



STANDARD PROCEDURE No. 043

TITLE: **RFP Development, Evaluation, and Award**

REVISION: **Number 3**

DATE(s): Current Version: July 5, 2023 Previous Version: November 5, 2013

I. Description

The following is the standard procedure for conducting evaluations and discussions in accordance with A.R.S. § 41-2534, Competitive Sealed Proposals, as set forth in the Arizona Procurement Code.

The Request for Proposal (RFP) process is intended for procurements of \$100,000 or greater in aggregate dollar amount. Aggregate dollar amount includes the purchase price (including taxes and delivery charges) for the term of the contract (accounting for all allowable extensions and options per A.A.C. R2-7-101(3)). RFPs should be used when the State seeks to evaluate price in addition to other evaluation factors.

II. Standard Procedure

1. DETERMINE OBJECTIVES

- 1.1. Identify Employees and Non-Employees with a Significant Procurement Role. Identify employees who may have a significant procurement role and have those individuals complete and file the appropriate procurement disclosure statements (PDSs).

See: A.R.S. § 41-741, Definitions, 14, Significant Procurement Role

A.R.S. § 41-2503, Definitions, 35, Significant Procurement Role

Technical Bulletin 010

Standard Procedure 003 – Significant Procurement Role

- 1.2. Determine Contract Objectives. While developing the scope of work with the using agency or agencies in the draft solicitation documents, the purchasing agency should identify the objectives for the desired contract(s) and ensure that the background and scope of work reflect those objectives. The contract requirements and terms and conditions should include any relevant timelines and deliverables. Coordinate with the using agency or agencies to assess budget.

See: A.R.S. § 41-2503 Definitions, 34, Purchasing Agency

A.R.S. § 41-2503 Definitions, 39, Using Agency

- 1.3. Determine Contractor Objectives. Purchasing agency should perform market research, benchmark, and use focus groups, as needed, to identify the types of characteristics and attributes associated with contractors most likely to meet the State's needs. This should include factors such as experience, financial capacity, key personnel, method of approach, capacity to perform the work, benchmark pricing, and service area.

- 1.4. Create Criteria. With the using agencies, prioritize the objectives of the contract by their relative importance, with the most important objective listed first and the least important objective listed last. Use these prioritized objectives in establishing the solicitation's evaluation criteria.

See: A.A.C. R2-7-C301, Solicitation

- 1.5. Assess Data Security. Purchasing agency and using agency should work with the Arizona Department of Homeland Security to determine the data security requirements for the solicitation.

2. DEVELOP SOLICITATION

- 2.1. Develop Draft Solicitation. Develop the solicitation and review the evaluation criteria to ensure that the criteria meet the objectives of the scope of work. Identify how offers will be evaluated for each criterion. Include sufficient solicitation instructions to offerors, forms, and questionnaires to address each of the evaluation criteria. Determine whether a pre-offer conference is needed per SP 042.
- 2.2. Include Additional Special Terms and Conditions. Add any additional special terms and conditions, including any required data security provisions, as needed to meet using agency or agencies requirements.
- 2.3. Review Draft Solicitation. Once draft solicitation is in place, review with the relevant team, including any subject matter experts, to ensure all requirements are detailed therein.
- 2.4. Plan Evaluation. Develop the evaluation tool, if using, as well as any accompanying evaluation instructions.
- 2.5. Legal Ad. Notice of the solicitation should be published at least two weeks in advance of the offer due date and time, though more time should be given for more complex solicitations. For certain services defined in A.R.S. § 41-2533(C), this must include newspaper publication.
- 2.6. Identify Additional Employees with a Significant Procurement Role. Identify additional employees who may have a significant procurement role as defined in A.R.S. §§ 41-741 and 41-2503, such as serving as technical advisor or a member of the evaluation committee. Complete and file appropriate PDSs.

See: Standard Procedure 003 – Significant Procurement Role

- 2.7. Finalize Evaluation Preparation. Finalize evaluation committee members, and evaluation tools (if any). Hold a kick-off meeting with the evaluation committee to review the evaluation plan, discuss the solicitation, and agree on schedules.
- 2.8. Publish Solicitation in the State's eProcurement System. Open the bidding period by publishing the solicitation. Notify prospective suppliers by commodity code, and include additional suppliers that have recently supplied the State or are active in the relevant market.

3. BETWEEN SOLICITATION PUBLICATION AND OFFER DUE DATE

- 3.1. Pre-Offer Conference and Questions from Suppliers. These should be handled in accordance with SP 042.
- 3.2. Amendments. Amendments may be used to make changes to the solicitation materials prior to offer due date and time. The procurement officer may amend the solicitation to incorporate any required modifications into the solicitation documents.

See: A.A.C. R2-7-C303, Solicitation Amendment

4. EVALUATE OFFERS

- 4.1. Review Offers Independently. Each evaluation committee member should review each offer independently.

- 4.2. Clarify Offers. If anything in the proposals is unclear, the procurement officer may document their questions and request clarifications as necessary. Receive and consider any clarification responses. Responses to clarifications must be in writing. Per A.A.C. R2-7-C313(B), "The agency chief procurement officer may request clarifications from offerors at any time after receipt of offers."

