

# How to Do Business With The State of Arizona

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# A Guide for Vendors



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## An Invitation

You are invited to join thousands of other businesses in Arizona and across the country in providing goods and services necessary to operate our state government. The Arizona Department of Administration, State Procurement Office (SPO) and our community of delegated state agencies purchase billions of dollars' worth of goods and services annually.

The goal of SPO is to ensure Arizona taxpayers receive quality products and services at the most competitive price. We invite all businesses to participate in the State of Arizona's purchasing program.

This guide will help you understand:

- How the State of Arizona purchases goods and services.
- How to register as a vendor with the state.
- Answers to frequently asked questions.

You may obtain information on public procurement laws and rules in the *[Arizona Revised Statutes Title 41, Chapter 23](#)* and in the *[Arizona Administrative Code \(A.A.C.\) Title 2, Chapter 7](#)* on the SPO website: <http://spo.az.gov>.

We encourage you to visit the State of Arizona's procurement staff. Scheduled appointments are highly appreciated. When calling for an appointment, please ask if brochures and other information about your business would be beneficial.

You may reach SPO at 602-542-5511 (8:00 a.m. to 5:00 p.m., Monday through Friday). The office is located at 100 N. 15th Avenue, Suite 201, Phoenix, AZ 85007.

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For more information about SPO, visit the website at <http://spo.az.gov>. At the website, you can:

- View current contracts.
- View procurement opportunities.
- Download statutes and rules.
- Find contact information for the State Procurement Office and state agency procurement personnel.
- View a list of members of the Arizona State Purchasing Cooperative (who may purchase from state contracts).

## Small Businesses

Small businesses form the foundation of our thriving Arizona economy and are encouraged to compete for all state contracts. Arizona law requires that state agency purchases of less than \$100,000 be from small businesses, if practicable.

## Definition of a Small Business [per A.R.S. § 41-1001(21)]

A “small business” means a concern, including its affiliates, which is independently owned and operated, which is not dominant in its field and which employs fewer than one hundred full-time employees OR which had gross annual receipts of less than four million dollars in its last fiscal year.

## State Public Procurement Structure

Arizona laws designate the Director of the Department of Administration as the Chief Procurement Officer for the state of Arizona, (with the exception of highway construction). The Department of Administration’s Director delegates procurement authority to the State Procurement Administrator who leads **SPO**.

The **State Procurement Administrator** further delegates procurement authority, in varying dollar amounts and functions, to state agencies. Dollar limit delegations range from as little as \$10,000 to unlimited authority for larger agencies. The agency delegation list is available on the SPO website: <http://spo.az.gov>.

**SPO** solicits and administers contracts for goods and services for use by state agencies and at times by various political subdivisions, who participate in the Arizona State Purchasing Cooperative. Additionally, SPO provides purchasing services for state agencies that have limited purchasing authority.

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As a basic rule, state agencies may make unlimited purchases when purchasing from existing statewide contracts. State universities are not directly under the state's procurement system, but by law, they are required to operate under similar rules. The Arizona state legislature, the courts, and some agencies are exempt from Arizona procurement laws.

**Political subdivisions**, comprised of Arizona towns, cities, community colleges, school and fire districts, and counties, may use SPO cooperative statewide contracts at their discretion. Political subdivisions generally operate under procurement rules enacted by their individual governing boards. In addition, select nonprofit corporations may become members of the Arizona State Purchasing Cooperative. Over 700 political subdivisions and nonprofit corporations are members of the Arizona State Purchasing Cooperative. The SPO website contains the **Arizona State Purchasing Cooperative** membership list: <http://spo.az.gov>.

## What Suppliers Should Know About ProcureAZ

On September 1, 2009, SPO implemented ProcureAZ, an internet-based eProcurement System for use by all state agencies. It establishes uniform standards in state procurement procedures and centralizes purchasing information. ProcureAZ allows each state agency to perform all of its procurement functions online such as processing requisitions, purchase orders, solicitations, evaluations, contract awards and contract administration.

## Are you registered in ProcureAZ?

Vendors must self-register in ProcureAZ to participate in procurement opportunities with the State. Keep in mind:

- Vendors may update their registration information at any time.
- Once registered, vendors receive email notifications of solicitation opportunities. Email notifications are based on the commodity codes selected in the vendor profile.
- Solicitations issued through ProcureAZ require interested vendors to respond by submitting offers electronically - for Requests for Quotes (RFQs), Invitations For Bids (IFBs), and Requests For Proposals (RFPs).

