to be competitively awarded. Unless there is truly only one possible source, or an exception applies, procurements must be competed and awarded on best value. Another regulation that may prevent your action from being processed as you had envisioned is the Small Business Act, which gives special consideration to vendors identified under certain socioeconomic categories. Actions under \$100,000 are required to be set aside for small business so long as there is a reasonable expectation that at least two businesses are able to offer, which is pretty much always. The mandatory Set-Aside Requirements do not apply to actions over \$100,000, however, we are still required to set aside where appropriate, which is most of the time, and thus receive approval from the Small Business Administration on our intended set-aside category. In addition to the competition and set-aside requirement, there are other requirements such as mandatory sources, preferred sources, 8(a) Direct Awards, and so on that may result in your procurement being processed in a manner other than what you had expected. Ultimately, successful communication between the customer and the procurement office are the best way to avoid misunderstandings surrounding a procurement approach, but knowing up front that there are regulations that

dictate just about every aspect of contracting may save you unneeded frustration with your CO's. Once you've made it through the procurement process, there are a couple of other areas worth knowing about. Getting vendors paid on time is one of the most important things we can do as an agency to ensure we maintain a successful working relationship. FBMS has fully launched us into electronic processing in all aspects of acquisition. Receiving and invoice approval are now provided electronically via FBMS. There is currently a pilot program in place for electronic submission of invoices. This system is intended to become our permanent process for invoicing beginning in June. In addition to payment, there is one additional step required for contract closeout, and that is collection of past performance data. Past performance data is required to be reported by the Program Office for actions greater than \$100,000. This information is available for future requirements processed by any agency and helps contracting officers determine if prospective awardees have a history of acceptable performance. With that in mind, there are some helpful hints you can provide to prospective contractors regarding government contracts. They include, but are not limited to being customer friendly, being sure you have internet and e-mail capabilities, becoming familiar with BLM processes and procedures, being sure to read all applicable clauses and provisions in full text, and ensure that you understand the terms and conditions of the RFP, RFQ or IFB before providing an offer. A full list of these helpful hints and web sites are included in the PowerPoint presentation. As you can see, the procurement process is a fairly involved and complicated one, even for those who do this

every day. The more we can help our vendors get through those processes, the more likely it is that they will come back next time we've got a requirement out there that they can offer on. Remember, if you ever have questions, your procurement office is only a phone call away. Thank you for taking the time to join us today, and I'll be happy to answer any questions.

While they get their questions together, Alissa, I'd like to ask you a couple of questions.

Okay.

What is the process to terminate a contractor that has money remaining?

Oh, it sort of depends on what the, the reason for the termination is. If we're just looking at closing out a contract that's got funds remaining on it, assuming that the project has been completed, we go through the process of what's called a unilateral modification where we issue a modification indicating that the order has been completed, the remaining funds are being deobligated, and the contractor signs off on it. Once they sign, we sign, and we deobligate the money and the contract is considered closed.

Are there any other questions out there? Okay, I have another one for you, Alissa.

Okay.

How do we get contractors approved when there is no staff in the office? Who would be that contact?

As far as getting them entered into all of these systems, there is a web site out there called the Business Partner Network, which is included in the PowerPoint presentation, and that sort of provides them all of the guidance on how to navigate through all of those different, you know databases and registrations that they need to complete. It gives them a number of help desk phone number contacts, people that can walk them through the process, and most procurement offices around BLM have, you know toolkits for prospective contractors, you know and information that we can hand out to them and, you know like here in our office that information is available to everybody, so if a contractor were to come in and request information and maybe there weren't any CO's in the office, the tech or the staff assistant would have access to that data to provide it to them, as well. And I'm pretty sure most of our other procurement offices have something similar to that.

And one of the things that we've encountered here is we have, you know short-term projects and so we hire some contractors to do those, those types of buckets of work, if you will, for us and in, in the purpose of this audio form we talk

about rules of engagement with contractors and, and issues and I think, at least for me I was kind of looking forward to hearing some of that kind of, you know the dos and don'ts of rules and engagement. I mean, they're here, they're working, you know certainly as a contractor, but doing that bucket of work that we've identified for them to do with a certain deliverable at the end, and so I think we've kind of been interested in the rules of engagement with them and, and any issues, and.

And then I saw existing requirements and future requirements, and was wondering if there was going to be something different to engage with contractors on.

Sure. As far as existing requirements and sort of the general rules of engagement for you as the program people are essentially, unless you're the COTR, and even then so your authorities are fairly limited as far as what you can direct the contractor to do. Essentially you can't affect anything that changes, or I'm sorry, you can't change anything that affects time or money on any contract, that all has to be initiated by the CO. So if you've got any issues going on, you know.

