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OBJECTIVES

- Become familiar with Finance Administrative Policies and Procedures related to Procurement
- Learn how the FAP's authorize and guide Kentucky procurement
- Understand how FAP's relate to cited authorities in eMARS

There's a FAP for that!!

PROCUREMENT FOUNDATION



KRS 45A



200 KAR 5



FAPs



KRS 45A

KENTUCKY MODEL
PROCUREMENT CODE
KRS 45A

KENTUCKY MODEL PROCUREMENT CODE

RFB

RFP

KRS 45A

Small Purchase

Noncompetitive
Negotiation

There's a FAP for that!!

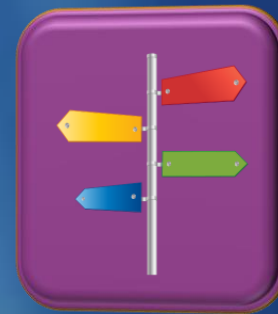


200 KAR 5

- Administrative Regulations provide more nuts and bolts of the law
- Regulations have the same force and effect as any law passed by the legislature

FINANCE ADMINISTRATIVE POLICIES & PROCEDURES

- Commonly referred to as **FAP's**
- Procurement FAP's are FAP III-10-00 through FAP III-59-00
- Provide guidance and direction
- Updated February 2016



FAPs

CITED AUTHORITY

- A Cited Authority is required for procurement and payment documents in eMARS
- A Cited Authority represents the valid legal purchasing authority for the procurement document
- Many Cited Authorities represent a Finance Administrative Policy and Procedure

DO YOU KNOW ABOUT THE GENERAL CONDITIONS?

- ***There's a FAP for that!!*** FAP 110-10-00
- The general conditions and instructions for solicitations are incorporated into each solicitation and contract
- Important information to buyers that may clarify questions you have about the solicitation and contract process
- Includes requirements that vendors must comply with in order to be considered for an award

The product I ordered was damaged when I received it. What do I do?



There's a FAP for that!!

FAP 111-41-00





What are the those crazy rules about purchasing printing?

There's a FAP for that!! FAP 111-12-00

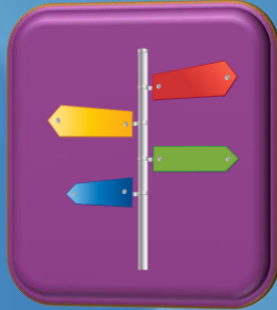


When is purchasing food for a meeting allowed?

There's a FAP for that!!

FAP III-09-00-08





Can my agency buy a silver mint julep cup
for our retiring Assistant Director?

There's a FAP for that!! FAP I 20-23-00



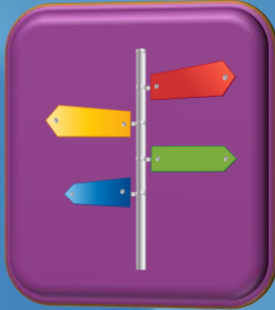
My agency wants to purchase a used tractor but how do we do that?

There's a FAP for that!! FAP 111-53-00



The vendor said they would give my agency a discount on a new trailer if we trade in our old trailer. Can we do that?

There's a FAP for that!! FAP 111-54-00

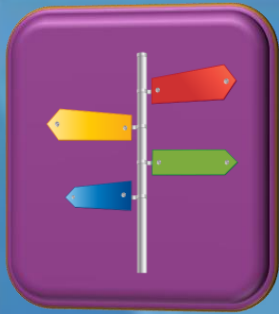


What do I do if state property is stolen?

There's a FAP for that!!

FAP 120-11-00

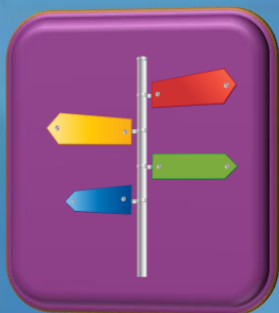




What information is required on a RQS?

There's a FAP for that!! FAP III-38-00

- Lead time
- Clear, concise specifications & standards
- Measureable criteria
- Principles of operation
- Delivery
- Evaluation & award



No matter how many times my agency addresses the delivery and invoice issues, this vendor never complies. HELP!

There's a FAP for that!! FAP 111-42-00



PSC & MOA

WHAT'S THE DIFFERENCE?

There's a FAP for that!!

FAP III-43-00 PERSONAL SERVICE CONTRACTS

PSC is the required method of obtaining professional services from a private entity

FAP III-44-00 MEMORANDUM OF AGREEMENT

MOA is an agreement to exchange resources or responsibilities between governmental entities or with an entity qualified as a non-profit 501 (c)(3)

Commonalities

PSC's and MOA's are established in eMARS as PON2 documents

Subject to monthly review by the Government Contract Review Committee (GCRC)

MORE FAP GUIDANCE

Small Purchases FAP III-55-00

- Guidance for Small Purchases for Goods and Non-professionals Services
- Not used for printing or professional service contracts.
- Used for purchases when the cost is estimated to be no more than the amounts established for your agency by the FAC Secretary
- Cannot parcel, split, divide, or schedule over a period of time in order to subvert the intent of the Small Purchase procedure

DO WE HAVE TO BID EVERYTHING WE PURCHASE?

Not always –

There's multiple FAP's for that!!

- **FAP III-08-00 COMPETITIVE BIDDING EXCEPTIONS: SPECIFIED BY LAW OR REGULATION**
- **FAP III-09-00 COMPETITIVE BIDDING EXCEPTIONS: STANDING DETERMINATION OF NOT PRACTICABLE OR FEASIBLE**
- **FAP III-10-00 COMPETITIVE BIDDING EXCEPTIONS: SOLE SOURCE**
- **FAP III-39-00 EMERGENCY PURCHASES**

NON-COMPETITIVE NEGOTIATION

Three Important FAP's

FAP III-08-00

- Exceptions to Sealed Bidding (By Law or Regulation)

FAP III-09-00

- Exceptions to Sealed Bidding (Not Practicable /Feasible)

FAP III-10-00

- Exceptions to Sealed Bidding (Sole Source)

EXCEPTIONS TO SEALED BIDDING (BY LAW OR REGULATION) FAP III-08-00

Exempt from bidding without prior
approval from OPS



Expert Witness

EXCEPTIONS TO SEALED BIDDING (NOT PRACTICABLE /FEASIBLE) FAP 111-09-00

Prior approval of OPS required for “Other goods and services”



**RENT
IT**



EXCEPTIONS TO SEALED BIDDING (SOLE SOURCE) FAP III-10-00

Prior approval required by OPS for all purchases over \$5,000 or the agency's single quote small purchase authority



EMERGENCY PURCHASES

There's a FAP for that!! FAP III-39-00

KRS 45A.095 (3) defines an emergency condition



Key points:

- A threat or impending threat to public health, welfare, or safety
- An immediate and serious need for services, construction, or items of tangible personal property
- Cannot be met through normal procurement methods
- Initial determination of emergency made by head of using agency
- Purchase must be fully documented in a letter to the Secretary of the Finance & Administration Cabinet

WHERE DO I SEND MY REQUESTS?

There's not a FAP for that but good question!

- Address letters requesting Exemption to Sealed Bidding for Sole Source or Not Practicable to Bid (other services) to **Joan Graham, Executive Director**
- Address letter justifying Emergency Purchase to **William M. Landrum, Secretary**
- *Send both Exemption and Emergency letters to OPS.Reporting@ky.gov*

QUESTIONS?

