



STANDARD PROCEDURE

DESCRIPTION

Title: Reverse Auctions

Effective: February 2, 2015

No. SP 025

Revision: 2

The following is the standard procedure for conducting a Reverse Auction (on-line bidding) through ProcureAZ in accordance with the Arizona Procurement Code. The Reverse Auction procurement process is a procurement method that fosters competition through on-line bids posted electronically and updated on a real-time basis.

STANDARD PROCEDURE

1. DETERMINE NEED

- 1.1. Identify the service/commodity from the Customer. Create Requisition through ProcureAZ or from an outside source. If requisition is not completed through ProcureAZ, request required documents.

See: ProcureAZ Quick Reference Guide – General Navigation (Requisition)

- 1.2. Identify Employees with a Significant Procurement Role. Identify employees who may have a Significant Procurement Role as defined in A.R.S. §41-2503. Complete and file appropriate NDA form.

See: Standard Procedure 003 – Significant Procurement Role

- 1.3. Determine Source Selection Method. Determine Source Selection Method (RFP, IFB, RFQ, Reverse Auction/On –Line Bidding) or existing state contract. If the item (service or commodity) is a one-time purchase, specific quantity and available from multiple vendors, pursue On-Line Bidding procurement.

See: A.R.S. §41-2532 Methods of Source Selection Reference

A.R.S. §41-2672 On-Line Bidding

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2. DEVELOP SOLICITATION

- 2.1. Develop Solicitation Documents. After review of the specification prepare Determination for Brand Name or Equal Specification if required. Identify the commodity code in ProcureAZ.

Required solicitation documents to include: Statement of Work, Uniform Terms and Conditions, Special Terms and Condition, Special Instructions, Attachments, Exhibits (including certification forms)

See: R2-7-403 Determination for Use of Brand Name Type Specifications

Special Terms and Conditions – SPO Website:

http://spo.az.gov/Admin_Policy/SPM/Forms/default.asp, Standard Forms and Documents or Department specific Special Terms and Conditions

http://www.azrisk.state.az.us/agency_information/insurance/insurance_module_guidelines.asp; Insurance Modules

SPO Website: http://spo.az.gov/Admin_Policy/SPM/Forms/default.asp Uniform Terms and Conditions; Offer and Acceptance Form; Special Instructions; Uniform Instructions

- 2.2. Finalize and Enter Solicitation Documents. Finalize Solicitation Documents and enter into ProcureAZ as IN PROGRESS STATUS. Before entering the following documents in ProcureAZ prepare the following in a word document and save in Word File (Solicitation Specific): Notice of Intent to Issue Solicitation; Pre Bid Conference Information (limited to 250 characters); Bulletin Description (use language from specification – limited to 250 characters) and pricing instructions. Preparing these documents in advance will expedite the completion of the information in ProcureAZ. The following documents are added as attachments in Procure AZ:

Special Instructions to Offerors (Agency Specific)

Agency Specific Special Terms and Conditions (including insurance module)

Offer and Acceptance Form

Uniform Terms and Conditions

Uniform Instructions to Offerors

Specification

See: ProcureAZ Quick Reference Guide – Conducting a Reverse Auction

ProcureAZ Quick Reference Guide to Vendors Responding to a Reverse Auction

3. NOTIFY VENDORS OF REVERSE AUCTION

- 3.1. Notify Vendors. Send Bulk Email through ProcureAZ to vendors registered under specific commodity code. Attach the following to the Bulk Email notification: Offer and Acceptance; Specifications; Uniform Terms and Conditions; Special Terms and Conditions; Uniform Instructions; Special Instructions; Quick Reference Guide, Responding to Reverse Auction

See: Sample On-Line Bid Request Email (below)

- 3.2. Identify Participating Vendors. Identification of Vendors participating in Reverse Auction. Receive/review documents from Vendors wishing to compete in Reverse Auction. Compile a list of Vendors that are eligible to participate in the process. Remove the vendors from the Bid List in ProcureAZ who were determined not eligible to participate. (Vendors will submit the Offer and Acceptance form outside of ProcureAZ.)

- 3.3. Conduct Pre-Bid Conference. Conduct Pre- Bid Conference **with** Vendors indicating participation in Reverse Auction telephonically.

See: Standard Procedure 042 Pre-Offer Conferences

4. ISSUE REVERSE AUCTION IN PROCUREAZ

- 4.1. Issue Reverse Auction. Issue Reverse Auction in Procure AZ (change status from In Progress to Send. The solicitation is a "Closed Auction" meaning only those vendors listed received the notification and are able to respond/view the auction.)

See: ProcureAZ Quick Reference Guide – Conducting a Reverse Auction

5. AWARD CONTRACT

- 5.1. Award Contract. Award Contract

See: ProcureAZ Quick Reference Guide – Conducting a Reverse Auction

6. EFFECTIVE

This Standard Procedure is hereby authorized and effective this 2nd day of February 2015, unless otherwise revised or repealed.



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SAMPLE ON LINE BID REQUEST EMAIL

On line Bid Request Email - Reverse Auction
Commodity Code: 071-92, Passenger Vans

The Arizona Department of Administration will have an Online Bid Request, via a Reverse Auction for (product). The (product) are required to be delivered on or before (date).

Attached are the following documents:
Offer and Acceptance
Specifications
Uniform Terms and Conditions
Special Terms and Conditions
Uniform Instructions
Special Instructions
Quick Reference Guide, Responding to Reverse Auction

After your review of the documents, if your company will be submitting a quote, please email the completed and signed Offer and Acceptance page to (email address of Procurement Specialist) by (date and time) [example: March 28, 2011 10:00 AM AZ/MST.]

This will be a closed bid and only the vendors who returned the completed and signed document will be allowed to bid. There will be a pre-bid teleconference on (date) at (time) open for all vendors who returned the signed documents by (date and time). The call-in information will be emailed to those vendors on (date).

2nd email to specific vendors

Thank you for your interest in participating in the Reverse Auction for the (product). There will be a pre-bid teleconference on to discuss the terms and conditions and specifications on (date and time). The conference line number is (telephone number).