

State of Arkansas Procurement Manual



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Notice

This publication is designed to provide accurate and current information about the law and State policies. Readers should consult the relevant codes and rules when relying on cited material.

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Document Revision History

Version	Description	Date	Contributors
1	Initial draft	June 1, 2018	Office of State Procurement (OSP)
2	Revised release to reference State of Arkansas Procurement Laws and Rules	February 5, 2019	OSP
3	Revised for clarity and to reflect changes in the law	November 8, 2019	OSP

Introduction

In order to be considered a positive good, government should make the lives of the governed better than they would be without the activity of the government. In the aid of good governance, a state will enact laws and develop programs to promote the general welfare of its people. In effectuating its laws and implementing its programs, a state will need people to provide services. It will also require property. Under Arkansas Procurement Law, the buying, purchasing, renting, leasing, or otherwise obtaining of any commodities or services is called procurement. Ark. Code Ann § 19-11-203(20)(A).

One of the duties of the Office of State Procurement (“OSP”) is to procure or supervise the procurement of commodities and services for each state agency not having an agency procurement official and, when requested to do so by such an official, procure commodities and services not otherwise under state contract. Ark. Code Ann. § 19-11-217(c)(1). This manual is intended to provide a basic overview of procurement for agency procurement officials and purchasers responsible for procuring commodities and services. It is intended to provide practical guidance consistent with the law, but it is not an official statement of the law. Its guidance is intended to serve as a support and not as a substitute for statutes and official rules. Whenever there is any question about what the applicable law is as to a procurement issue that may arise, such questions should be answered by reference to applicable law and not by resort to this manual.

With that introduction out of the way, OSP hopes that you find this procurement manual useful. OSP intends to continually update, supplement, and improve the manual. We welcome any suggestions you may have for how OSP can improve it.

Respectfully,

Edward R. Armstrong
State Procurement Director
Office of State Procurement

Chapter 1: Selecting a Procurement Method

Before you procure a commodity or service, you should select a legally appropriate procurement method. Consider the following prior to initiating a procurement:

1. Is the commodity or service on a State mandatory or non-mandatory contract?
 - Check the “State Contracts” page on the Office of State Procurement (OSP) website for a listing of all state contracts.
 - If there is a mandatory State contract for the commodity or service desired, all purchases for this commodity or service must be made from this contract, unless an exemption has been approved by the State Procurement Director. See Ark. Code Ann. § 19-11-223-(b) (1).
 - If the contract is a non-mandatory contract, purchasing from it is not required, but doing so will be quicker, easier, and most likely be more cost effective than undertaking a separate procurement.
 - See Arkansas law—Ark. Code Ann. § 19-11-223 for further legal requirements regarding state contracts.
2. Is the purchase for printing services?
 - If so, see Amendment 54 information regarding printing purchases and the “Printing Guidelines” under Policy on the Laws, Rules and Guidelines page of the OSP website.
 - According to Ark. Code Ann. § 19-11-201 (30) (a) and (b)—entities that are normally exempt from procurement law are not exempted from Amendment 54 requirements.
 - There are three ways Agency personnel can procure printing:

Delegation Order (R1: 19-11-218)	In order for a state agency to competitively bid its own printing, the agency must have a delegation order from the State Procurement Director. This requires that agency personnel be trained by OSP. Once the training is completed, a delegation order from the State Procurement Director will be given, and the authorized threshold will be specified. Inquiries about obtaining a delegation order should be sent to any OSP printing buyer.
State Agency Print Shops	Agencies may use one of the state-operated print shops. If an agency is using one of the state print shops, it is recommended that a price comparison be done between two or more state print shops. A list of state-operated print shops is available from any OSP printing buyer.
Office of State Procurement	Purchase requests are sent to the Office of State Procurement. If an agency has a delegation order, all requisitions greater than the threshold stated on it must be sent to OSP.

3. Is the commodity or service exempt? See Arkansas law—Ark. Code Ann. § 19-11-203 (14)—for a list of exempt items. If so, you can devise the procurement strategy that works best for the agency and the public it serves.
4. Review your contractor diversity goals, and determine whether the contractor’s status as a Certified Minority Business Enterprise (CMBE) or a Certified Women-Owned Business Enterprise (CWBE) will be a factor in your procurement decision. See Ark. Code Ann. § 15-4-302.
5. Assign a contract administrator who will be accountable for the procurement from requisition throughout the complete term of a resulting contract.

Procurement Methods

The steps for the procurement methods outlined below are written for instances in which an agency is issuing the solicitation and managing the procurement process on the agency level.

Small Order (SO)

- See Ark. Code Ann. § 19-11-204 (13) for a definition of small procurements which may be coded as small order (SO) in AASIS. Use the SO method for purchases up to \$20,000, or up to \$40,000 if purchased from a CMBE or CWBE. AEDC governs the certification process and maintains a directory of CMBE and CWBE prospective contractors.
- OSP urges considering multiple price quotes to ensure that SO purchases are in the public interest, even when no formal bid is legally required. Comparison shopping is strongly recommended.
- See Ark. Code Ann. § 19-11-231 for legal requirements and regulations regarding small procurements.
- Visit the “Laws, Rules and Guidelines” page of the OSP website to see the Small Procurements – Practicable Competition – Split-Purchasing policy.

Competitive Bid (CB)

- See Ark. Code Ann. § 19-11-234 for competitive bidding requirements.
- Use the CB method for purchases over the SO threshold (\$20,000 generally or \$40,000 when the contractor is a CMBE or CWBE) and up to \$75,000.
- Lowest cost is the determining factor for contractor selection.
- Minimum specifications must be provided to prospective contractors via phone, email, fax, or mail.
- Agency must obtain and document price quotes from at least three prospective contractors via phone, email, fax, or mail. Visit the “Procurement Forms and Reporting” page of the OSP website to see the Competitive Bid Tabulation form.

Invitation for Bid (IFB)

- Invitation for bid is defined in Ark. Code Ann. 19-11-204 (6). Competitive sealed bidding is another name for this procurement method, further detailed in Ark. Code Ann. 19-11-229.
- Use the IFB method for purchases over \$75,000 when lowest cost is the determining factor for contractor selection.
- Minimum specifications must be provided to prospective contractors in the IFB solicitation document via a public posting.
- Bid pricing from prospective contractors must be received sealed and opened publicly at the designated place and time as stated in the bid document.

Request for Proposal (RFP)

- Request for proposals are defined in Arkansas law (Ark. Code Ann. 19-11-204(9)). This method of procurement is sometimes referred to as competitive sealed proposals (Ark. Code Ann. 19-11-230).
- Use the RFP method for purchases over \$75,000 when the prospective contractor’s technical proposal solution and the cost are both considered in determining the successful contractor.

- Proposals must be evaluated based on the factors identified in the RFP. No other factors can be considered, so it is very important to identify the factors that will fairly, reasonably, and effectively distinguish the good from bad proposals (and between good and better proposals) in the RFP.
- The cost is also formally considered, and points may be allocated for pricing by a formula provided in the RFP. See Ark. Code Ann. § 19-11-230 (d) (2) (A).
- Minimum specifications must be provided to prospective contractors in the RFP solicitation document via a public posting.
- Proposals and pricing from prospective contractors must be received separately sealed.
- Proposals are opened publicly at a designated place and time as stated in the RFP, and pricing is opened later after the proposals are evaluated.

