The background features a light green grid pattern. Scattered across the grid are several stylized green dollar bills, each with a white outline and a white dollar sign in the center. The bills are oriented in various directions, some appearing to be falling or floating.

# Government Procurement at the MSB

Dustin Silva  
Assistant Purchasing Officer

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# Introduction

Dustin Silva

Bachelors in Business Management & Supply Chain Management

Certified State of Alaska Procurement Officer

11 years of Procurement experience ~ JD Steel, BYU, SOA, MSB



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01

# What is Procurement?




- Government Procurement is the process by which the Government uses taxpayer dollars to buy the goods and services it needs to do the things it is supposed to do.
- MSB has a centralized procurement system.
- Informal & Formal Competitive process used to acquire goods and services





## Effective public procurement systems can help governments

- **Cost Efficiency:** Reduces expenses through competitive bidding and economies of scale.
  - **Transparency:** Ensures open and fair processes, reducing corruption and enhancing public trust.
  - **Economic Impact:** Stimulates local economies
  - **Risk Management:** Improves risk assessment and mitigation strategies.
- 

# Rules and Regulations



## Mat-Su Borough Code

MSB Code 3.08





## Federal

Code of Federal Regulations  
(CFR)



## State of Alaska

Alaska Statue 36.30



WE WON A HUGE  
GOVERNMENT  
CONTRACT.



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NOW WE NEED TO  
FOLLOW ALL OF OUR  
COMPANY POLICIES PLUS  
EVERY GOVERNMENT  
PROCUREMENT RULE.



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I FEEL LIKE I'M  
BEING SMOTHERED  
BY A DAMP MATTRESS!

THAT'S WHAT  
VICTORY  
FEELS LIKE!





# Two types of Competitive Processes



## Informal (Less than \$50k)

Open Market Guidelines

Request for Quotes “RFQ”



## Formal (Greater than \$50k)

Invitation to Bid “ITB” (price based)

Request for Proposal “RFP” (value and/or price-based)

# Formal Competitive Processes



## Invitation to Bid

Price Based  
Requirements

[https://youtu.be/CuAUE58MQt4?si=\\_PdGuZRd-gzr6nw1](https://youtu.be/CuAUE58MQt4?si=_PdGuZRd-gzr6nw1)



## Request for Proposal

Value-Based  
Can include Price

# InFormal Competitive Processes

PURCHASES OF SUPPLIES, SERVICES, CONSTRUCTION AND PROFESSIONAL SERVICES, UNDER \$50,000.00

ESTIMATED PRICE OF PROCUREMENT	MINIMUM COMPETITION REQUIRED	FORMS USED BY AGENCY	PUBLIC NOTICE REQUIREMENT	AWARD METHOD	DOCUMENTATION SUBMITTED TO PURCHASING
<p><b><u>\$5,000 or Less</u></b> PURCHASES OF SUPPLIES AND SERVICES</p>	No minimum number of quotes required, however whenever practicable, a minimum of three price quotes should be requested.	Email Template Request for Quotes	No minimum requirement.	Select the low quote.	<ul style="list-style-type: none"> <li>• Copy of written quote(s).</li> <li>• If available quote request.</li> <li>• Scope of work/Specifications</li> <li>• Email communications of RFQ.</li> </ul>
<p><b><u>\$5,000-\$15,000</u></b> PURCHASES OF SUPPLIES, SERVICES, PROFESSIONAL SERVICES AND CONSTRUCTION</p>	Minimum of 3 written quotes	Request for Quotes	No minimum requirement.	Select the low quote.	<ul style="list-style-type: none"> <li>• Copies of 3 written quotes.</li> <li>• Written quote request.</li> <li>• Scope of work/Specifications</li> <li>• Email communications of RFQ.</li> </ul>
<p><b><u>\$15,000-\$50,000</u></b> PURCHASES OF SUPPLIES, SERVICES, PROFESSIONAL SERVICES AND CONSTRUCTION  *Purchasing conducts procurement in this threshold.</p>	No Competition Minimum	Email Template Request for Quotes RFP IRFP	MSB Contract Opportunities Web Posting	Select the low quote and/or most advantageous proposal.	Purchase Requisition that includes the low quote and/or most advantageous proposal.



02

# Values & Principles

# Key Values & Principles



**Transparency**



**Accountability**



**Impartiality**



**Ethics**



**Service**

# Transparency and Accountability

- Easily accessible and understandable policies and processes.
- Essential to demonstrate how easy it is to obtain information.
- MSB Contract Opportunities

*“The liberties of a people never were, nor ever will be, secure when the transactions of their rulers may be concealed from them” – Patrick Henry*



# Ethics and Impartiality

- Unbiased decision-making and action is essential to fairness for the public good.
- Describe needs and requirements in bidding documents.
- Eliminate Personal & Institutional Bias.
- Balance interests among stakeholders



# Service



## Education

Teach staff, public and vendors



## Inform

Stakeholders, public, vendors



## Monitor

Spending, Procurement Efforts



## Steward

The funds



## Improve

Processes, vendor pool



## Relationships

Customer-service focused





03

# Public vs Private

# Maybe you need two columns



## Public

The public sector is far more heavily regulated than the private sector to promote:

- Transparency
- Compliance
- Fair and open competition
- Social good (local economy)
- Efficiency
- Value for the public.