Your first course of action is always to contact your contracting officer and let them know what's going on. You know and we're talking about service-type requirement, sort of keeping them on task and maintaining regular contact with

them to ensure that they're progressing along with your project as intended is really sort of your main role. You know answering questions that they've got, and really sort of directing them back to the contract cause, cause that really is, you know sort of the name of the game is, is what, what's actually in their contract file. So, I mean essentially your role is to just sort of be their contact and then filter questions to your CO as appropriate.

The don'ts would definitely be, you know don't, don't make any promises on behalf of the government, don't give them, you know approval to go beyond established timeframes, dollar amounts, don't order anything additional. You know, like I said, I would really just always sort of direct them back to their contract, that's really probably your safest course of action. As far as future requirements, I'm a big proponent of market research on the part of our customers. Go out there and talk to folks and figure out what you can, you just need to be careful to ensure that you're not giving them any information that's going to provide them an unfair advantage when it does come time for solicitation, so, you know you definitely don't want to be providing anybody any sort of, you know government estimates or anything like that, or any sort of real technical criteria that we're going to be, you know really looking at that's going to allow them to, you know maybe add to their proposal in a way that they wouldn't independently. But with that in mind, I would essentially, if I was the customer, go out and ask, you know call the con-, contractors and say this is the type of requirement I have in mind, can you tell me what you can do, what types of

directions that this can go? Cause they could give you ideas, you know tell you about stuff that you have no idea is a possibility or exists out there, and that's completely changed the direction we're going, so just sort of, you know make sure that, ask, I would say ask more than tell, maybe is a good rule of thumb.

I guess if I could follow up just on, you know one of the things that I've heard from our, our chief of contracting in Reno is that there are, you know we've, we have been made aware of, unfortunately through painful processes, that the differences in, you know professional services and personal services, and one of the things I understand is that the Department of Interior has a waiver for IT services, and so we do have someone providing IT service here that's probably maybe not the same as, as, as throwing out a bucket of work that could be completed. Are there other professional services-type things, like engineering or other things? Is there a list or somewhere we could go that would identify what professional services are?

There are. The FAR actually contains a list of what are considered professional services, and so you can go to the FAR, which if you go to Google and just type in Federal Acquisition Regulations you can get to the FAR that way. Or additionally if you go to Google and type in, you know Government Professional Services you will find other government web sites that will also provide you that list, but I would reference the FAR cause that's sort of going to be our hard and fast spot that we're going to look for what those lists are. And, and the list

includes, you know medical services, legal services, accounting services, essentially things that require like a certification or some sort of advanced degree are, is sort of like the general rule of thumb for what are considered professional services.

My biggest push always is if you have any questions or if there is ever a doubt in your mind, pick up the phone and call us, we are always more than happy, I would much rather spend an hour or two talking to you up front than having us have to try and go back and fix something, you know on the tail end where we're maybe in a less than favorable situation. So if you ever, you know got any question in your mind, and I'm sure that your PA there, Tenda, you know is more than happy to talk to you guys about any questions that you've got. That would definitely be my biggest recommendation, you know check out the FAR and call Procurement..

How would we deal with a contractor who is not up to par with what is agreed?

Well, generally when we've got a contractor who's unclear on what they've agreed to in their contract, you know we try to sort of hold their hand and walk em through it. You know while the FAR provides us some pretty stringent remedies, we don't generally try and take a sort of hard-nosed approach unless we absolutely have no option.

Because ultimately that generally doesn't result in us getting the end product that we need, whether that be a, you know a supply or a service. So we really try to work with our vendors and, I mean generally, you know the Program Office would let us know that there was an issue and the contracting officer would call em and talk to em, kind of ask em, you know hey, what's going on? It looks like we're sort of falling off a task here and here's what our understanding of what you should be doing is, you know where are you guys at? What's the reason? What can we do to help? And, you know I have, in the 10 year, years I've been doing this I've never been unsuccessful in getting a contractor to where, to where they need to get, so really, you know we just got to be patient and work with em and, and then also, though, not let them take advantage of us either and let, you know let them know that we've, our a, our, you know desired outcome is to get what we need, wha-, and, and maintain our relationship with them, them and they're generally pretty quick to sort of turn things around and, and do what they need to do.

I was going to see if she could touch on the best value award system on these contracts. She touched on that a little bit and, versus just going with low bid.

Sure. We, the government made the big move to best value contracting, gosh, probably five or six years ago, and the sort of thought process behind that is that, you know going to the low quote does not always get us the best value, it's just not always what we need. So we have been directed to start considering other

things aside from price, such as past performance, technical acceptability. So it's not really a across-the-board sort of thing. Your best value determination is. That approach is sort of. Tailored for every specific requirement.