Request for Qualifications (RFQ)

- Request for qualifications means a solicitation document requiring submittal of qualifications or specialized expertise in response to the scope of work or services required and does not require pricing. Other than as provided in § 19-11-801 et seq., the RFQ process may only be used when, under rules promulgated by the State Procurement Director, the director determines in writing that the request for qualifications process is warranted (Ark. Code Ann. 19-11-204 (10)).
- Use the RFQ method for purchases over \$75,000 when the prospective contractor's qualifications, instead of price, determine the successful contractor.
 - Per Ark. Code Ann. § 19-11-802, the RFQ is the mandated procurement method when contracting for architectural, engineering, land surveying, legal, and interior design services.
- It may also be used as the selection method for other Professional Consultant Services contracts when it is determined to be the most suitable method of contracting.
- This procurement method requires prior written approval from the State Procurement Director and can be designed to award to a single contractor or to qualify a pool of contractors. (See OSP R1:19-11-204.)
- Minimum qualifications must be provided to prospective contractors in the RFQ solicitation document.
- It can be designed to award to a single contractor or to qualify a pool of contractors.

Request for Information (RFI)

- An RFI is a formal request to prospective contractors to provide information about a commodity or service prior to a possible solicitation.
- *This is not a procurement method.* It is a tool for getting information about the market prior to issuing a solicitation. It does not directly result in a contract award. There are no dollar thresholds for this process.
- Use an RFI when an agency is considering issuing a solicitation but needs further information about commodities or services available on the market.
- A scope of work with general minimum requirements is provided to prospective contractors in the RFI template from the buyer.
- Requests can be made for pricing information and for recommendations regarding pricing structure, but any prices provided are not binding in the same way that bids are.

- The buyer must post the RFI and/or deliver the RFI to prospective contractors, and the prospective contractors provide a written response in the same manner as a competitive sealed bid.

Templates for each of the procurement methods listed in this section are available on the “Procurement Forms and Reporting” page of the OSP website.

For Exempt by Law, Sole Source, or Special Procurements, see Chapter 5: Other Procurement Methods.

Chapter 2: Executing a Procurement

The steps for the procurement methods outlined below are written for instances in which an agency is issuing the solicitation and managing the procurement process on the agency level.

Small Order (SO)

1. Ensure you have received the necessary internal approvals to purchase. Agency policy and directives may differ from agency to agency when it comes to SO purchasing.
2. Purchases over \$20,000 require a Purchase Requisition (PR) with the appropriate approvals.
3. Determine whether the purchase will be made with a Purchase Order (PO) or P-Card.
4. POs can be sent directly to the contractor by email.
5. P-Cards can be used in person or online like a regular credit card.
6. Be cautious not to allow split purchasing. Split purchasing means separating a purchase that exceeds a purchase limit or threshold into two or more transactions as a means of avoiding the rules or restrictions that apply to purchases above the limit or threshold. Splitting a purchase into smaller purchases in order to avoid controls based on purchasing thresholds is a crime under Arkansas law (Ark. Code Ann. 19-11-231).

Other Considerations in the SO Process

- When using a P-Card, the transaction does not involve a written contract between the state and the vendor (as with a PO), so a certification form for the Israel Boycott Restriction is not needed from a contractor for a P-Card purchase. Any PO over \$1,000 does require this form be completed by the contractor as part of the contract documentation. See Ark. Code Ann. §§ 25-1-501 et seq. for information regarding the Israel Boycott Restriction.
- A P-Card does not track assets in AASIS. Any purchase of capital assets made with a P-Card will require the additional step of tracking that asset.

Competitive Bid (CB)

See legal requirements for the competitive bid method of procurement in Ark. Code Ann. § 19-11-234.

Commodities and services can be purchased by means of a competitive bid when their purchase prices exceed the small purchase threshold (\$20,000 generally, and \$40,000 when purchasing from a CMBE or CWBE) but are less than or equal to \$75,000. The technical steps for doing so follow:

1. Enter a Purchase Requisition (PR).
 - For guidance on creating a PR, see DFA Learn.
 - Consider when creating a PR:
 - The appropriate material number for your commodity or service. Note that material numbers are identified as:
 - Professional Consulting Service (PCS)
 - Technical/General Service (TGS)
 - Commodity
 - Your Total Projected Cost (TPC) and your Target Value for the initial contract term. The TPC is total anticipated costs associated with a contract including any renewals.

- Once all approvals are complete on the PR, move to the next step of creating the CB form. Per 19-11-234 (2), a competitive bid form authorized by the State Procurement Director must be completed.
2. Download the Competitive Bid Template Form from the “Procurement Forms and Reporting” page on the OSP website.
 - It is best practice to use the Competitive Bid Template Form for a CB purchase, however the use of this form is not required.
 3. Update the Competitive Bid Template Form (or your own document) to reflect your agency’s addresses, contact information, and other references, and enter the necessary information in the designated places for dates, times, etc.
 4. Enter your specifications in the designated section of the document. This section is extremely important as it will contain the contractual commodity or service requirements the contractor must provide. These specifications also establish the minimum requirements in order for a bid to be considered responsive. (See the Manual section “Writing Effective Specifications” p. 17.)
 5. Extend or adjust the price sheet as needed to reflect the pricing structure you require for the bids.
 6. Work with your end user to ensure that the specifications and pricing structure are designed to meet the purchasing need and are approved to distribute to prospective contractors.
 7. Distribute the form or information to prospective contractors via phone, fax, or email.
 8. Tabulate the price quotes received from prospective contractors via phone, fax or email on a bid tabulation document. (When speaking on the phone with prospective contractors, it is best to follow a script and write the conversation down so each prospective contractor receives the same information and you have documented the discussion.)
 9. The lowest cost bid that meets requirements determines the successful contractor.
 10. Notify the appropriate agency parties of the apparent successful contractor and their bid price.
 11. When the appropriate parties approve the award, prospective contractors should be notified of the award determination.
 12. Create the PO or Outline Agreement (OA) with reference to the PR. Obtain the AASIS approvals necessary for the contract to be released. Attach a copy of the contractor’s CB submission to the PO or OA and save a hard copy in the bid file. Provide a copy of the PO or OA to the contractor.

Other Considerations in the CB Process

- Some service contracts require Arkansas Legislative Council (ALC) reporting or review. If a service being procured meets the stipulations for ALC review, prior to the final AASIS release, a contract submission in the portal is required. After it has been submitted for review, the contract needs final approval from OSP so that the final AASIS releases can be made to begin the contract. Attach the executed Services form to the PO or OA. See the OSP website for information regarding legislative review of services contracts.

Required Documentation for Bid File

Documentation may be kept in an electronic or hard copy file. It may be preferable to keep all documentation within the AASIS system and attached (through “services for objects”) to the resulting PO/OA.

1. A copy of the Competitive Bid Template Form or specifications provided to the prospective contractors.
2. A copy of each prospective contractor’s quote submission or documented price quote from each.
3. The bid tabulation document with all required information completed (a template for this document, which contains fields for all required information, can be found on the “Procurement Forms and Reporting” page of the OSP website).
4. Emails from any correspondence with prospective contractors (such as prospective contractor questions).
5. A copy of the Israel Boycott Restriction form (available on the OSP website.).
6. A copy of the resulting PO/OA if you are not using AASIS as your bid file.

Invitation for Bid (IFB)

1. Enter a Purchase Requisition (PR).
 - For guidance on creating a PR, see DFA Learn.
 - Consider when creating a PR:
 - The appropriate material number for your commodity or service. Note that material numbers are identified as:
 - Professional Consulting Service (PCS)
 - Technical/General Service (TGS)
 - Commodity
 - Your TPC and your Target Value for the initial contract term.
 - For purchases greater than \$1,000,000 complete the Solicitation Review Memo with the agency director’s signature, and attach it to the PR. (This would only be applicable when an agency is allowed by law to issue a bid of this size, as in the case of PCS contracts.)
 - Once all approvals are completed on the PR, move to the next step of creating the IFB solicitation.
2. Download the IFB Bid Solicitation Template and IFB Response Packet Template from the the “Procurement Forms and Reporting” page on the OSP website.
3. Update the IFB Bid Solicitation Template to reflect your agency’s addresses, contact information, and other references, and enter the necessary information in the designated places for contract type, dates, times, etc.
4. Enter your specifications in the designated section of the document. This section is extremely important as it will contain the contractual commodity or service requirements the contractor must provide. (See the Manual section regarding “Writing Effective Specifications” on page 17.)
5. Update the Response Packet Template with the necessary information. Extend or adjust the price sheet as needed to reflect the pricing structure you require for the bids. Set up the price sheet to ensure a fair and equal comparison of pricing among bid submissions and to determine a clearly apparent low bid.
6. Work with your end user to ensure the specifications and pricing structure are designed to meet the purchasing need and are approved to post.