Registration is simple, easy and FREE. To begin the registration process, visit <http://procure.az.gov> and click Register. You will need your entity's exact legal name as registered with the federal government and your federal tax identification number to complete the process. Registration takes about ten minutes.

You may obtain information and technical assistance on ProcureAZ by calling the ProcureAZ Help Desk at (602) 542-7600 or by sending an email to [procure@azdoa.gov](mailto:procure@azdoa.gov). An on-line tutorial is also available at SPO's main website: <http://spo.az.gov>.

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## How to access State solicitations

All solicitations over \$10,000 conducted by SPO are on the <http://procure.az.gov> site. Eventually, all state agency procurements over \$10,000 will be on this site as well.

## Threshold Levels for Procurement Methods

State agencies may make unlimited purchases when purchasing from existing state contracts. However, when goods or services are not available from existing contracts, state agencies may use the following procurement methods:

\$0 - \$10,000	For purchases where estimated cost is less than \$10,000, adequate competition and documentation is required.
\$10,000.01 - \$100,000	For purchases where the estimated cost is greater than \$10,000 but less than \$100,000, a Request for Quotation (RFQ) is required. Purchases or contracts must be awarded to small businesses, if practicable.
\$100,000.01 and up	For purchases expected to exceed \$100,000, formal solicitations such as Invitation for Bids (IFB) or Request For Proposals (RFP) may be used. Formal solicitations must be issued and available to vendors for at least 14 days. Legal advertising may be required.

## Purchasing Card Program

It is to your advantage to accept a procurement card, currently a VISA card issued by US Bank. Most state solicitations require Purchasing Card acceptance. The Purchasing Card Program is used primarily for small dollar purchases under \$10,000 inclusive of tax, delivery and any other additional charges or State contract purchases. Purchases can be made from state or agency contract suppliers, or if the item is not covered under such a contract, from a supplier selected in accordance with purchasing policies and procedures. Off-contract purchases may be conducted under \$200. For more information about the Arizona State Purchasing Card Program, contact the ADOA/GAO, P-Card Administrator at (602) 542-5601.

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## Frequently Asked Questions

<p>Q1: Who can sell goods or services to the State of Arizona?</p>	<p>A1: The State of Arizona purchases a wide variety of goods, and services, including construction and professional services. Any business registered in ProcureAZ that sells goods or services needed by the state is eligible to sell to the State.</p>
<p>Q2: How do I register as a vendor?</p>	<p>A2: Register as a vendor with the State Procurement Office online at <a href="http://procure.az.gov">http://procure.az.gov</a>. Instructions are available from <a href="http://spo.az.gov">http://spo.az.gov</a>. View the ProcureAZ online tutorials and quick reference guides. Contact information, primarily email addresses, as well as commodity or service codes must be kept up-to-date by the vendor.</p>
<p>Q3: If I register, do I have a state contract and will the state purchase my goods or services?</p>	<p>A3: Registering as a vendor in ProcureAZ does NOT create a contract nor guarantee the state will purchase from your company. Registering is the first step and the only way to ensure that your business will be notified of formal solicitations (over \$100,000). Agencies also use ProcureAZ to find potential businesses. You should market your product or service to state agencies as you would to any other customer.</p>
<p>Q4: Does the state have a small business set-aside program?</p>	<p>A4: Under current law, all purchases of less than \$100,000 must be made from small businesses, if practicable.</p>
<p>Q5: How can I market my business to the state?</p>	<p>A5: Procurement Officers are constantly seeking new, reliable, competent, economical and timely sources for products and services. Determine the needs of the state agency and communicate how your business could meet those needs or solve their problems.</p> <p><b>RESEARCH:</b> Find the agency's mission and what they need to achieve it. Make sure you are registered in ProcureAZ. Select all the commodity or service codes for the products or services that you offer so you will receive notifications on new solicitations. All state agencies have their own websites, which may be accessed through the <a href="http://az.gov">Arizona @ Your Service</a> web site: <a href="http://az.gov">http://az.gov</a>.</p> <p><b>MAKE AN APPOINTMENT:</b> Call the agency procurement officer and make an appointment. A list of agencies and their procurement contacts may be found at: <a href="http://spo.az.gov">http://spo.az.gov</a>.</p>

