ARIZONA DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT OFFICE

TECHNICAL BULLETIN No. 004

TITLE **Arizona Set-Aside Procurement Program**
REVISION **Number 4**
DATE **February 2, 2015**

I. Authority

A. Applicable Statute

A.R.S. § 41-2511	Authority of the director
A.R.S. § 41-2512	Delegation of authority or functions by the director
A.R.S. § 41-2636	Procurement from Arizona industries for the blind, certified nonprofit agencies that serve individuals with disabilities and Arizona correctional industries; definitions

B. Applicable Administrative Code

A.A.C. R2-7-201	State Procurement Administrator: Duties and Qualifications
A.A.C. R2-7-202	Delegation of Procurement Authority to State Governmental Units
A.A.C. R2-7-1008	Contract Awards Directed by the Committee
A.A.C. R2-7-1009	Contract Awards Initiated by an Agency Chief Procurement Officer or Local Public Procurement Unit

II. Definitions

A. Nonprofit corporation. Is any nonprofit corporation as designated by the internal revenue service under section 501(c)(3) through 501(c)(6) or under section 115, if created by two or more local public procurement units, and includes certified nonprofit agencies that serve individuals with disabilities as defined in section 41-2636. [Source: A.R.S. § 41-2631]

B. Procurement Officer. Any person duly authorized to enter into and administer contracts and make written determinations with respect to the contracts. Includes an authorized representative acting within the limits of the authorized representative's authority. [Source: A.R.S. § 41-2503]

B. Set-Aside Agency. Means the Arizona industries for the blind, certified nonprofit agencies that serve individuals with disabilities and Arizona correctional industries. [Source: A.R.S. § 41-2636]

III. Policy

A. Purpose. The purpose of this policy is to place a deliberate emphasis to support, encourage, and increase purchases from set-aside agencies when mandatory state contracts do not meet the state governmental unit's need. As a routine

practice, procurement officers should first consider the use of set-aside agency products or services before utilizing other procurement methods.

B. Due Diligence. State governmental units electing to utilize the set-aside procurement program shall employ appropriate diligence to ensure that:

1. The delivery and quality of the product, material or service can meet the state governmental unit's reasonable requirements;
2. The price of the product, material or service is fair and reasonable before initiating a direct purchase.

C. Eligible Entities. Any local public procurement unit may use the set-aside procurement program at their discretion.

IV. Effective

This Technical Bulletin 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

This publication is not intended or represented to be the official record of laws and regulations covered under statutes, A.R.S. 41-2501 et. seq., and administrative rules and regulations A.A.C. R2-7-101 et. seq., that constitute the Arizona Procurement Code ("Code"). In the event of a discrepancy between this publication and applicable statute and rule, statute and rule shall prevail.