7. Publicly post the IFB and Response Packet. Keep a copy of these documents in the bid file.
8. If the cost is anticipated to be over \$10,000, a Contract and Grant Disclosure Form should be posted with the solicitation and must be completed and submitted by the prospective contractor with the bid or prior to the Anticipation to Award (ATA) posting. According to OSP Rule R1-19-11-244.3, "anticipation to award a contract" means the State's identification of the person (or persons) it anticipates contracting with as the result of a solicitation.
9. The Anticipation to Award Posting Request form is available on the OSP website on the "Procurement Forms and Reporting" page.
10. Follow your agency's directives for posting public solicitations.
11. If posting on the OSP website, see "Instructions to Agencies for Bid Solicitation Postings" on the "Bid Opportunities" page.

Note: Prior to the bid opening, a protest can be made regarding the specifications in the solicitation. Contact OSP for information if you receive a protest on specifications.

12. Open the timely received bids at the place and time as specified in the IFB.

Note: A bid received after the specified time is considered a late submission and cannot be accepted. Contact the prospective contractor to notify them of late delivery and tell them the acceptable methods of returning the bid to the prospective contractor. The prospective contractor can pick up the submission in person or provide a return shipping label or account number to cover the cost of shipping to the return address.

Bid Opening

- This procedure is open to the public and requires the presence of two state employees.
 - Bid pricing for each submission must be read aloud for all who are present.
 - Each pricing submission must be documented on an official bid tabulation document (a template for this document, which contains fields for all required information, can be found on the "Procurement Forms and Reporting" page of the OSP website).
 - Both state employees must verify and sign the official bid tabulation document.
 - The bid pricing is public information, and a copy of the official bid tabulation document can be provided to anyone who is present or who later requests a copy.
13. After the public opening, review all submissions to confirm each is a responsive and responsible prospective contractor. The review should confirm that all submission and solicitation requirements are met, such as:
 - Required signatures have been received.
 - Any required documents are completed and submitted.
 - Contractor meets all goods/services specifications as written.
 - Price sheet is filled out correctly and completely.
 - Non-responsive and non-responsible prospective contractors are rejected. See Ark. Code Ann. § 19-11-204 for information regarding responsive and responsible prospective contractors.
 - Should you need to reject a submission for failure to meet a requirement, a reasonable effort should be made to inform the prospective contractor who submitted it of the rejection in writing. The writing should include the reason for rejection as well as a reference to the specific language from the IFB which contains the requirement that was not met.
 14. Notify the appropriate agency parties of the apparent successful contractor and their bid price.

15. When the appropriate parties approve the award, publicly post the ATA following the same steps as the public bid posting. For instructions on how to post it to the OSP website see “Anticipation to Award Posting Request” on the “Procurement Forms and Reporting” page of the OSP website. If posting on your agency website, you must include all the information shown on this form in your ATA posting.
16. As a courtesy, consider notifying all prospective contractors by email that the ATA has been posted. However, it is the responsibility of interested bidders to review the website regularly for posting of the ATA.
17. After the ATA has been posted, (assuming no timely protests have been filed), create the PO or OA with reference to the PR. Obtain the AASIS approvals necessary to release the contract. Attach a copy of the bid submission to the PO or OA, and save a copy in the bid file. Provide a copy of the PO or OA to the contractor.

Note: During the fourteen calendar days after the ATA has been posted, you or the State Procurement Director may receive a protest or protests of the anticipated award. If a protest is received during this 14 day period, the State is prohibited from executing a contract that is the result of the protested solicitation or award unless the OSP director or the head of the relevant procurement agency makes a written determination that the execution of the contract without delay is necessary to protect substantial interests of the state. See Ark. Code Ann. § 19-11-244(f). After any timely protests have been resolved, you are free to create the PO or OA with reference to the PR and obtain the AASIS approvals necessary to release the contract.

Required Documentation for Bid File

Documentation may be kept in an electronic or hard copy file. It may be preferable to keep all documentation within the AASIS system and attached (through “services for objects”) to the resulting PO/OA.

1. A copy of the solicitation with price sheet and any Questions & Answers (Q&A), Addendum, etc. that was posted with the IFB.
2. A copy of each prospective contractor submission, including the completed Contract and Grant Disclosure Form for the successful contractor.
3. The official bid tabulation sheet with all required information completed.
4. Emails from any correspondence with prospective contractors (such as prospective contractor questions, ATA notification, etc.) and agency personnel (such as agency approval to post, agency approval to award, etc.).
5. A copy of the resulting PO/OA if you are not using AASIS as your bid file.
6. If the contract is greater than one million dollars (\$1,000,000), a Solicitation Review Memo with the agency director’s signature.

Other Considerations in the IFB Process

- If your IFB contains a Q&A component, the prospective contractor questions along with the agency responses must also be publicly posted at the designated time.
- Some service contracts require ALC reporting or review. If a service being procured meets the stipulations for ALC review, prior to the final AASIS release, a contract submission in the portal is required. After it has been submitted for review, the contract needs final approval from OSP so that the final AASIS releases can be made to begin the contract. Attach the executed Services form to the PO or OA. See the OSP website for information regarding legislative review of services contracts.

Request for Proposal (RFP)

1. Enter a Purchase Requisition (PR).
 - For guidance on creating a PR, see DFA Learn.
 - Consider when creating a PR:
 - Determine the appropriate material number for your commodity or service. Note that material numbers are identified as:
 - Professional Consulting Service (PCS)
 - Technical/General Service (TGS)
 - Commodity
 - Determine your TPC and your Target Value for the initial contract term.
 - Once all approvals are completed on the PR, move to the next step of creating the RFP solicitation.
2. Download the RFP Bid Solicitation Template and RFP Technical Proposal Packet Template from the the “Procurement Forms and Reporting” page on the OSP website.
3. Update the RFP Bid Solicitation Template to reflect your agency’s addresses, contact information, and other references, and enter the necessary information in the designated places for contract type, dates, times, etc.
4. Enter your specifications in the designated section of the document. This section is extremely important as it will provide the contractual commodity or service requirements the contractor must provide. (See the Manual section “Writing Effective Specifications” on page 18.)
5. Create the Information for Evaluation in the Technical Proposal Packet (TPP) Template. (See the Manual chapter 4, “Evaluating and Scoring Proposals” on page 24.) Enter your Information for Evaluation questions into the appropriate section of the TPP. The questions have to illicit information that will help the evaluators distinguish between competing proposals based on the specified performance that will be required under the awarded contract. Total the value of your questions for each category, and enter this information in the table in Section 3.1, Item C of the RFP Bid Solicitation Template.
6. Create the price sheet as needed to reflect the pricing structure you require. Set up the price sheet to ensure a fair and equal comparison of pricing among bid submissions to determine a clearly apparent low bid. If you have questions about how to create an appropriate price sheet, contact OSP for guidance.
7. Work with your end user to ensure that the specifications, evaluation criteria and scoring, and pricing structure are designed to meet the purchasing need and are approved to post.
8. Publicly post the RFP and Technical Proposal Packet on the OSP website. Follow your agency’s directives for posting public solicitations. Keep a copy of these documents in the bid file.
 - If the cost is anticipated to be over \$10,000, a Contract and Grant Disclosure Form should be posted with the solicitation and must be completed and submitted by the prospective contractor with the bid or prior to ATA. This form is available on the “Procurement Forms and Reporting” page of the OSP website.
 - Follow your agency’s directives for posting public solicitations. See Ark. Code Ann. § 19-11-229 (d), which sets forth a requirement that notices inviting bids shall be given not fewer than five (5) calendar days nor more than thirty (30) calendar days in a newspaper with general statewide circulation or in electronic media.
 - For information on posting on OSP’s website, see “Instructions to Agencies for Bid Solicitation Postings” on the “Bid Opportunities” page of the OSP website.