## Private

Free to follow whatever method it chooses. Competitive or not, transparent or not.



## PUBLIC PROCUREMENT

- Serves the public good
- High amount of regulations
- Slow process cycle
- Process depends on scale of project
- Tight budget based on available public funds

VS



## PRIVATE PROCUREMENT

- Seeks to earn a profit
- Few regulations
- Fast process cycle
- Process remains consistent across project size
- Flexible budget based on company profit

# Budget Constraints



- Unlike a private company, which can adjust its budget based on the profit it turns, public institutions and agencies depend on taxes, loans and grants to fund their activities, so there are limited resources to split among competing needs.
- Additionally, there are laws regulating how a public body budgets its money; in contrast, a private company can more easily change its budgets and increase income by charging more for products and services.

The background features a light green grid pattern. Scattered across the grid are several stylized, green dollar bills with white outlines and a large white dollar sign in the center. The bills are oriented in various directions, some appearing to float or fall.

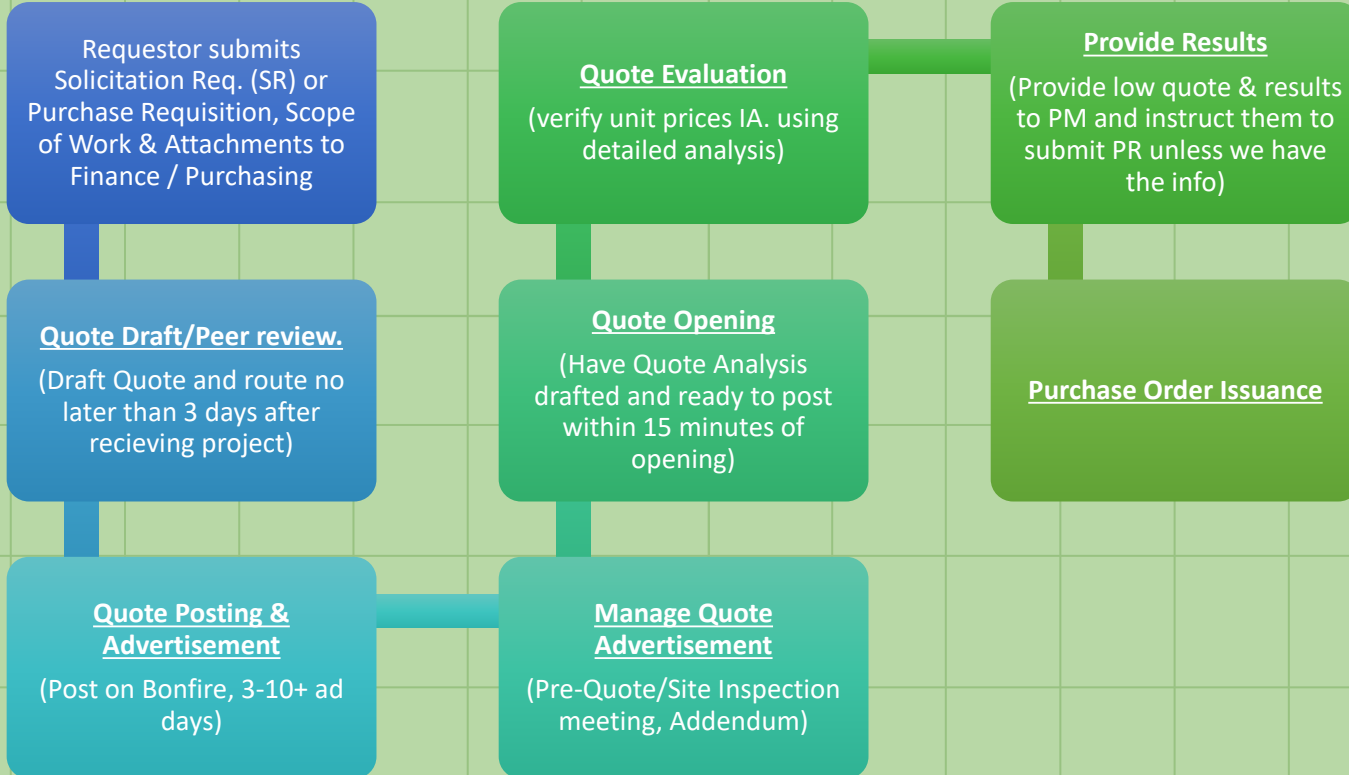
# Slower Process

- Partly due to regulation, public procurement cycle times can take a great deal longer than private ones.
- Procurement professionals must follow steps to promote social and legal initiatives, which can also create conflicting priorities or complicate processes.