So, you know maybe you have a service requirement that's really technical in nature and so maybe price isn't the most important thing to us. Maybe the technical capabilities of the contractor are of more concern to us than, than price is, and so we have sort of, we build evaluation criteria.

And then a sort of way for us to score quotes essentially to, to determine what best value is. Often times, and most often, especially with supply buys, best value is determined by, you know low price and then past performance, and unfortunately because past performance isn't required to be collected for acquisitions under \$100,000 we're sort of stuck with what is available to us in some existing databases out there. There's a database called Excluded Parties List System that we're required to check for every award we make to make sure our contractors aren't debarred or have a history of poor performance, and so that's sort of a tool that we use to ensure that, that they're, you know complying with their contract requirements. Another thing we do, though, with past performance is really something that's significant. I did a buy a couple years ago where we were doing a, hiring a UXO tech to come and escort a bunch of our surveyors around in an area where we knew there were a bunch of unexploded ordinances, and so it was really significant that we had somebody who had

experience in this type of work. So in that particular instance, you know we actually asked for references, and we actually provide a survey to those references to have them rate the, the vendor on how they performed on their contract so we can sort of make sure we're getting the best of the best of the folks that are quoting. So that's sort of the idea behind best value is that we really should be looking at other, you know factors aside from just price. It's not, you know getting the low price isn't always going to get us exactly what we need. But we need to set all that stuff up ahead of time and tell contractors how we're going to be evaluating and making our selections so that, you know if we are considering past performance data, they know to include that, or technical, they know to provide the appropriate, you know proposal and things of that nature. So that's sort of the gist of, of best value. Does that answer your question, Joe?

Yeah, yeah. So you are using this with all contracts under a hundred grand and over a hundred grand?

Mm hm.

Okay. When you have -?

Now, and I would say, though, one caveat to that is sealed bid construction, that sort of is a whole different ball of wax.

And \_\_\_\_\_

And \_\_\_\_\_ you basically, you know open your bids and your low bidder that's considered responsive and responsible sort of takes the cake.

Okay, again, and that's really my reference is more to construction contracts, that's what we deal with mostly. So, but you can still go with this best value system with a construction contract?

So long as it's under \$100,000, that's where sealed bidding comes into play is over \$100,000. And when you do seal bid, you award on price. So you open all your bids, you look at em, you get your apparent low bidder if, if so long as that low bidder is considered responsible, which the, that determination can be made by the SBA, then that's who you make the award to. You don't get to, there aren't, there isn't essentially best value for sealed bidding, but that's only construction over \$100,000. In construction under \$100,000 we're still not generally going with a best value approach in the same sense because we have construction specs and you either bid on the specs or you don't.

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And generally for construction projects that I've got over \$100,000 I generally check the references of my low bidder anyways, just to make sure that they have

positive past performance. But yeah, construction's sort of a different ball of wax from services.

Right, and we've just, I guess always in the past been involved with the sealed bidding end of it and this year and some of our \_\_\_\_\_ projects, they've requested we go with the best value system, which I think is probably a good thing on some of the types of work that we're doing.

Yeah.

So, okay. Well, thank you.

You bet.

Is the process the same for each state for using the necessary systems? If not, then how do we make it?

The process being for the vendors or the process for the customers locally?

The customers locally.

The process should be the same. Well, I say with variation. Every office sort of functions a little bit differently. That said though, you know the federal regs, the

DOI regs, the BLM regs are the same for every single BLM procurement office, so any variation that there is should be very, very insignificant. You know maybe we have a particular, like in this state we have a template that we use for statements of work. It is our standard template for Alaska, every service contract that has a statement of work uses this template, and that's just our policy in this state. Maybe, you know Arizona doesn't use that same template. However, their service requirements still require a statement of work. So the variations should be, you know pretty insignificant.

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We make an effort, you know the BLM procurement community gets together pretty regularly, we have monthly conference calls, we have an annual workshop.

We really try to provide as much uniformity in our procurement processes as we can. I think FBMS has definitely been helping in that regard because we don't have the same options to sort of work around the system in the same way that we did with ideas, so FBMS is sort of facilitating uniformity for us. But essentially it should, it should be very, very similar from state to state other than, you know we all, we all have our own little quirks.

Alissa, I think that's it for today. Thank you so much for tuning in and, or presenting this wonderful forum.

Absolutely. Thanks for having me, Yolande.

This has been a production of the Bureau of Land Management's National Training Center.