

PROCUREMENT REFORM FACT SHEET

| EFFICIENCY | QUALITY | CONSISTENCY | TRANSPARENCY |
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| Cooperative purchasing expansion to allow piggyback purchases & nonprofits Exemptions now include textbooks for School for Deaf and Blind, entertainment at State Fair, utilities for all agencies, professional certifications and memberships Written determinations no longer required to use other procurement methods Determinations for pre-offer Informal bid threshold increases to \$100,000 Eliminate IT procurement evaluation requirements Small business set aside increases to \$100,000 | Establish vendor performance standards Mandatory training/certification | Statewide compliance program CPO reporting structure Centralized AG procurement attorney unit | Procurement lobbyist disclosure Revolving door restrictions for those with a "significant procurement role" 42-day time period to issue final decision on protest appeals Written disclosure of financial interest |

| NEW EXEMPTIONS TO THE ARIZONA PROCUREMENT CODE | |
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| Arizona State Schools for the Deaf and Blind | Textbooks |
| Arizona Exposition & State Fair Board | Professional entertainment |
| Statewide | Water, gas and electric utilities |
| Statewide | Professional certifications, professional memberships and conference registrations |

| EXPANDED AUTHORITY OF ADOA DIRECTOR |
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| <ul style="list-style-type: none"> Establish and maintain procurement compliance programs Establish and maintain a mandatory procurement training and certification program Employ staff as necessary to perform the duties outlined in the Arizona Procurement Code Establish procurement offices as the Director determines necessary to maintain an effective and efficient program of procurement administration Provide consultation to state agency management in aspects of procurement with full recognition of the needs of management Enter into agreements with any state government unit or political subdivision of the State to agency of a political subdivision of the State to furnish procurement administration services and facilities of the department. Any agreement shall provide reimbursement to the State of the actual cost of the services and facilities furnished Enter into agreements with the Attorney General for dedicated legal resources to support any State governmental unit in procurement legal matters |

| WRITTEN JUSTIFICATIONS: REMOVAL | |
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| Multi-Step Sealed Bidding | Written justification no longer needed if it is not practicable to initially prepare a definitive purchase description that is suitable to permit an award |
| Competitive Sealed Proposals | Written justification no longer needed when use of competitive sealed bidding is not practicable or not advantageous to the State |

| SUPPLIER PERFORMANCE / EVALUATION |
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| ADOA Director shall issue rules that address vendor performance and evaluation of past performance |

| MISCELLANEOUS PROVISIONS | |
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| Delegation of Authority | ADOA Director may delegate specific procurement functions to any State governmental unit |
| Informal Bid Threshold | Increase amount to \$100,000 |
| Collection of Data | ADOA Director may prescribe procurement systems for use by agencies |
| Advisory Groups or Evaluation Committees | ADOA Director may appoint evaluation committees to assist with respect to solicitation evaluations. Members of the evaluation committees are not eligible to receive compensation but are eligible for reimbursement of expenses |
| Procurement of IT and telecommunications systems; definitions | Eliminates |
| Competitive Sealed Bidding | No longer sets forth evaluation criteria to be used, including the weighting of identified criteria. Bids will be evaluated based on the requirements set forth in the Invitation for Bids |
| Competitive Sealed Proposals | No longer need to publicly read the name of each Offeror and other relevant information. Only need to record the name of each Offeror |
| Competitive Sealed Proposals | Procurement officer may invite Offerors to submit a BAFO if reasonably susceptible to being selected for award |
| Cost Reimbursement Contracts | Removes exception to use this type of contract |
| Energy Consumptive Material | Governor's Office of Energy Policy, not the Arizona Commerce Authority is responsible for establishing specs |
| Protest Process | ADOA Director has 42 days (with 14 day extension) to rule on a protest appeal after the agency files its report |

| NONPROFIT CORPORATION: DEFINITION CHANGE | |
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| Nonprofit Corp. Definition | Includes corporations under IRS Section 501(c)(3) – 501(c)(6) or corporations under §115, if created by 2+ local public procurement units, and nonprofit agencies that serve individuals with disabilities under 41-2626 |

| PROCUREMENT LOBBYIST REGISTRATION & DISCLOSURE | |
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| Application | Board, commission, department, officer or other administrative unit of this state, or the Governor's Office |
| New Provision | Persons who are compensated for the primary purpose of lobbying on behalf of an entity AND who attempt to influence the procurement of materials, services or construction by a board, commission, department, officer or other administrative unit of this state, or the Governor's Office must register as a lobbyist and disclose client identity. |
| Exemption | If a person is not paid by a lobbyist or is in some way connected with a lobbying firm, registration is not required. For example, sales and marketing individuals may seek information regarding a procurement without registering with the Secretary of State's Office. |
| Other | Procurement lobbyist must disclose his or her designation as a lobbyist. Former State employees who had a significant procurement role must wait one year after leaving State government to lobby the board, commission, department, officer or other State administrative unit that previously employed them. |

| REVOLVING DOOR RESTRICTION / SIGNIFICANT PROCUREMENT ROLE | |
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| Application | Board, commission, department, officer or other administrative unit of this state, or the Governor's Office |
| New Provision | <p>"Significant Procurement Role" means: (1) participated in the development of a procurement; (2) participated in the development of an evaluation tool; (3) approved a procurement or an evaluation tool; (4) solicited quotes greater than \$10,000 for the provision of materials, services or construction; (5) served as a technical advisor or an evaluator who evaluates a procurement; (6) recommended or selected a vendor to provide materials, services or construction, or; (7) served as a decision maker or designee on a protest or an appeal by a party.</p> <p>An employee who has a significant procurement role cannot <u>accept an employment offer, have employment discussions, or solicit an employment opportunity (regardless of who would receive the position)</u> with any person or entity lobbying for or potentially responding to a solicitation from the time the first non-disclosure agreement is signed for the solicitation (or request for a sole source/competition impracticable) to one year after the materials are delivered or services/construction begins.</p> <p>An employee who previously worked for a person or a firm that responded to a solicitation cannot serve in a significant procurement role for a period of one year following the person's previous employment.</p> <p>An employee with a significant procurement role must sign a non-disclosure agreement pertaining to the particular solicitation or at the time of a request for a sole source/competition impracticable and provide written disclosure of any financial interest the officer, employee or the spouse may hold.</p> <p>Knowing violations is a class 2 misdemeanor. Upon conviction, the person is ineligible for employment in the State personnel system for a period of 5 years and if the person is an employee at the time of the violation, he or she is subject to suspension for no less than 90 days or dismissal.</p> |
| Exemption | Employees may submit a written request to seek clarification of whether the employee played a significant procurement role. An agency response will be provided within 15 days. This prohibition may not apply if the solicitation, sole source procurement of competition impracticable procurement was cancelled or is associated with the privatization of existing State services that would result in the elimination of the employee's position. For agency executive leadership, the Governor's Office will make a determination within 30 days. |
| Other | Agencies must notify their employees when the first non-disclosure agreement is signed on a particular solicitation and the agency must notify SPO who will then post it on its website. |

| COOPERATIVE PURCHASING | |
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| Piggyback | Local public procurement unit, department, any other state or an agency may now participate in, sponsor, conduct or administer a cooperative purchasing agreement with any buying organization not located in Arizona that would also qualify as a "public procurement unit." |
| Expansion | <p>501(c)(3) nonprofit corporations may now use Statewide contracts</p> <p>Definition now includes "external procurement activity" as available for cooperative purchases</p> <p>Cooperative purchasing now may include joint or multi-party contracts between local procurement units, departments or agencies and open-ended contracts that are available to local public procurement units.</p> |