Note: For up to 72 hours prior to the proposal opening, a protest can be made regarding the specifications in the solicitation. Contact OSP for information if you receive a protest on specifications.

9. Open the timely received proposals at the place and prior to the time as specified in the RFP.

Note: A proposal received after the specified time is considered a late submission and cannot be accepted. Contact the prospective contractor to notify them of the late delivery and tell them the acceptable method of returning the proposal to prospective contractor. The prospective contractor can pick up the submission in person or provide a return shipping label or account number to cover the cost of return shipping to the prospective contractor.

Proposal Opening

- Proposal opening is open to the public and requires the presence of two state employees.
 - Read aloud only the names of the prospective contractors submitting timely proposals and document these on an official bid tabulation document for RFPs. Information derived from a proposal cannot be disclosed until after a notice has been given of an anticipation to award.
 - Do not disclose pricing submitted in connection with a sealed proposal at this time. Pricing corresponding to a sealed proposal cannot be disclosed until after an anticipated award is announced.
 - A template for the RFP official bid tabulation document, which contains fields for all required information, is on the “Procurement Forms and Reporting” page of the OSP website.
 - Both state employees must verify and sign the RFP official bid tabulation document listing the names of submitting prospective contractors.
 - The official bid tabulation document with the list of submitting prospective contractors is public information, and a copy of the tabulation sheet can be provided to anyone who is present at the opening or who later requests a copy.
10. After the public proposal opening, review all submissions to confirm each is responsive and responsible. The review should confirm that all submission and solicitation requirements are met, such as:
- Required signatures have been received.
 - Any required documents are completed and submitted.
 - Prospective contractor meets all goods/services specifications as written.
 - Non-responsive and non-responsible prospective contractors are rejected. A rejected prospective contractor’s proposal does not move forward in the selection process See Arkansas law—Ark. Code Ann. § 19-11-204 for information regarding responsive and responsible prospective contractors.
 - Should you need to reject a prospective contractor for failure to meet a requirement, the prospective contractor must be contacted by email to be advised of the rejection. The email should include the reason for rejection as well as a reference to the specific language from the RFP which contains the requirement that was not met.
11. Pricing and other information derived from sealed proposals cannot be publicly disclosed until after any and all discussions are completed and a notice of anticipation of award is announced.
12. Schedule the required evaluation training for the agency-selected evaluation committee. OSP provides this training, unless the agency has an Agency Procurement Official.

Items Needed for Each Evaluator for Evaluation Training

- A Confidentiality Form read and signed by each evaluator (or anyone attending the evaluation meetings, such as the agency procurement personnel) and retained in the bid folder; this form can be provided by the OSP training team.
- A copy of the Evaluation of Proposals Policy, which can be found on the “Laws, Rules and Guidelines” page of the OSP website.
- A copy of the solicitation document with all attachments, as well as any Q&A, Addendum, or other related documents that were posted with the RFP.
- A complete copy of each proposal.
- An individual score sheet for each proposal.
- The Evaluation Process and Guidelines document to use for reference when evaluating individually; this form can be provided by the OSP training team.

The evaluation facilitator will provide direction regarding the general evaluation procedures, including:

- How to score the proposals correctly.
 - What to do if an evaluator feels something in the technical proposal does not meet requirements.
 - Getting any necessary proposal clarifications from the prospective contractor.
 - How to proceed with demonstrations, if required in the RFP.
13. Complete the evaluation scoring process to determine the final technical scores and ranking of the technical proposals. (See the Manual chapter 4, “Evaluating and Scoring Proposals” on page 24.)
 14. When technical scoring is complete (including demonstrations, if required), the buyer will open the pricing and calculate the cost score using the formula in the RFP, if one has been provided. Total each prospective contractor’s technical and cost score to determine the apparent successful contractor. The scoring should be documented on the official bid tabulation document.
 15. Notify the appropriate agency parties of the apparent successful contractor and their proposed price.
 16. If negotiations are determined to be in the best interest of the State, begin the process as permitted under Ark. Code Ann. § 19-11-230 and OSP procurement rules.
 17. When the appropriate agency parties approve the award, publicly post the Anticipation to Award (ATA) following the same steps as the public bid posting. Notify all offerors that the ATA has been posted.
 18. After the ATA has been posted, create the PO or OA with reference to the PR. Obtain the AASIS approvals necessary for the contract to be released. Attach a copy of the RFP and the contractor’s proposal and pricing to the PO or OA and save a hard copy in the bid file. Provide a copy of the PO or OA to the contractor. Work may begin on the contract after it has received all appropriate reviews and approvals.

Other Considerations in the RFP Process

- If your RFP contains a Q&A component, the prospective contractor questions along with the agency responses must also be publicly posted at the designated time.
- If you require prospective contractor demonstrations as part of the evaluation process, bear in mind that they can be restricted to the top scoring prospective contractors if so specified in the RFP. Technical scores for these prospective contractors can be adjusted to reflect the demonstration information.

- Some service contracts require ALC reporting or review. If a service being procured meets the stipulations for ALC review, prior to the final AASIS release, a contract submission in the portal is required. After it has been submitted for review, the contract needs final approval from OSP so that the final AASIS releases can be made to begin the contract. Attach the executed Services form to the PO or OA. See the OSP website for additional information regarding legislative review of services contracts.

Required Documentation for Bid File

Documentation may be kept in an electronic or hard copy file. It may be preferable to keep all documentation within the AASIS system and attached (through “services for objects”) to the resulting PO/OA.

1. Copy of solicitation with price sheet and any Q&A, Addendum, etc. that was posted with the RFP.
2. A copy of each prospective contractor’s proposal and pricing, including the completed Contract and Grant Disclosure Form for the successful contractor.
3. All evaluation score sheets, including any individual score sheets collected from the evaluators.
4. Official bid tabulation document with all required information completed.
5. Emails between prospective contractors (such as prospective contractor questions, ATA notification, etc.) and agency personnel exchanged in reference to the RFP (such as agency approval to post, agency approval to award, etc.).
6. A copy of the resulting PO/OA if you are not using AASIS as your bid file.

Request for Qualifications (RFQ)

Obtain prior written approval from the State Procurement Director to utilize this procurement method unless it is for the procurement of legal, financial advisory, architectural, engineering, construction management, and land surveying services.

Directions and steps for executing this type of procurement will be provided by OSP once the RFQ procurement method has been approved.

Other Considerations in the RFQ Process

- Some service contracts require ALC reporting or review. If a service being procured meets the stipulations for ALC review, prior to the final AASIS release, a contract submission in the PCS or TGS portal is required. After it has been submitted for review, the contract needs final approval from OSP so that the final AASIS releases can be made to begin the contract. Attach the executed Services form to the PO or OA. See the OSP website for additional information regarding legislative review of services contracts.

Request for Information (RFI)

1. Contact OSP for the current RFI template. (This template will soon be available on the “Procurement Forms and Reporting” page of the OSP website.)
2. Update the RFI Template to reflect your agency’s addresses, contact information, and other references, as well as entering the necessary information in the designated places regarding dates, times, etc.
3. Enter the specifications in the designated section of the document. Although RFI specifications are typically more general than those for an actual solicitation, they need to be specific enough so that prospective contractors can easily respond with relevant information.

