

# DIR Cooperative Contracts Overview

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# DIR Contracts

- **WHAT DO THEY DO?**

- ▶ Create savings for taxpayers
- ▶ Leverage the state's buying power to lower prices
- ▶ Contain best value

- **Optimize the purchase of IT commodities and services**

- ▶ Streamlines process for customers
  - Reduces duplicate efforts: all contracts competitively procured
  - Reduces purchasing and contract cycle time: customers issue P.O. directly to DIR vendor
- ▶ Simplifies sales process for vendors

- **Include IT commodity items as contracted product offerings**

- ▶ Hardware
- ▶ Software
- ▶ Technology staffing services
- ▶ Other ICT services with high customer demand (seat management)

# Who are DIR's Customers?

- **Eligible Customers Include**

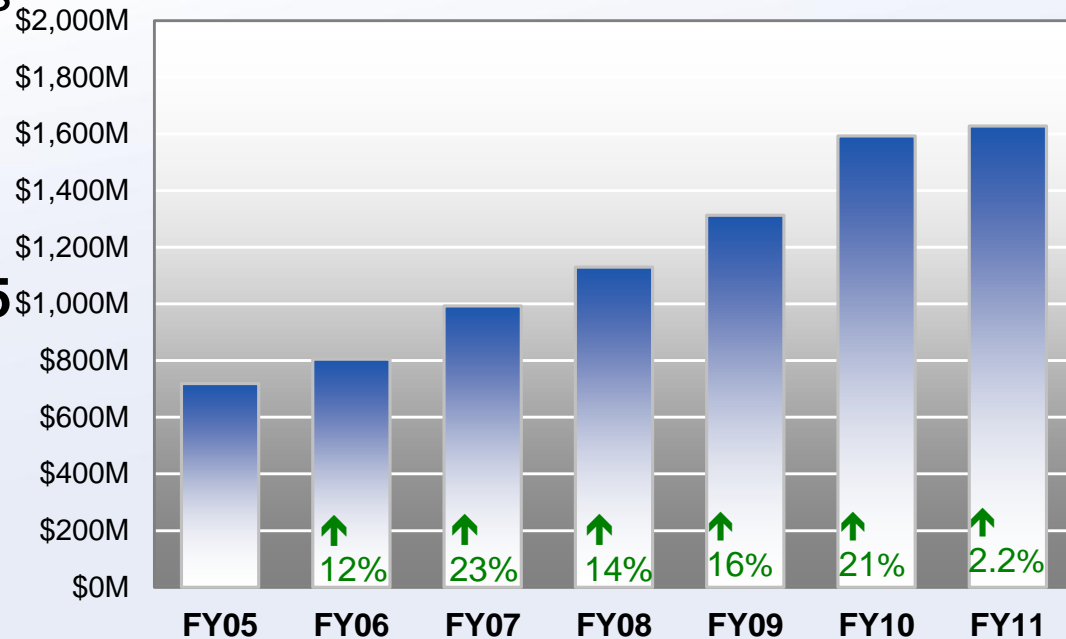
- ▶ State Agencies
- ▶ Higher Education
- ▶ K-12 Independent School Districts
- ▶ Cities
- ▶ Counties
- ▶ Municipal Water Districts
- ▶ Out of State Governmental Entities – Eligible as of September 2005
- ▶ Assistance Organizations registered with the Texas Facilities Commission or the Texas Comptroller of Public Accounts – Eligible as of September 2007

