

Association of Government Accountants – Austin Chapter
Procurement Risk
May 9, 2013 Luncheon

Chapter News:

- Tennale Walker was sworn in as the President-Elect for the AGA-Austin Executive Committee.
- If anyone is interested in helping a committee, please contact the committee chair.
- Nicholas Cotton and Jeanne Yanga won a free AGA membership in the luncheon drawing.
- After a show of hands in the audience, it was noted that it will be more beneficial to have AGA events during lunch time, rather than in the evening.

Speaker: Holly Brewster

Holly Brewster works with the Procurement Division of the Department of Family and Protective Services, which is responsible for more than \$1 Billion in client service purchase for Child Protective Services (CPS), Adult Protective Services (APS), and Prevention and Early Intervention (PEI) throughout Texas. Holly holds a JD from the University of Oregon, and a BA from The University of Texas at Austin.

Luncheon Highlights:

- A. 3 Main Areas of Procurement
 1. Procurement development/solicitation
 2. Evaluation of bids/proposals
 3. Negotiation
- B. 2 Main types of Procurements
 1. Requests for Proposals (RFP)
 - i. The agency sets the evaluation criteria
 - ii. The contractor can propose the scope
 - iii. Negotiations are allowed
 2. Invitation for Bids (IFB)
 - i. The agency defines the scope
 - ii. The contractor submits a bid
 - iii. Negotiations are not allowed
 - iv. Awards are primarily based on lower bid prices received
- C. Procurement Development with Non-Profits
 1. Non-profit organizations are not required to do a single audit determination; however, it is required for for-profit companies.
 2. Agencies should include a single audit determination as a requirement from the beginning so non-profit organizations can be held to the same standard as for-profit companies.
- D. Evaluation of Proposals/Bids
 1. Proposals and bids can be evaluated on a point or percentage basis.
 2. Agencies should decide on how the evaluation criteria for financial stability will be screened beforehand.
 3. Reviewing financial stability requires a subject matter expert. If this review is done during the screening stage, a lot of bids/proposals will be reviewed, so be sure to have the right level of staff involved in the process.
- E. Negotiation and Post Award Monitoring
 1. Ways to reduce risk for agencies during the negotiation stage is by securing letters of credit and bonds for payment and performance from contractors.