4. Create the questions or an information outline for the information you wish to receive from prospective contractors. This section is extremely important as it will be the guiding factor in the type and amount of information you get back from the prospective contractors.
5. Work with your end user to ensure that the specifications and the requested information criteria are designed to meet the agency's informational needs and are approved to be sent to prospective contractors. Publicly post the RFI as you would a competitive sealed bid.
6. After the submission deadline has passed, compile all prospective contractor responses for review.
7. Similar to a formal solicitation, maintain an official file of all documents relative to this process.

Issuing a Solicitation through OSP

The steps for the procurement methods outlined in previous sections are written for instances in which an agency is issuing the solicitation and managing the procurement process on the agency level. For instances in which OSP is managing the solicitation process for the agency (IFBs, RFPs, RFQs), the process will differ. That process generally follows the steps below:

1. Create a Purchase Requisition (PR).
2. After all approvals are completed on the PR, attach the following documents to the PR as Word documents:
 - For IT purchases greater than \$100,000 TPC, or other purchases greater than \$1,000,000 TPC, complete the Solicitation Review Memo with the agency director's signature, and attach it to the PR.
 - A complete set of specifications, including Performance Standards for procurement of services
 - The Information for Evaluation questions as applicable per the procurement method
 - A list of suggested prospective contractors
3. These attached files must be in a Word document format and should be written according to the directives as described in Manual sections "Writing Effective Specifications" (p. 17) and "Creating the Information for Evaluation" (p. 21).
4. **Do not** use the template forms for specifications, Performance Standards, or evaluation information. Simply attach your compiled information to the PR.
5. Change the Purchasing Group on the PR to "C00." This designation routes the PR to OSP through the AASIS workflow where it will be assigned to an OSP buyer. It is still imperative that the agency assign a contract administrator who will work with OSP during the solicitation process and who will be accountable for the contract at the agency level.
6. The OSP buyer will create the solicitation documents from the attached information and will work with the agency to finalize all the documents. After agency approval of the final documents, the OSP buyer will post the solicitation on the OSP website.
7. Bids/responses will be received at OSP, and the buyer will continue to work as the procurement facilitator with the agency contract administrator to manage the evaluation and/or contractor selection and notification.
8. OSP will create the resulting purchase order (PO), outline agreement (OA), or Qualified Vendor List (QVL) and will manage the contract documents on behalf of the agency. The agency contract administrator will be responsible for all agency level activities relative to the contract and for oversight of contractor performance.

Chapter 3: Creating the Solicitation

Writing Effective Specifications

Arkansas law (Ark. Code Ann. 19-11-241) defines and explains the purpose of specifications.

Specifications are all the written contractual requirements which are detailed in the solicitation and which a prospective contractor must meet, deliver, or perform during the procurement and in the execution of an awarded contract. These can include:

- Minimum qualification requirements to be considered a qualified prospective contractor
- Minimum requirements of a delivered commodity or of the provision of a service
- Specifications are also referred to as “requirements,” and a set of specifications/requirements describing the work to be performed is called the “scope of work.”

Good Specifications = Good Contract

The solicitation documents, along with the awarded contractor’s proposal or bid, become the contract, so specifications should be written very clearly and concisely, without assumptions or ambiguities that can be misinterpreted.

*When you are writing the specifications for your solicitation,
you are writing your contract terms.*

Essentials of Good Specifications

1. To be contractually binding to the strongest degree, use the words “shall” or “must” for all requirements. Although it isn’t necessary, you may decide to use bold font to emphasize these words.
 - “Shall” obligates a person or party to a duty.
 - For example, “The contractor **shall** use the report template provided by the agency.”
 - “Must” is used as a mandatory term when the requirement is not a personal duty.
 - For example, “The component **must** be compatible with X system.”
2. Requirements should be broken down into small, itemized, and numbered statements. This is very helpful because:
 - A prospective contractor can easily “check off” their compliance with each individual requirement.
 - If you need to identify a requirement for addendum, amendment, negotiation, etc. it is easily referenced by its own identifying number.
3. Consider skipping lines between individual specification statements. This makes it easier to read and to locate a particular item in the document when necessary.
4. Ensure there is only one reasonable way to interpret the requirement.
5. Consider sorting the itemized requirement statements into categories with headings, such as “Implementation,” “Training,” “Functionality,” and “Reports.” Arranging these headings into an organized (typically chronological) order in the specifications section of the solicitation document can make it easier to find requirements relevant to the different categories.
6. For each requirement statement, think: Who? What? Where? When? How? Make sure to clearly distinguish between what the contractor will be required to do under the contract and what the State will do.

Specification Problems to Avoid

1. Writing long paragraphs that contain multiple requirements.
2. Not breaking the requirements into logical categories with headings.
3. Lacking order or organization of requirement categories.
4. Not numbering each requirement or bulleting/numbering a list.
5. Not writing for the reader's needs.
6. Being too vague, allowing for multiple interpretations.
7. Assuming the prospective contractor will know what you mean or what is required with a particular commodity or service.

If it is not explicitly written in your specifications, you invite uncertainty as to whether it is implicitly required under your contract.

Creating Performance Standards

Service contracts with a contract amount of at least \$1,000,000 in a single contract year or \$7,000,000 total projected cost must contain Performance Standards.

Performance Standards tie at least a portion of a contractor's payment to the achievement of specific, measurable outcomes of quality, quantity, or timeliness. They are the standard used to measure the contractor's performance of his or her contractual duties.

Performance Standards must be able to be monitored and measured by the agency.

- Standard contractual language surrounding Performance Standards is in the templates, and this should not need editing except for the purpose of including any specific details you may want to add regarding how a credit must be applied, i.e. refund check, credit on invoice, etc.

Components of a Performance Standard

A Performance Standard has three components:

1. An established service and/or delivery criterion
2. An acceptable standard of quality, quantity, or timeliness for the performance of that criterion
3. The consequences of being deficient in meeting the established acceptable standard

Types of Service Provisions

There are two types of service provision for which Performance Standards can apply:

1. Ongoing, repetitive services, such as data processing.
2. Start-to-finish projects, such as installing a new phone system.

What follows are examples of Performance Standards. These are provided for illustrative purposes only. Each solicitation is different, and Performance Standards will vary.

Example of Performance Standards for Ongoing Services

Service Criteria	Acceptable Performance	Damages
Website Availability	Not more than 1% downtime monthly	If more than 1% downtime monthly: <ul style="list-style-type: none"> • Time to restore < 4 hours: 25% credit on monthly invoice • Time to restore > 4 hours: 100% credit on monthly invoice
Forms Processing Accuracy	99% Accuracy Monthly	\$100 credit on monthly invoice for each percent below 99% for the month
Answer Time for Help Desk	100% of calls answered within 30 seconds monthly	5% credit to monthly invoice for each percent below 100%
Timely Delivery	Received no later than 14 business days from order date	\$10 credit to be issued for each business day late past 14 business days

Example of Performance Standards for a Start-to-Finish Project

Service Criteria	Acceptable Performance	Compensation/Damages
Initial Installation of Software System Complete	Within 90 days of contract award	50% of total initial contract value will be paid if completed by deadline; 5% of this benchmark cost shall be credited from this payment for each one week late
All Testing, Trouble-Shooting, and Necessary Corrections to System Completed	Within 60 days of Installation Completion	20% of total initial contract value will be paid if completed by deadline; 1% of this benchmark cost shall be credited from this payment for each day late
Pilot of System and All Initial Agency Training Completed	Within 60 days of Testing/Corrections Completion	20% of total initial contract value will be paid if completed by deadline; 1% of this benchmark cost shall be credited from this payment for each day late
Total Roll Out of System Completed	Within 12 months of contract award Or Within 150 days of Pilot Completion	Final 10% of total initial contract value will be paid if completed by deadline; 1% of this benchmark cost shall be credited from this payment for each day late

Remember:

- You can't have a performance standard for something that is not required, so each "criteria" must be a required specification.
- Do not use the term "Liquidated" Damages on the table or anywhere in the solicitation. Use simply "Damages."
- When stating the damage amount, you must state what the amount applies to, such as:
 - 10% credit to the next monthly invoice
 - \$500 credit per occurrence applied to the annual invoice
- You don't have to know every detail up front when writing the Performance Standards in the RFP. For example, an acceptable standard can be written as:
 - "Submitted by the deadlines as determined during contract negotiations."