# DIR Contracts – FY11

## 901 Active Cooperative Contracts in FY11

- 207 HUB Prime Vendors
- 512 Total Resellers
- 167 HUB Resellers

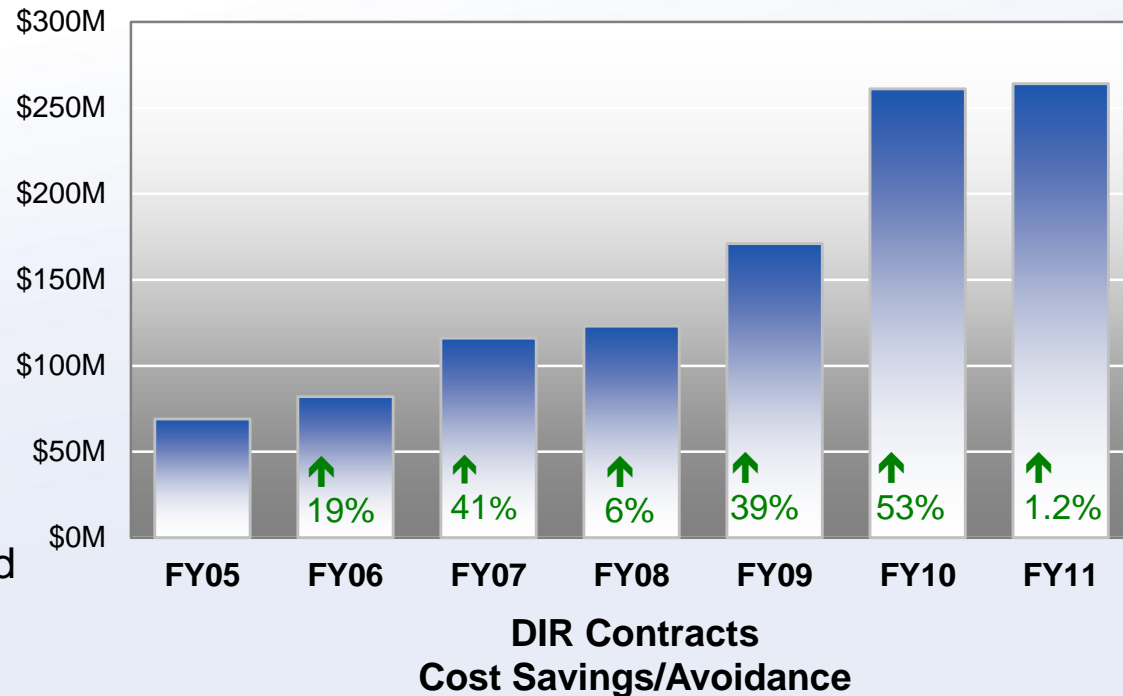
**126% Growth since FY2005**



# DIR Contracts – Cost Savings/Avoidance

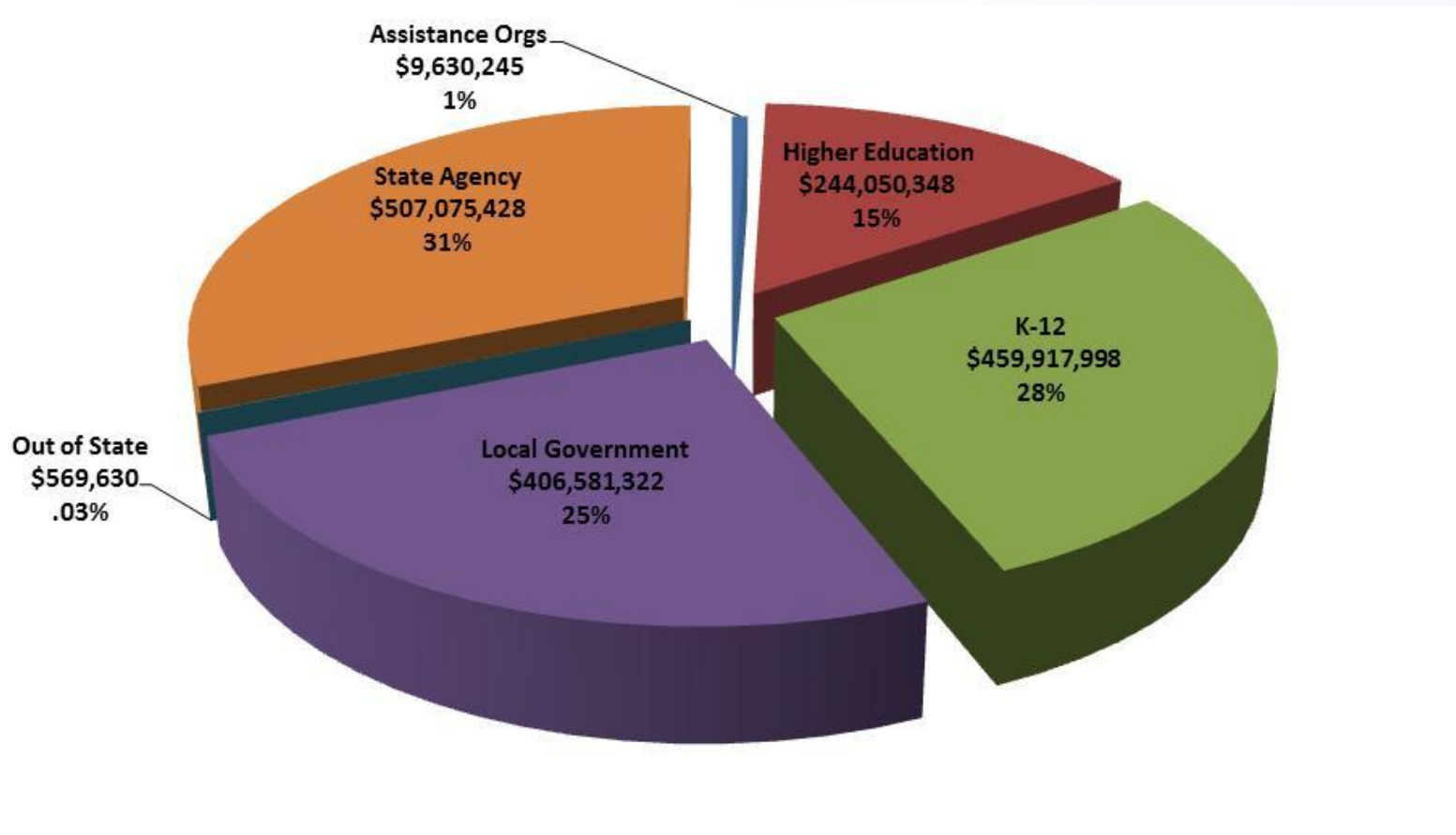
## DIR CUSTOMERS/TAXPAYERS

- Savings calculated as difference between DIR price and price available in other states and from other cooperative contracting programs
- Additional value (soft costs) not included in calculation
  - ▶ Time/salary savings associated with streamlined procurement process

