



Getting Started with Equity Select

Doug Heeschen | Division Procurement Coordinator

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Overview and Definitions

- The State has a strong interest in promoting the use of small, Minnesota businesses that have historically experienced economic challenges.
- The Office of Equity in Procurement (OEP) certifies small businesses of these types:
 - Targeted Group (TG) – owned by women, certain minorities, or persons with substantial physical disabilities
 - Economically Disadvantaged (ED) – for which the owner or business resides in one of the counties with a low median income or a labor surplus (see (<http://mn.gov/admin/business/vendor-info/oep/sbcp/ed/counties/>))
 - Veteran-Owned or Service Disabled Veteran-Owned (VO) – owned by veterans
 - Together these certified small businesses are referred to as TG/ED/VO businesses
- Equity Select was created in response to legislation and executive orders intended to help TG/ED/VO businesses.

Overview and Definitions (continued)

- Equity Select is a procurement method that allows an agency buyer to directly select a vendor without processing a solicitation when all of these conditions are met:
 - The vendor is a certified TG/ED/VO business
 - The procurement is over \$5,000.00 and no greater than \$100,000.00, including all extension options
- If the agency instead chooses to use a competitive process, the agency buyer is encouraged to invite multiple TG/ED/VO businesses to respond.



When Equity Select May Be Used

Criteria for Using Equity Select

Equity Select is for procurements over \$5,000.00 and no greater than \$100,000.00 (including all extensions).

Remember, for procurements valued at or below \$5,000.00 you may continue to use direct select methods. You will still need to use TG/ED/VO vendors, if possible.

Examples of when Equity Select may be used:

Assume you are an ALP certified buyer procuring:

#1 -- **general services** that you estimate will be worth around \$80,000

#2 -- **goods** that you estimate will be worth around \$80,000

#3 -- **construction services** that you estimate will be worth around \$80,000

Assume you are an agency professional/technical (P/T) contracts person procuring:

#4 -- **P/T services** that you estimate will be worth around \$80,000



Step-by-Step

General Process Steps

General Process Steps (which are covered in detail on the following slides):

1. Check your level of purchasing authority (ALP)
2. Find an eligible TG/ED/VO vendor
3. Identify which process to follow for requesting/documenting the quote:
 - Contract (for general services or professional/technical services)
 - Request for Quote (for goods or for general services that do not require insurance)
 - Request for Quote for Construction
4. Complete the appropriate template and send it to your prospective vendor
5. Follow the instructions for entering the Purchase Order
6. After the contract has been fully executed, or you have accepted the vendor's quote, dispatch the Purchase Order
7. If insurance is required, remember to check that before telling the vendor to proceed

Check Your Level of Purchasing Authority

- You may use Equity Select beyond your level of purchasing authority (but not over \$100,000.00). Many ALP certified buyers are authorized up to \$25,000, or after approval from OSP up to \$50,000. Your level of purchasing authority, for Equity Select procurement only, has been expanded to \$100,000. However, if your own agency has set a lower limit, stay within your agency's limit.
- Increasing TG/ED/VO purchasing is a priority for the Governor and the Department of Administration. If you are not currently authorized by your agency's policies to purchase up to \$100,000 for Equity Select purposes, please ask your agency if there are plans to review its policy in light of this initiative.

Find an eligible TG/ED/VO vendor

- Search the Certified Business Directory on the OSP website by keyword, commodity, or NAICS code.
- Click the Expand button to show more information about each vendor in the list.
- Contact a vendor that meets your needs.

How to Request a Quote

- Identify which process to follow for requesting/documenting the quote:
 - For P/T Services or for any Services that require insurance, provide a vendor with details of the service (the Statement of Work, or SOW) and the contract Terms & Conditions, and request a quote. Then create an **Equity Select Contract** (see additional instructions below).

— OR —
 - For Goods, or for General Services that do not require insurance, use the **Equity Select Request for Quote for Goods** form (see additional instructions below) and reference it in your Purchase Order comments.
 - For Construction, use the **Equity Select Request for Quote for Construction** form (see additional instructions below) and reference it in your Purchase Order comments.
- If the quote is not in line with your expectations, you may ask the vendor to “sharpen your pencil” or request a quote from another vendor in the Directory.