Creating the Information for Evaluation

For solicitations for which a prospective contractor is going to respond with a proposal or information to be evaluated, you must specify the information you want the prospective contractor to provide by creating a list of questions or information requests. There is a place for this in the Response Packet or Technical Evaluation Packet that is posted with the solicitation.

Consider what information is needed from the prospective contractors to determine the best selection for the state according to their qualifications, products, or solutions. Similar to writing specifications, consider separating each information request, and organizing them by categories such as "Prospective contractor Experience," "System Capabilities," and "Training." (Each of these categories may be given a scoring weight according to its importance in the contract. See the Manual section "How to Fill in the Scoring Table in an RFP Solicitation" on page 23.)

- If a particular question is critical to the solution, isolate it into a separate heading that can be more heavily weighted.
- The headings and organization of evaluation questions often reflect the headings and organization of the specifications. To assist in creating the evaluation questions/headings, review your requirements and determine what information you may want the prospective contractor to provide regarding each requirement.
- If a question or group of questions is critical to the solution, isolate it/them into a separate heading that can be more heavily weighted.
- In a solicitation, evaluation factors may be assigned different weights based on their relative importance. Responses can be evaluated on any rational basis. OSP typically uses the following key:

0 = Unacceptable 1 = Poor 2 = Marginal 3 = Acceptable 4 = Good 5 = Excellent

However, there are many other rational ways to rate responses. One way of simplifying the evaluation process would be to reduce the range of possible ratings to two (Yes/Acceptable = 1 / No/Unacceptable = 0), or three (Clearly Capable as established by proposal = 10 / Possibly Capable = 5 / Definitely Incapable as established by proposal = 1). The key thing is to make the evaluation criteria meaningful and clear, and to make the evaluation system a rational means of ranking how well the responses measure up.

Examples of Good Evaluation Questions

(Each solicitation is different, so the questions below may or may not fit for a particular solicitation.)

- Describe your company’s experience working with a State or Federal government entity in this service capacity.
- In simple terms, please explain how you propose to ensure that the State meets its stated objectives if you are awarded the contract. Support your ability to do as you propose by reference to verifiable data.
- What percentage of your staff is XYZ certified?
- What method do you use to ensure 100% accuracy of all reported data?
- What type of background checks do you require for your employees who will have access to the State system?
- What is your philosophy and approach for selecting the most profitable investments?
- How do you manage staffing during the heavy work load period of tax season?

Note that the above questions ask to “describe,” “explain,” “tell how or why,” or provide a quantity.

Bad Evaluation Questions

Note that bad evaluation questions are those that ask for information that can’t be scored or that is not rationally related to evaluating the ability of an offeror to perform the work required or provide the commodity desired. For example: “Describe your corporate culture, mission, or vision.”

How to Fill in the Scoring Table in an RFP Solicitation

Typically, the total score of an RFP is a composite of considering how the proposals rate when considered with respect to the evaluation criteria and the prices offered by the prospective contractors (technical + cost). The cost score should be no less than 30% of the total points, leaving as much as 70% of the score to be based on consideration of other factors. Therefore, assuming 1,000 possible points and a maximum cost score of 300 points for the lowest price, the technical portion of the RFP would be worth a maximum of 700 points (unless cost is set at greater than 30%). See the example below to guide you in completing the scoring table in the RFP Template for the technical portion of the scoring.

A	B	C	D
Information for Evaluation Sub-Sections	Maximum Raw Points Possible	Sub Section’s Weighted Percentage	* Maximum Weighted Score Possible
E.1 [Sub-Section Heading from Response Packet]	15	15%	105
E.2 [Sub-Section Heading from Response Packet]	75	25%	175
E.3 etc.	25	20%	140
E.4	50	30%	210
E.5	20	10%	70
Technical Score Total	185	100.0%	700

Column A

1. List the sub-section headings here as they are shown in the Response Packet Information for Evaluation.
2. Add or delete rows as necessary.

Column B

1. The total score for each question in a sub-section is normally 5 points, but may be adjusted based on the relative importance of the evaluation criteria.
2. There are 3 questions in E.1, which gives that category Max Raw Points of 15. (3x5)
3. There are 15 questions in E.2, which gives that category Max Raw Points of 75. (15x5)
4. Fill in points for all rows.

Column C

1. The agency will decide what weight to give each sub-section depending on its importance.
2. The total of this column must always be 100%.

Column D

1. Total technical points possible (Max Weighted Score) for an RFP is typically 700.
2. If E.1 is worth 15% of 700 points, the total weighted score possible is 105. (15% of 700 = 105)
3. Calculate each sub-section's weighted points using the formula of: Weight % (col C) x 700 (TL pts) = Max Weighted Score Possible.

Chapter 4: Evaluating and Scoring Proposals

Once proposals are received, the buyer must review them to ensure each has met the submission requirements. Those not meeting requirements may be rejected from further consideration. The qualifying proposals will move on to evaluation.

The RFP Bid Solicitation Template contains language that explains the general scoring process for evaluation. Although evaluation of competing proposals inherently involves a certain degree of subjective judgment and discretion, proposals should be evaluated ethically, fairly, lawfully, and reasonably.

The standard approach to evaluating proposals is to utilize an evaluation committee comprised of individuals who have:

- No personal goals that may affect their ability to evaluate fairly and professionally.
- Knowledge or experience that will allow them to contribute meaningfully to the evaluation process.

This approach allows an agency to select members of an evaluation committee who will review the proposals and make a recommendation regarding the relative merits of the proposals when considered against the evaluation factors set forth in the solicitation. A procurement official must be designated to facilitate the evaluation process. OSP Rule R5:19-11-230 details evaluation requirements.

Evaluation Committee Structure

Evaluation committee members should be selected based on their ability to make meaningful contributions to the evaluation of the competing proposals. Individuals with knowledge or expertise about the commodity or service being evaluated should be included to the extent practicable. They can also be invited to participate as subject matter experts to advise evaluators and answer technical questions without being a scoring member of the evaluation committee. The number of people included in a committee may vary and there is no upward limit, but the Office of State Procurement (OSP) strongly encourages a minimum of three members whenever possible.

An agency may request employees of:

- Other state agencies;
- State boards and commissions;
- Colleges and universities

to serve as evaluators.

Evaluation committee members must not:

1. Have a financial interest;
2. Have ownership interest;
3. Have employee interest; or
4. Have personal interest with any of the respondents or related parties, including identified subcontractors, who have submitted proposals in response to the solicitation.

If a committee member discloses such an interest, or the chairperson of the commission and/or the procurement official learn that a member has such an interest, that member shall be removed from the committee. In addition to actual disqualifying financial interests, ownership interests, employee interests, or personal interests, efforts should be made to avoid the appearance of the loss of impartiality based on recent or pending relationships, such as where one or more of the offerors is:

1. A person with whom the evaluator recently had or seeks a business relationship or transaction (not including routine and minor purchase of consumer goods or services from a major retailer or supplier in the ordinary course, for example, the evaluator's purchase of groceries from a major food contractor);
2. A person for whom the evaluator has, within the twelve months preceding the evaluation, served as officer, director, trustee, general partner, owner, agent, contractor or employee; or
3. A person who enjoys or has recently enjoyed, within the twelve months preceding the evaluation, a special relationship or position of trust with the evaluators, such as a clergyman, superior officer, teacher, attorney, consultant, or fiduciary.

