



Frequently Asked Questions (Implementation of HB 1106 & 1109)

1. *What is a Reverse Auction?*

- Reverse auction is defined as an online auction in which sellers bid against each other to win a buyer's business. Typically used to purchase commodities from multiple pre-qualified providers. Also referred to as eAuction.

2. *How will Reverse Auctions and Electronic Bidding be performed?*

- State agencies will utilize MAGIC to perform reverse auctions. Surrogate bidding will be allowed for suppliers who do not register to participate in the auction in MAGIC.
- Governing authorities may utilize any third party provider of auction services that they wish, or they may conduct the auction themselves. DFA recommends utilizing the DFA/ITS contracts established for **electronic bidding services**, which will be available Jan. 1, 2018.
- Reverse Auction awards will be on hold until sometime during the 2018 legislative session. In the meantime, DFA will recommend that PPRB grant an exemption to local governing authorities from having to perform reverse auctions.

3. *Who/what is exempt from Reverse Auctions and Electronic Bidding?*

- Contracts for design or construction of public facilities, including buildings, roads and bridges are exempt from Reverse Auctions.
- Purchases made by the individual state institutions of higher learning are exempt from Reverse Auctions.
- Suppliers are not required to submit sealed bids electronically; however, a mechanism has to be made available for them to do such UNLESS the governing authority does not meet the population thresholds found in HB 1106 or the governing authority or agency lacks access to high-speed internet.

4. Are ITS EPL purchases affected by 1106 or 1109?

- No

5. When will the new regulations be available?

- The OPTFM Procurement Manual (effective Jan. 1, 2018) is published on the DFA/OPTFM site here: <http://www.dfa.ms.gov/dfa-offices/purchasing-travel-and-fleet-management/purchasing-and-travel/procurement-manual/>
- The OPSCR Rules and Regulations will be presented to the PPRB in draft form in January 2018 and will likely not be final until April 2018.

6. How do we comply with HB 1109 without OPSCR Regulations in place?

- Follow the statutory language when doing procurements for professional or personal services. If questions of interpretation arise, please contact OPSCR Director, Torri Martin, at 601-359-2709.

7. My procurement has started already, but will not be completed until after Jan. 1. Will the new rules apply?

- No. Procurements begun (e.g., solicitation advertised) prior to Jan. 1 will be processed under the old rules or current law. For example, a city or county procurement advertised in December, but not awarded in January, will not need PPRB approval in order to use competitive sealed bidding instead of reverse auctions. Likewise, a state agency issuing an RFP for professional services in December will not need permission to do so from PPRB in January or have any other requirement of HB 1109 applied to the procurement.