See: A.A.C. R2-7-C313, Clarifications

- 4.3. Evaluation Committee Meeting. Hold evaluation committee meeting(s) as necessary. Complete an evaluation tool for each offer. Document the evaluation committee's responses and ratings for each rating item, based upon consensus. Though negotiations are a standard best practice, if for some reason negotiations are not performed, then the evaluation committee shall provide the consensus score with a written recommendation for award to the procurement officer. Language for the final recommendation shall be prepared and shall be written as stated in this procedure.
- 4.4. Responsibility. The procurement officer shall make a determination of whether offerors are financially viable enough to meet the State's needs as described in the solicitation materials. Other steps may be taken to ensure that the offeror is not subject to debarment or otherwise non-responsible. Note that, per A.A.C. R2-7-C312(A), "An agency chief procurement officer shall determine, at any time during the evaluation period and before award, that an offeror is responsible or non-responsible."

See: A.R.S. § 41-2540, Responsibility of bidders and offerors

A.A.C. R2-7-C312, Responsibility Determinations

- 4.5. Determine Susceptible Offers. The procurement officer shall make a determination of susceptible and non-susceptible offers, document the determination that the supplier is deemed not susceptible for award, and send notices per A.A.C. R2-7-C311(B). If all offers are determined to be non-susceptible, the procurement officer shall cancel the solicitation. Note that, per A.A.C. R2-7-C311(A), "An agency chief procurement officer may determine at any time during the evaluation period and before award that an offer is not susceptible for award."

See: A.A.C. R2-7-C311, Determination of Not Susceptible for Award

5. NEGOTIATIONS AND OFFER REVISIONS

- 5.1. Notify Susceptible Offerors. If negotiations and offer revisions are required, the procurement officer shall notify reasonably susceptible offerors that negotiations are required. This notification may include discussion topics or notes.

See: A.A.C. R2-7-C314, Negotiations for Responsible Offerors and Revisions of Offers

- 5.2. Negotiation Plan. Procurement officers may create a negotiation plan, as applicable, to share with their manager or discuss with their evaluation committee.
- 5.3. Hold Negotiations. Negotiations may be based on topics or notes previously distributed to offerors. Hold negotiation meeting(s) with each reasonably susceptible offeror. Retain all documents disseminated to, or submitted by, the offeror at the negotiation meeting(s).
- 5.4. Request Proposal Revisions. Based on discussions, the procurement officer may invite any offeror to revise their offer once or multiple times. After reviewing revisions, the procurement officer may engage in additional rounds of clarifications and negotiations.

See: A.A.C. R2-7-C315, Offer Revisions and Best and Final Offers

- 5.5. Receive and Distribute Offer Revisions. Procurement officers may send revisions to evaluation committee members or technical advisors as needed.

- 5.6. Request Best and Final Offers (BAFOs). If any negotiations were conducted, or changes to offers are required, the procurement officer shall invite all reasonably susceptible offerors to submit BAFOs as described in A.A.C. R2-7-C315(B).

See: A.A.C. R2-7-C315, Offer Revisions and Best and Final Offers

- 5.7. Receive and Distribute BAFOs. Retrieve BAFOs and disseminate to evaluation committee members as needed. BAFOs may also be sent to technical advisors as needed.

6. EVALUATE BEST AND FINAL OFFERS

- 6.1. Review BAFO Independently. Each evaluation committee member reviews and evaluates BAFOs independently. This process may be simple, if there are few changes made to offers during the BAFO process.

- 6.2. Clarify BAFO. If an apparent mistake is discovered, the procurement officer documents and requests any clarifications as necessary. Receive and consider any clarification responses.

See: A.A.C. R2-7-C315, Offer Revisions and Best and Final Offers

- 6.3. Evaluation Committee Meeting and Recommendation. Hold subsequent evaluation committee meeting(s) as necessary. Evaluation committee provides a consensus score with a written recommendation for award to the procurement officer. Language for the final recommendation shall be prepared and shall be written as stated in this procedure.

See: A.A.C. R2-7-C316, Evaluation of Offers

- 6.4. Award Determination. If contract award(s) were recommended, review and approve or disapprove recommendation and create the award. Distribute to all offerors.

See: A.A.C. R2-7-C317, Contract Award

- 6.5. Publish Procurement File. The procurement file should be published within three (3) days of contract award, following the document standards in SP 006.

See: A.A.C. R2-7-C317, Contract Award

III. Effective

This Standard Procedure is hereby authorized and effective from this date, Jul 6, 2023 , unless otherwise revised or repealed.



ED Jimenez (Jul 6, 2023 14:08 PDT)

Ed Jimenez
State Procurement Administrator

Language for evaluation committee member(s) recommendation for award:

NOTICE: This Standard Procedure is provided as a resource to the Procurement Officers of the Agencies, Boards and Commissions of the State of Arizona. While this Standard Procedure is an example of a legally compliant, procedurally efficient and fiscally prudent process, it is not intended to represent the only such process allowable under the Arizona Procurement Code, A.R.S §41-2501, et. Seq. Depending on the circumstances surrounding a given procurement, deviation from this Standard Procedure may be necessary and/or preferable. Procurement Officers should consult with their Agency Chief procurement Officer and/or the State Procurement Office if they have any questions regarding the application of this Standard Process.

SP 043: Appendix

“The members of the evaluation committee have completed their review of the proposals and any subsequent best and final offers received in response to solicitation ~~XXXXXXXXXXXX~~, for ~~XXXXXXXXXXXX~~, and have reached consensus. Based on the detailed evaluation of the individual proposals, it would be in the best interest of the State, to award a contract to:

~~XXXXXXXXXXXX~~

As a participating member of the evaluation committee, I agree with the information provided in this document and concur that the consensus scoring is a complete and accurate reflection of the committee’s agreement regarding the evaluation of the proposals received”.

Name

Evaluation Committee Member

Date