



# FLORIDA DEPARTMENT OF MANAGEMENT SERVICES



**JEB BUSH**  
Governor

**WILLIAM S. SIMON**  
Secretary

## STATE PURCHASING MEMORANDUM

Memorandum No. 02 (2003-04)

**FROM:** State Purchasing  
**DATE:** January 5, 2004  
**RE:** State Purchasing Agreements / SNAPS II Agreements

This memorandum announces the implementation of a new program to facilitate purchases of goods or services valued at \$25,000 or less. The new program uses the eQuote tool in MyFloridaMarketPlace, the State's new eProcurement system, and will replace the current SNAPS program.

### SNAPS II Agreements

The Department of Management Services (Department) is authorized to establish purchasing agreements for use by state agencies and eligible users. See § 287.042(2)(a), F.S. Since 1996, these agreements have taken the form of State Negotiated Agreement Price Schedules, which have evolved into a form known as SNAPS II agreements. See Rule 60A-1.008(2)(b), F.A.C. A user's purchases from a given SNAPS II agreement must not exceed \$25,000 per transaction or \$150,000 per year.

Originally, SNAPS agreements were intended to facilitate transactions with vendors of innovative technologies and environmentally friendly goods and services. In addition, the program was viewed as an incubator for potential state term contracts. The program has grown beyond its original intent. Currently, there are approximately 800 SNAPS II agreements, with no focus on particular goods or services.

The Department has identified three primary shortcomings in the current program. First, they are vendor-driven rather than buyer-driven. That is, rather than proceeding from an identified need of a government buyer, they originate in a vendor's desire to market its goods or services. Second, the prices generally are not competitive. Third, approximately half the agreements result in no reported sales activity, which is not surprising given the first two shortcomings. Despite resulting in no appreciable benefit for government buyers, every agreement consumes Department resources to implement and manage.

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### MyFloridaMarketPlace Opportunities

During the past year, the Department has begun implementing the new eProcurement system, MyFloridaMarketPlace. This effort includes re-assessment of all current business processes in an attempt to achieve greater efficiencies in procurement. MyFloridaMarketPlace includes a system tool known as eQuote, which enables users to obtain real-time market pricing from all registered vendors offering the desired commodity or service.

The eQuote technology is an ideal tool for buyers seeking goods or services valued at \$25,000 or less, the threshold over which a buyer must employ a formal competitive solicitation method. As easily as sending an email message, agency buyers using MyFloridaMarketPlace can make their needs known to a wide array of interested vendors and receive competitive offers in return.

From the vendors' perspective, the system is ideal because it provides instant electronic visibility into government purchasing opportunities throughout the State. A small business in central Florida can now compete for government business all over the State, without a statewide force of marketing employees. Further, the opportunities are real, i.e., government agencies actually seeking to purchase something; by contrast, under the SNAPS program, after enduring a time-consuming, paper-based process, a vendor obtained an agreement which as often as not resulted in zero sales.

### State Purchasing Agreements

The Department is implementing a new State Purchasing Agreement in place of the SNAPS II agreement. The new program will result in agreements that agencies and eligible users may use to purchase commodities or services valued at \$25,000 or less.

Agencies using MyFloridaMarketPlace may conduct their own eQuotes, with or without technical assistance from the Department, and may use State Purchasing Agreements. Other buyers, such as eligible users, do not currently have direct access to the eQuote tool. The Department views these buyers as important customers entitled to the best available services. Toward this end, the Department will conduct eQuotes for buyers upon request. The forms necessary to initiate a request for the Department to conduct an eQuote are available on the Internet; from the main portal, [www.MyFlorida.com](http://www.MyFlorida.com), drill down as follows -- Business; Doing Business with the State; State Purchasing Agreements (under Everything for Vendors and Customers).

The State Purchasing Agreements link replaces the current link to the SNAPS II materials. However, all current SNAPS II agreements and related information will continue to be available under the new link. The new process will replace the SNAPS II program effective January 16, 2004. As of that date the Department will not issue or sign any new SNAPS II agreements, and it will not renew or extend any existing SNAPS II agreements. Existing agreements will continue until the expiration of their current term, or until replacement by a new State Purchasing Agreement resulting from a buyer-initiated request.

Using the State Purchasing Agreement

The State Purchasing Agreement terms and conditions are available for review on the Internet. Highlighted below are points to help buyers and vendors transition into the new program.

- The State Purchasing Agreement does not establish the vendor as the exclusive source of the items under contract; other vendors may offer and sell similar commodities or services without establishing a State Purchasing Agreement.
- State agencies are not required to use the State Purchasing Agreement.
- Agency purchasing offices shall not make purchases exceeding Category Two (\$25,000) from a State Purchasing Agreement. Purchases exceeding Category Two shall be made in accordance with section 287.057, F.S. A purchasing office shall not divide its purchases to circumvent this requirement. See § 287.057(10), F.S. (2003); R. 60A-1.002(3)(b), F.A.C. When determining the purchase amount for the purpose of applying the Category Two threshold, agency purchasing offices shall review and consider concurrent and planned or projected requirements on an agency-wide basis for the remaining term of the Agreement at the time of order, except that purchases by agencies with multiple purchasing offices shall be considered and reviewed on the basis of the portion of the agency served by the purchasing office issuing the purchase order. This requirement does not preclude utilization of the Agreement to fulfill subsequent unplanned or unforeseen orders at or below Category Two.

Please address any questions concerning this memorandum to Ron Brown in State Purchasing at [BrownR@dms.state.fl.us](mailto:BrownR@dms.state.fl.us).