# INFORMAL QUOTE PROCESS

Procurements Less than \$50,000

Lead Time: 3-10 Days

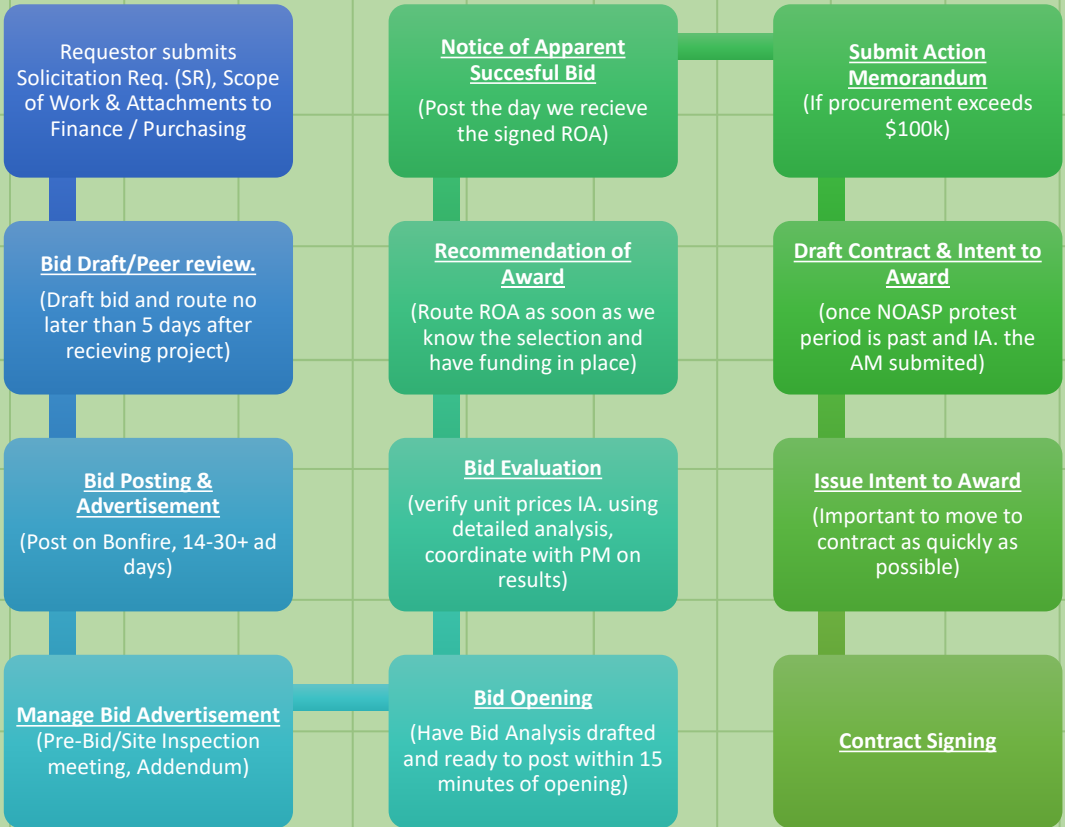




# FORMAL BID PROCESS

Procurements in Excess of \$50,000

Lead Time: 3-8 Weeks





04

# **Impact of Procurement on Economic Development**



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# Local Economy

The MSB spends an average 80-90 million dollars per year through the procurement process.

The procurement process is one of the main ways tax dollars are transferred from the government to private hands.



# Special Provisions



- 3.08.450 Apprenticeship Utilization
- 3.08.240 Local Bidders Preference (5% or \$2,000)
- Buy American / US Steel (CFR)
- Disadvantaged Businesses (CFR)

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05

# Why the MSB has a Purchasing Division



# Purchasing Helps Accomplish the following

- Public Interest and Accountability
- Economies of Scale
- Quality and standards
- Regulatory Compliance
- Fair Competition and Transparency
- Risk Management
- Specialization & Expertise





# Our Team

- **Receiving, Inventory & Surplus:** Dani Spear
- **Quotes:** Savannah Gross
- **Bids:** Gina Bradley
- **Purchase Orders, Contract Amendments:** Hollie McRae
- **Proposals and All Procurement Matters:** Russ Krafft & Dustin Silva





# Authorities and Involvement

Except as this code provides otherwise, all rights, powers and authority pertaining to the procurement of supplies, services and construction required by the Borough, are vested in the purchasing officer.

- **3.08.150 EXECUTION OF CONTRACTS**

All borough contracts for supplies, services, professional services and construction, and any amendments to the contracts shall be signed by the manager or the purchasing officer.

- **3.08.160 CONTRACT ADMINISTRATION**

The using agency head shall administer all contracts for supplies, services or professional services, except as otherwise designated by the purchasing officer.





06

**What is your role in the  
Procurement Process?**



# Understanding the Processes

- Open Market Guidelines (Informal Process)
- Formal Guidelines of Bidding and Proposals
- Emergency Procurements





# Determining Business Need

- Describe the item/service needed.
- All purchases should be in the benefit of the public.





How the customer explained it



How the engineer designed it



How the project leader understood it



How the programmer wrote it



What the customer really needed

# Planning

- Budgeting
- Business Case





**Questions?**