Equity Select Templates

Complete the appropriate template and send it to your prospective vendor

- There are Equity Select templates for:

◆ Contract

◆ RFQ for Goods

◆ RFQ for Construction

- The templates are available in the Secure Area, under:
 - P/T Services Forms
 - General Acquisitions Forms

These templates have been approved by the OSP for Equity Select purchasing and should not be modified other than per the instructions within.

Using the Equity Select Contract Template

- For P/T Services or any Services that require insurance, use the Equity Select Contract template to document the pricing, terms, and conditions that you and the vendor have agreed to.
- Follow the instructions within the template and remove those instructions before sending the contract to the vendor for signature.
- The template includes blanks for contract-specific information, such as the dates, price, and duties.
- For pricing information, choose whether the vendor will receive a fixed price or whether the amount is based on an hourly rate; to avoid confusion, remove the words that are not needed.

More Instructions for Using the Equity Select Contract Template

- Include each kind of insurance that is needed for your purchase, or add additional requirements as necessary, following the instructions in ALP Manual Section 2.40.
- If you believe the insurance requirements are excessive for the type of purchase you are doing, please consult with Risk Management and your agency head.

Risk Management:

Jackie Ferguson

651.201.2593

Jackie.ferguson@state.mn.us

Kelly Mayerle

651.201.2787

Kelly.mayerle@state.mn.us

Final Instructions for Using the Equity Select Contract Template

- Collect the signatures as required – the encumbrance verification can be made either by signing as directed or by writing the PO number in the space provided.
- Instructions for entering a PO are provided later in this presentation. Remember to use the Equity Select document types when entering the PO in SWIFT.

Using the Equity Select Request for Quote templates

- For Goods and/or General Services, when insurance and other special terms are not required, use the Equity Select RFQ Goods template.
- For Construction, use the Equity Select RFQ Construction template.
 - If your procurement is for Construction, follow the instructions in the template for construction-related terms and insurance.

More Instructions for Using the Equity Select Request for Quote Templates

- Include the Equity Select Terms and Conditions page when you send the Request for Quote document to the vendor.
- When the quote comes back, document it for the purchasing file.
- Remember to use the Equity Select document types when entering the PO in SWIFT.
- If insurance is required, remember to check the certificate of insurance before telling the vendor work may begin.

Certification Forms

No change. Continue to prepare and/or submit (if required) the kind of certification form that is normally required for the type and dollar amount of the purchase you are doing.

- For ALP Certified Buyers, that appears in Purchasing Policy 23.
- For buyers handling P/T Services, that appears in Section 10 of the P/T Services Contract Manual. You will prepare a Quick Call & Equity Select Cover Sheet for these services.

Instructions for Entering the Purchase Order in SWIFT

- The Equity Select document types can only be tied to contracts established by the Agency, not Statewide contracts established by the Office of State Procurement (OSP).
- Contracts should reference either BTG (Blanket TG/ED/VO) or DTG (Direct TG/ED/VO) document type.
- For Agency Goods Contracts (AGC) and Agency Service Contracts (ASC), you may use either document type that is appropriate (DTG or BTG).
- For Professional/Technical Service Contracts (PTK), only the BTG document type is available.
- Remember, Equity Select is only for purchases between \$5,001 and \$100,000.



Additional Resources

Helpful Links and Contact Information

- Office of Equity in Procurement

Phone: 651-201-2402

Email: procurement.equity@state.mn.us

- ALP Manual, Appendix N, [Policy 23](#), Acquisitions ALP Policy, Procedure, and Training Overview
- ALP, Appendix Q, [Instructions for Construction Solicitations](#)
- P/T Contract Manual, [Section 14](#), Professional/Technical Contracts \$5,001 to \$25,000

Thank you again!

Doug Heeschen

Email: doug.heeschen@state.mn.us

Phone: 651-201-2422