



ARIZONA DEPARTMENT OF ADMINISTRATION  
STATE PROCUREMENT OFFICE

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## TECHNICAL BULLETIN No. 042

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TITLE **Reverse Auction**  
REVISION **Number 1**  
DATE **October 1, 2011**

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### I. Authority

A. Applicable Statute

A.R.S. § 41-2672 On-Line Bidding

B. Applicable Administrative Code

R2-7-1301 On-Line Solicitation Process

C. Applicable Technical Bulletins

SPO Technical Bulletin No. 001 Delegation of Procurement Authority

### II. Definitions

A. On-Line Bidding. A procurement process in which public agencies receive vendors' bids for goods, services, construction or information services electronically over the internet in a real-time, competitive bidding event.

B. Reverse Auction. An online auction in which sellers bid against each other to win a buyers business; typically used to purchase commodities from multiple pre-qualified providers.

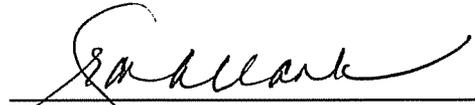
### III. Policy

A. Purpose. The purpose of this policy is to encourage utilization of on-line bidding, also referred to as reverse auction, as a source selection methodology. Reverse auctions are best utilized with commodity based items that have well defined specifications and a definitive delivery location(s).

B. Authorized Use. An Agency Chief Procurement Officer may conduct an on-line bid (reverse auction) only after receiving authorization from the State Procurement Administrator. As requested by the State Agency, the State Procurement Administrator may approve on-line bidding for a single procurement or issue blanket approval for a group/class of procurements.

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This Technical Bulletin is hereby authorized and effective  
this 1<sup>st</sup> day of October, 2011, unless otherwise revised or repealed.



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State Procurement Administrator