Persons seeking employment or a business opportunity with one or more offerors are not to serve as evaluators. Supervisors and their subordinates shall not serve jointly on the same evaluation committee without prior written approval from the State Procurement Director or the agency's APO.

Evaluation Training

Prior to receiving copies of the offerors' proposals, all evaluation committee members shall participate in evaluation committee training sponsored either by OSP or an APO. All evaluation committee members should receive a copy of a confidentiality agreement and have it explained to them as part of the evaluation committee training. They should submit their signed confidentiality agreements before any proposals or information derived from the proposals is released to them. The signed forms must be retained in the solicitation file. This form can be provided by the OSP training team.

Each evaluator should also receive a copy of the Evaluation of Proposals Policy, which can be found on the "Laws, Rules and Guidelines" page of the OSP Website, along with the Evaluators Process and Guidelines document, which can be provided by the OSP training team.

To set up a training session with OSP, contact OSP at officeofstatepurchasing@dfa.arkansas.gov.

Score Sheets

A scoring/rating sheet that has been approved by the OSP representative or the APO should be distributed to the evaluation committee members along with the proposals. Its proper use and the applicable rating method must be explained as part of the evaluation training. The Evaluation Score Sheets template and the Evaluation Score Sheets Instructions are posted on the "Procurement Forms and Reporting" page of the OSP website.

There are generally four score sheets used for evaluation. Each corresponds to a different aspect of the evaluation process or a requirement of procurement law/policy.

Score Sheets Used for Evaluation	
1. Individual Score Worksheet	Individual scoring.
2. Consensus Score Sheet	This contains formulas which average the individual scores, which is required by policy.
3. Weighted Score Sheet	This ensures the most important information carries more weight in scoring, according to the table in Section 3 of the RFP.
4. Evaluation Summary Score Sheet	Shows the final scores/ranking of the prospective contractors.

The website has both the blank score sheets and the instructional score sheets posted for agencies' use. The excel file contains a tab for each of the four score sheets. You will need to adjust the score sheets for the number of Evaluation questions you have, the number of evaluators, and the number of proposals.

The Evaluation and Contractor Selection

The evaluation process generally consists of two steps:

1. Individual Scoring: Each evaluator reviews and scores each proposal individually.
2. Consensus Meeting: Evaluators meet to discuss the proposals and to finalize their individual scores which calculate into a final, weighted score for each proposal.

However, this two-step evaluation process is not required by statute. It can be streamlined by consolidating the two steps. One of the cons of combining the two steps is that the group evaluation may take longer as the evaluators familiarize themselves with the proposals.

Step 1: Individual Scoring

After evaluation training, and after signing the required Confidentiality Agreement and Disclosure Statement, evaluation committee members should individually review all of the proposals before scoring or assigning any rating according to the rating method being utilized for the evaluation. Regardless of the rating method employed, evaluations must be based solely on the evaluation factors set forth in the solicitation. Evaluation committee members are expected to evaluate the proposals fairly and rationally based on the information presented in the proposals. They must not allow sympathy, prejudice, or like or dislike of any prospective contractor or subcontractor being considered to influence their decision.

Guidelines for evaluators completing the individual scoring:

1. When assigning point values, you must use only the whole numbers in the scoring key at the top of the individual score sheet.
2. The comment column is provided so that you can note your thoughts regarding the relative strengths and/or weaknesses of a proposal response, but it is not mandatory to make a written comment.
3. Fill in a score for every question field. Do not leave any blank score fields.
4. Consider the quality and adequacy of each response as it directly addresses the specific criteria, and assign the score that best corresponds to the quality description in the scoring key.

5. If a proposal item is outside your realm of experience, you must still assign a score to the best of your judgement, and you may rely on another committee member's expertise during consensus discussion to assist you in finalizing your individual score.
6. Scoring should be based on the individual merit of the proposal. Proposals should not be compared and scored against the other proposals.
7. Score *only* on the content of the proposal and how it responds to the criteria set forth in the solicitation. Do not refer to outside sources or knowledge as a basis for your score. Do not assign point values based on non-substantive elements of a proposal, such as type size, font style, paper color, etc.
8. Score *consistently* among prospective contractors as to any areas where the responses are substantially the same.
9. Do not have side discussions with another individual committee member regarding the proposals. All discussions should take place during the consensus meeting.

After individual scoring is completed, the evaluation chairperson will collect the Individual Score Sheets from all the evaluators and provide these (or copies) to the buyer. The evaluation facilitator enters these scores into the Consensus Score Sheet.

Note: When conducting their initial review of the proposals, evaluation committee members should consider whether each proposal is "responsive." A "responsive" proposal conforms in all material respects to the solicitation, including the specifications set forth in the solicitation. If any of the individual evaluation committee members initially considered any of the proposals not to be responsive, the committee should notify the procurement official. The procurement official, after consulting with the committee, should determine whether to eliminate the proposal from further evaluation as non-responsive, or whether the committee should proceed with the evaluation of that proposal as being arguably or potentially responsive. If the procurement official determines that the proposal is clearly not responsive and should be eliminated from further evaluation, he or she must record that determination in writing along with the justification for it.

Step 2: Consensus Meeting

After initial individual evaluations are complete, the committee members are encouraged to discuss their ratings. The evaluators should be prepared to discuss the initial reasons for their individual scores and will have the opportunity to adjust their individual scores after the discussion. The evaluation facilitator is responsible for updating the adjusted scores during the consensus meeting.

The committee will proceed to review all remaining proposals as a group. Each member will be afforded an opportunity to discuss his or her rating for each evaluation criteria. Ideally this will allow the committee members a chance to discuss their individual perspectives as well as potentially remedy any confusion or misunderstandings.

Once all proposals have been discussed and any individual scores have been adjusted on the Consensus Score Sheet, the formulas in the Excel workbook will weight and total the scores, providing the final technical score for each proposal. At this point, the technical evaluation is complete.

Remember: Prior to award, do not discuss the proposals, your opinions, or the evaluation status with anyone outside of the evaluation committee and the appropriate OSP contact(s).

- If you are approached for information by your agency or supervisor, other State employees, a contractor, a prospective contractor, or any other parties, advise you cannot discuss the evaluation and refer them to the buyer.
- If you must work with a prospective contractor due to a current contract, this is acceptable as long as you do not discuss any information relative to the evaluation.

Generally, all evaluation documentation retained after evaluation is presumed to be subject to FOIA. This includes personal notes and score sheets. Do not save proposals on any electronic device, public or personal.

Cost Score and Contractor Selection (RFP)

After all Technical scoring (including demonstration, if any) is completed, and score sheets are signed and turned in to the buyer, the buyer calculates the cost points awarded to each prospective contractor. Per the template language, the maximum amount of cost points will be given to the proposal with the lowest cost, and the amount of cost points given to the remaining proposals will be allocated by using the provided formula.

The prospective contractor with the highest score (technical + cost) is the apparent successful contractor.

Chapter 5: Other Procurement Methods

There are certain instances in which the procurement methods described in prior sections of this manual do not apply. These are cases in which the commodities or services being procured meet special criteria as defined by procurement law, or in which the competitive bid process cannot be used. These are:

1. Exempt by Law (EL)
2. Sole Source (SS)
3. Special Procurement (SPECIAL)

Exempt by Law (EL)

The purchase of some commodities or services are exempt from the standard procurement procedures and can be directly purchased. These commodities and services are specified in Arkansas law (Ark. Code Ann. § 19-11-203). The purchase still must follow established “exempt” purchasing procedures and may require special approvals. Follow the steps below for the purchase of these exempt commodities or services.