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	<p><b><u>BE PREPARED:</u></b> Arrive early and bring your business cards and products/service literature. Ask what the agency needs and what the procurement officer expects of the vendor. Ask when solicitations for your commodity/service will be conducted.</p> <p><b><u>ASK QUESTIONS:</u></b> Find out what products the agency generally buys and what the agency's performance expectations are.</p> <p><b><u>OFFER SOLUTIONS:</u></b> Describe how you can help the agency. Show how your business can provide the product and achieve the State's focus on best value. Do you provide inventory storage, overnight delivery, installation, maintenance, extended warranties, and/or training? Communicate how you could meet those needs or solve their problems.</p>
<p><b>Q6: When are formal competitive procedures used by state agencies to purchase goods and services?</b></p>	<p><b>A6:</b> The formal process utilizes Invitation for Bids (IFB) or Request for Proposals (RFP) to acquire goods or services over \$100,000. When either procedure is used, all registered vendors for the commodity or service are notified by email.</p> <p><b><u>IFB</u></b> - Used to select a vendor when the price will be the basis of the award. The state must award the contract(s) to the lowest responsible and responsive bidder(s) whose offer conforms in all material respects to the requirements and criteria set forth in the solicitation. Generally, this is a bidder who:</p> <ul style="list-style-type: none"> <li>• Meets all the specifications.</li> <li>• Agrees to comply with the terms and conditions of the IFB.</li> <li>• Completes and provides all applicable pricing information requested in the IFB.</li> <li>• Provides an original or electronic signature (as requested) on the Offer and Acceptance Form.</li> <li>• Submits the bid as instructed by the due date and time specified.</li> <li>• Submits any and all information (or documents) required in the IFB.</li> <li>• Offers the lowest price.</li> <li>• Has the capacity and is qualified to perform the contract.</li> </ul> <p><b><u>RFP</u></b> – Used when the state agency intends to award a contract to a responsible vendor whose offer is determined to be the most advantageous to the state based on the evaluation factors set forth in the solicitation. RFPs are generally used when qualifications,</p>

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	<p>performance levels, expertise, quality of service or product performance are more important than the cost. When using the RFP process, agencies may conduct negotiations or allow proposal modifications to obtain the best value.</p>
<p>Q7: How can I review previous contracts or bids/proposals that have been submitted?</p>	<p>A7: Following completion of the evaluation process and award of the contract, you may access evaluation documents and bids/proposals on solicitations conducted in <b>ProcureAZ</b> by going to <a href="http://procure.az.gov">http://procure.az.gov</a> and accessing the specific contract. If an agency conducted a solicitation outside of <b>ProcureAZ</b>, contact the agency procurement officer and make a public records request.</p>
<p>Q8: What if I discover a mistake in my bid or a problem with my state contract?</p>	<p>A8: Call and discuss the mistake or problem with the procurement officer assigned to the purchase or contract.</p>
<p>Q9: How soon will I be paid for products and services I sell to the state?</p>	<p>A9: If the invoice is complete and provides the information that the contract requires, payment should be within 30 days after the agency has received and accepted your product or service and invoice.</p> <p>To receive prompt payment:</p> <ul style="list-style-type: none"> <li>• Send your invoice to the agency’s “bill to” address</li> <li>• Always put the purchase order (PO) number on your invoice.</li> <li>• Check your invoice for accuracy and conformance with the price and other terms of the contract</li> <li>• Ask if the agency accepts partial deliveries</li> <li>• Offer prompt payment discounts</li> <li>• Accept the state’s procurement card: U.S. Bank, VISA card.</li> </ul>
<p>Q10: What should I do if I do not receive payment on my invoice?</p>	<p>A10: If your payment is late, call the agency’s accounts payable office and ask about its status.</p>



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## Doing Business with the State of Arizona

With this information in mind, we hope your business participates in Arizona's State Purchasing Program providing quality products or services at the most competitive prices. To learn more, please visit the State Procurement Office website and register your business at ProcureAZ. We look forward to working with your business.