



STANDARD PROCEDURE

DESCRIPTION

Title: State Contract Waivers for Off-Contract Purchases **Effective:** February 2, 2015

No. SP 040 **Revision:** 2

Purchasing materials or services from a vendor or contractor other than a State contractor when a State contract exists for the same material or service pursuant to A.R.S. 41-2532, Methods of source selection, R2-7-A301, Source Selection Method: Determination Factors. The material or services shall differ in a significant way and not meet the needs of the Program.

All State agencies should use the attached SPO Form 104 Off-Contract Purchase Authorization.

STANDARD PROCEDURE

1. SECTION

1.1. Receive and Review. Receive and review the Purchase Requisition including total aggregate cost per year.

See: A.R.S. § 35-151	Encumbrance documents; Issuance and disposition
A.R.S. § 35-154	Unauthorized obligations; Effect; Liability
A.R.S. § 2535	Procurements not exceeding a prescribed amount; small businesses; simplified construction procurement program
A.A.C. R2-7-202	Delegation of Procurement Authority to State Governmental Units
A.A.C. R2-7-203	Agency Chief Procurement Officer
A.A.C. R2-7-205	Procurement Requests by Purchasing Agencies
A.A.C. R2-7-D304	Purchases of \$10,000 and Less

Technical Bulletin No. 002 Delegation of Procurement Authority

1.2. Verify Availability on ProcureAZ. Verify availability of the material or service on existing state contracts by checking ProcureAZ database and reviewing the Scope of Work Specifications.

See: A.R.S. § 41-2531 Methods of Source Selection
<https://procure.az.gov/bs0/external/advsearch/advancedSearch.sdo>

1.3. Verify Ability of Contractor. Verify ability of Contractor to fulfill the material or service requested using contact information in the contract.

See: <https://procure.az.gov/bs0/external/advsearch/advancedSearch.sdo>

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, ARS 41 § 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.

2. SECTION

- 2.1. Determine if Purchase is Appropriate for P-Card. If needed item is on-contract and costs less than \$200 (inclusive of tax and freight), but there is an immediate need, a P-Card may be used in such a manner that the aggregate purchase of items does not exceed the \$200 limit.

See: GAO Technical Bulletin No. 2008-01 Statewide Purchasing Card (P-Card) Policies and Procedures

- 2.2. Request Off-Contract Determination. If the material or service is dissimilar in some salient way to what is available on State contract or the State Contractor is unable to fulfill the material or service within the terms of the contract, the Procurement Officer may request an Off-Contract determination from the state procurement administrator or the administrator designee. Cost is not a factor in determining Off-Contract Approval.

See: A.R.S. § 41-2532 Methods of source selection

A.A.C. R2-7-A301B Source Selection Method; Determination Factors

SPO Form 104 Off-Contract Purchase Authorization

Reference Technical Bulletin No. 002 Delegation of Procurement Authority

- 2.3. Identify Significant Procurement Role (if applicable). If the Procurement Officer will solicit quotes greater than ten thousand dollars for the provision of materials, services or construction, and/or have a Significant Procurement Role, an NDA shall be completed and filed.

See: A.R.S. §41-753 Unlawful acts; violation; classification

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

Standard Procedure 003 Significant Procurement Role

- 2.3. Complete Off-Contract Authorization Document. Complete the Off-Contract purchase authorization document that shall include a full description of the material or services, the need, advantages and benefits of the material or service that cannot be performed by the State contract, the state contractors contacted including the contract number and the reason why the contractor(s) cannot meet the needs under the contract. Include the suggested vendor name(s) and address(es). Indicate if a competitive action will occur to secure an alternative vendor.

See: SPO 104 Off-Contract Purchase Authorization

3. SECTION

- 3.1. Determine Type of Competitive Action. If the Off-Contract purchase authorization is approved by the State Procurement Administrator or as delegated, the Chief Procurement Officer determines the type of competitive action that should occur based on the total aggregate cost of the purchase on a yearly basis or term of the contract.

See: A.R.S. § 41-2533 Competitive sealed bidding

A.R.S. § 41-2534 Competitive sealed proposals

- A.R.S. § 41-2535 Procurements not exceeding a prescribed amount; small businesses; simplified construction procurement program
- A.R.S. § 41-2536 Sole source procurement; R2-7-E301 Sole Source Procurements
- A.R.S. § 41-2537 Emergency procurements, R2-7-E302 Emergency Procurements; R2-7-E303 Competition Impracticable Procurements
- A.A.C. R2-7-D304 Purchases of \$10,000 and Less
R2-7-D302 Solicitation -- Request for Quote
GAO Technical Bulletin No. 2008-01 Statewide Purchasing Card (P-Card) Policies and Procedures

- 3.2. Create Contract Release/Purchase Order and Send to Vendor(s). Create the Contract Release/Purchase Order or Open Market Release/Purchase Order to send to the vendor or vendors in ProcureAZ for approvals more than \$1,000 dollars. For expenditures less than \$1,000 a purchasing card may be used.

See: <https://procure.az.gov/bsol/buyer/buyerHome.sdo>

4. EFFECTIVE

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



Barbara M. Corella, C.P.M., CPPB
State Procurement Administrator



State Procurement Office

100 N 15th AVE, STE 201, PHOENIX, AZ 85007

Procurement Determination: Off-Contract Purchase Authorization

Sections 1 through 3 MUST be completed
Use Attachments as Necessary

1) Agency:

Name:

Title:

Phone:

Fax:

Subject Materials or Services:

Estimated Cost:

2) Provide full description of contract materials or services:

3) Description of requested equipment or service, including price, model number, manufacturer and available vendor(s), as applicable:

4) Specialized work, additional advantages and benefits to be performed by the requested equipment that cannot be performed by the equipment currently on contract:

5) Suggested Vendor Name & Address Information:

Note: In accordance with the Procurement Rules, the Arizona Uniform Terms and Conditions must be made a part of all contracts. If you will be required to sign a software licensing agreement or sign any other agreement containing terms and conditions, which will be made part of the final contract, you must receive prior approval from the Office of the Attorney General.

Approval of this request does not allow for agencies to exceed their dollar acquisition amount of delegated authority.

To Be Completed by Procurement Authority:

APPROVAL

- Request Authorized Pursuant to: A.A.C. R2-7-201(B)(4)
- Request Denied:
- Request Returned for Additional Information:
- See Comments:

Comments:

Approved by:

Signature:

Title:

Date:

AGENCY NOTICE: This is your official written determination in response to your procurement authorization request. The original request shall be maintained in the State Procurement Office.