1. Review 19-11-203 (14) to confirm the commodity or service is exempt. Seek the advice of your agency’s legal counsel if you are unsure.
2. Create the purchase requisition (PR) for the purchase.
3. After all approvals are received on the PR, create the purchase order (PO) or outline agreement (OA) using the EL procurement code in the Our Reference field. The EL code will ensure the document is routed through the appropriate approval process for this method of procurement. After all internal releases/approvals are executed, the PO or OA will automatically be routed through AASIS to the Office of State Procurement (OSP) for the State Procurement Director’s approval.
4. If the purchase meets the criteria for Arkansas Legislative Council (ALC) review, prior to the final AASIS release at OSP, a contract submission in the portal is required. Once reviewed, the contract will be executed by OSP, and then the final OSP releases can be made to begin the contract.
5. Attach the executed Services form to the PO or OA. See the OSP website for information regarding legislative review of services contracts.

Determining if a Commodity or Service is Exempt by Law

According to Ark. Code Ann. 19-11-203 (14), “Exempt commodities and services” means

- Advertising in multiple media formats
- Animals procured for medical research
- Commodities and services for use in research, education, and treatment for the diagnosis, cure, and prevention of disease
- These may be procured with administrative approval through a group purchasing entity serving other public health institutions when substantial savings are available
- A report shall be filed annually with the Division of Legislative Audit reflecting the justification of and the estimated savings accruing due to the use of this exemption
- Commodities procured for resale in cafeterias, commissaries, bookstores, gift shops, canteens, and other similar establishments

- However, these commodities procured shall not be sold or transferred to any agency with the intent of circumventing applicable procurement procedures
- Contracts awarded by agencies for the construction of buildings and facilities and for major repairs
- These contract exemptions shall not extend to the procurement of any commodities not otherwise exempt that are to be furnished by the agency under any such contract
- Contracts awarded by the Arkansas State Highway and Transportation Department for the construction, reconstruction, and maintenance of roads and bridges in the state highway system and for the county, rural road aid, and city street aid programs
- Farm products procured or sold by a state agency having an agency procurement official
- The current trade customs with respect to the procurement or sale of cotton, cotton seed, rice, and other farm products shall be followed when it is necessary to obtain the best price for the commodities procured or sold
- Fees, including medical fees and physician fees
- Foster care maintenance services provided by foster family homes approved by the Division of Children and Family Services of the Department of Human Services for children whose placement and care are the responsibility of the Division of Children and Family Services of the Department of Human Services
- Freight and storage charges and demurrage
- Licenses required prior to performance of services
- Livestock procured by an agency having an official experienced in selection and procurement of livestock
- Such procurement will be reported to the State Procurement Director, giving details of the purchase
- Livestock procured for breeding, research, or experimental purposes
- Maintenance on office machines and technical equipment
- Medical items specifically requested by a physician for treatment or diagnosis of patients in his or her care, including prosthetic devices, surgical instruments, heart valves, pacemakers, radioisotopes, and catheters
- Membership in professional, trade, and other similar associations
- Perishable foodstuffs for immediate use or processing
- Postage
- Published books, manuals, maps, periodicals, films, technical pamphlets, and copyrighted educational aids for use in libraries and for other informational or instructional purposes in instances in which other applicable law does not provide a restrictive means for the acquisition of these materials
- Services of visiting speakers, lecturers, and performing artists
- Taxes
- Travel expense items such as room and board and transportation charges
- Utility services or equipment that is defined, recognized, and regulated by the Arkansas Public Service Commission as a monopoly offering
- Works of art for museum and public display
- Capital improvements valued at less than twenty thousand dollars (\$20,000), subject to minimum standards and criteria of the Arkansas Building Authority

- Services related to work force development, incumbent work force training, or specialized business or industry training
- The following commodities and services relating to proprietary software after the initial procurement:
 - Technical support
 - Renewals
 - Additional copies
 - License upgrades
- Commodities and raw materials purchased by Arkansas Correctional Industries intended for use in goods for resale
- Commodities purchased by the Department of Correction for crop production, including without limitation fertilizers, seed, seedlings, and agricultural-related chemicals
- Repair services for hidden or unknown damages to machinery already purchased

Sole Source (SS)

Occasionally, the purchase of a commodity or service may fall under the designation of a sole source. SS procurements are those which are available only from a single source and cannot be competitively procured. Brand name or design specifications are not sufficient justifications for SS procurements. The definition for what qualifies as a SS purchase is provided in 19-11-232. The purchase still must follow established SS purchasing procedures and may require special approvals. Follow the steps below for the purchase of a SS commodity or service.

1. After it has been determined that the purchase can only be made from a sole source, create a sole source justification letter providing detailed answers to the following seven questions:
 - a. Why is this commodity or service needed?
 - b. What method(s) were used to determine that a lack of responsible competition exists for this commodity or service?
 - c. How was it determined that this commodity or service can only be provided by one source?
 - d. Can requirements be modified so that the commodity or service may be competitively bid? If not, why?
 - e. Are there patent, copyright or proprietary rights which make the required commodity or service unavailable from other sources?
 - f. What would the agency do if the commodity or service was no longer available?
 - g. Detail any program considerations, which make the use of a SS procurement critical to the agency.
2. The SS justification letter must be reviewed and signed by the agency Director, CFO, Deputy Director or Administrator.
3. Create a PR using the SS code. Attach the justification letter. The SS code will route the PR to OSP for final release.
4. Once the PR has been released by OSP, create your PO or OA in reference to the PR.
5. Attach the justification letter to the PO or OA in AASIS for State Procurement Director review and approval.

Note: Some purchases require Legislative reporting or review. If a service being procured meets the stipulations for Legislative Review, prior to the final AASIS release, a contract submission in the portal is required. Once reviewed, the contract will be executed by OSP, and then the final AASIS releases can be made to begin the contract. Attach the executed Services form to the PO or OA. See the OSP website for information regarding legislative review of services contracts.

Special Procurement (SPECIAL)

Occasionally, unusual or unique situations may exist that can make the application of all requirements of competitive bidding, competitive sealed bidding, or competitive sealed proposals contrary to the public interest. In such instances, state agencies may initiate a special procurement pursuant to Arkansas law (Ark. Code Ann. § 19-11-263). The Special Procurement procedures are as follows.

1. The head of a procurement agency must make a written determination that an unusual or unique situation exists that makes applying the requirements of competitive bidding contrary to the public interest. The request must explain the unique or unusual circumstances justifying special procurement and for the selection of the requested prospective contractor. The request must identify or explain:
 - a. The contract number (PO or OA).
 - b. The amount to be spent, expressed as the total projected cost.
 - c. The unusual or unique situation that justifies special procurement.
 - d. Why a competitive procurement is contrary to the public interest.
 - e. The proposed start date and end date (validity dates on the PO/OA).
 - f. How long the unusual or unique situation that justifies special procurement as an alternative to competitive procurement is expected to last.

Special Procurements used to avoid a shortage of a vital commodity or a service until a competitive procurement process can be finalized should generally be limited to the period of additional time needed to competitively procure the commodity or service.
 - g. If it exceeds the anticipated duration of the unusual or unique situation used to justify a special procurement, what rationale justifies making the duration of the contract exceed the anticipated duration of the unusual or unique situation used to justify special procurement.
 - h. The contractor selected and the reasons for the selection of the contractor.
2. Create a purchase requisition for the procurement and process as normal.
3. After you have received appropriate approvals on the PR, create your PO or OA using procurement code SPECIAL in the Our Reference field. This code will route the PO or OA to OSP through AASIS workflow once all internal approvals are complete.
4. Attach the letter to the Purchase Order or Outline Agreement. Upon receipt of the PO or OA at OSP, this letter will be reviewed by the State Procurement Director for approval. Once approved, OSP will execute the final release on the PO or OA.

Note: Some purchases require Legislative reporting or review. If a service being procured meets the stipulations for Legislative Review, prior to the final AASIS release, a contract submission in the portal is required. Once reviewed, the contract will be executed by OSP, and then the final AASIS releases can be made to begin the contract. Attach the executed Services form to the PO or OA. See the OSP website for information regarding legislative review of services contracts.