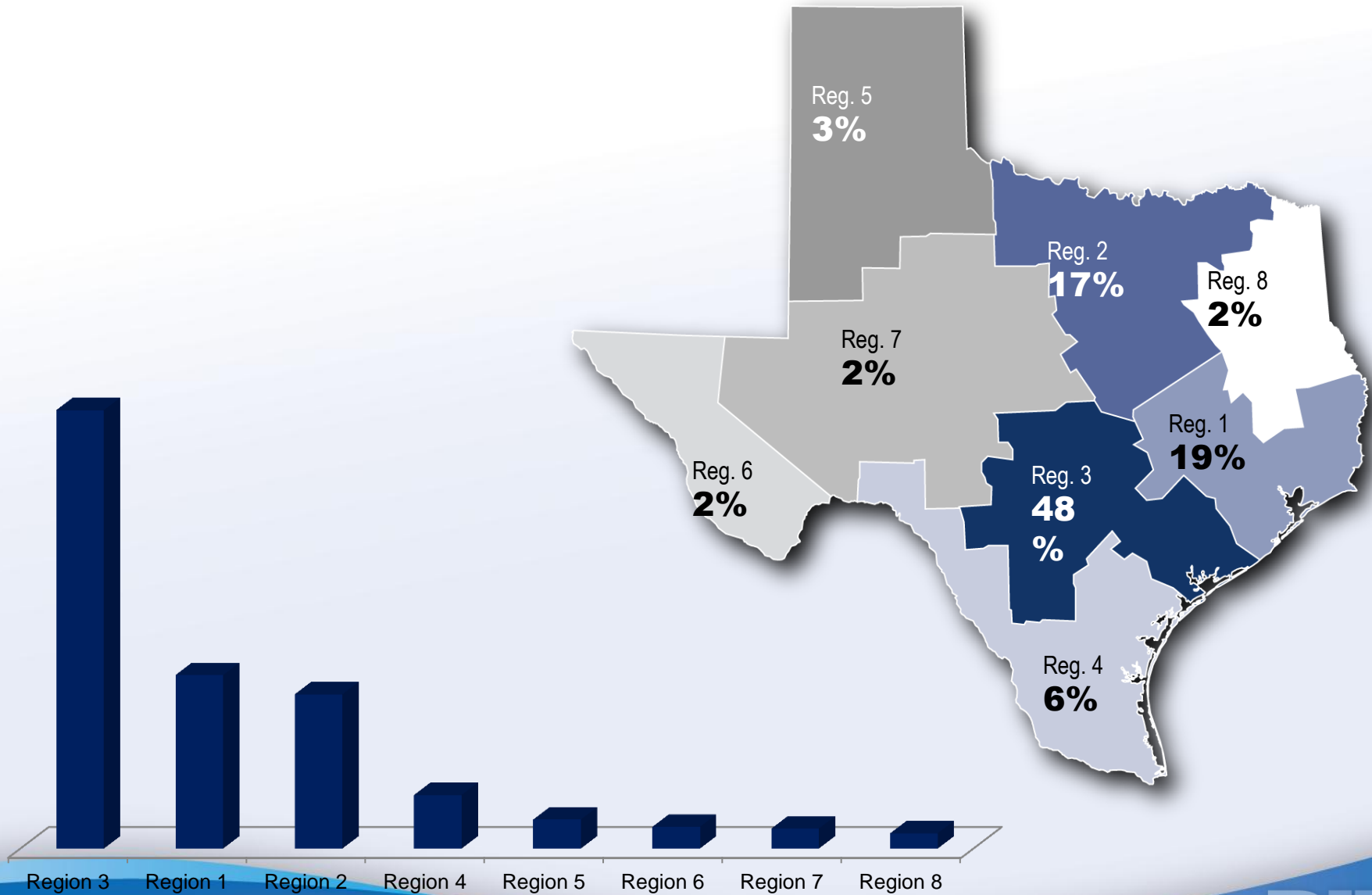


# Customer Usage FY11 YTD

More than 3,000 active customers in Texas and 36 other states



# FY11 Contract Utilization by Region





# Available Products

- **Computers – More than 19 brands**
- **Software – More than 1000 publisher titles**
- **Networking Equipment – More than 200 brands**
- **Printers – More than 25 brands**
- **Surveillance Cameras – More than 60 brands**
- **Data Storage – More than 40 brands**
- **Digital Photography**
- **Projectors**
- **Videoconferencing Equipment**
- **Classroom Interactive Products**
- **Graphing Calculators**



# Available Services

- **IT Staffing Services – More than 100 vendors**
- **Seat Management – 5 vendors**
- **Managed Document Output – 11 vendors**
- **Deliverables Based IT Services (DBITS) – More than 100 vendors (DBITS Augmentation is in progress).**

# New Product Offerings

- **Healthcare Information Technology**
- **Land Surveying**
- **Managed Services Enterprise Resource Planning (ERP)**
- **IT Security**

# DIR Contracting Process

## HOW DOES DIR ESTABLISH CONTRACTS?

- DIR competitively bids all contracts
- DIR establishes Statewide Master contracts with vendors for products or services when sufficient customer demand exists
- DIR posts request for offers (RFOs) on the Electronic State Business Daily (ESDB)
- RFOs are generally posted for 30 days
- Highest scoring Vendors are issued Invitation to Negotiate Letters
- Many contracts include multiple awards to allow choice for Customers
- Contracts are awarded for a specified term

# Evaluation Process

- **Evaluation Criteria**
  - Pricing
  - Vendor's experience and plan for supporting the contract
  - Quality and thoroughness of response
  - Vendor's customer references
  - Exceptions
- **Contracts awarded based on Best Value**
- **Vendors above the competitive break invited to negotiate**

# IT COMMODITY PURCHASING

## Procurement Process

### Steps for procuring IT commodity items

- **Identify your need or IT commodity item class code**
  - ▶ Use the National Institute of Governmental (NIGP) Commodity Book
- **Go to DIR's website and search for the item**

### If the search produces results

- **Procure the item through one of the DIR contracts listed**
  - ▶ Obtain quotes from listed vendors
  - ▶ Issue Purchase Order directly to the vendor
  - ▶ Vendor will issue invoice directly to customers
  - ▶ Customers pay vendor

### If the search does not produce results

- **“There are currently no DIR contracts for the IT Commodity item”**
- **Proceed with the purchase through another procurement method**

# PROCUREMENT PROCESS

## • **If Search Identifies DIR Contracts**

- May go directly to a contracted vendor if you know what you want and know the vendor that can provide it.
- If multiple vendors can provide the same product/service, consider getting quotes from a minimum of three vendors.
- If DIR does not have the specific product or service you need but has contracts under the identified class and item code, state agencies must submit an exemption request to DIR.

## • **If Search Identifies No DIR Contracts**

- State agencies may print that page for their records and continue procurement process independently. No exemption request is required.
- If procuring independently from DIR, state agencies must meet all statutory procurement requirements.

# Current Contracting Initiatives

## • **Future Contracting Opportunities**

- Posted on DIR's Web site (<http://www2.dir.state.tx.us/ict/cci/Pages/currentcontractinginitiatives.aspx>) to improve communications between DIR vendors and customers
- Lists initiatives by procurement stage
  - ▶ Planning
  - ▶ **RFO Postings** – links directly to the posting on the Electronic State Business Daily (ESBD)
  - ▶ Evaluation
  - ▶ Negotiation
  - ▶ Recent Awards
- Each initiative has a brief description, expected phase completion date, and contact information



# SUMMARY

The DIR Contracts program connects eligible Customers with Vendors offering significant discounts on technology products and services. All contracts have been competitively bid per Texas state requirements, so you don't have to issue your own solicitation.

Your purchasing process is simple:

## STEP 1: IDENTIFY YOUR TECHNOLOGY NEED

Identify your technology needs by product type, brand name, vendor name, or commodity code.

## STEP 2: SEARCH PRODUCTS AND SERVICES

There are three ways to find the items you need using our products and services search.

## STEP 3: ORDER

Each contract page contains vendor contact information, contract terms and conditions, a list of approved resellers (if any), and ordering instructions. You work directly with the vendor to finalize your purchase. Request a quote and then issue your purchase order directly to the vendor. When you receive the invoice from the vendor, pay the vendor directly.

## Questions:

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