

# RECEIVING AND REVIEWING A PR / PREPARING A SOLICITATION

When a buyer is assigned a PR, he/she should review the PR to gain an understanding of the purchasing need.

Questions to consider are:

- Does your agency have an existing contract (OA) or does TSS OSP have a State contract (OA) in place that could be used to make the purchase instead of creating a new solicitation?
- Will a new solicitation result in an Outline Agreement (OA) or Purchase Order (PO)?
- What is the Total Projected Cost (TPC)?
- Has a specific procurement method been requested? Which method might be required by law?
- How much detail is included in the attached specifications? Do you need more information?
- If it is a PR for services, are performance standards attached?
- If an RFP will be issued, is evaluation criteria attached?
- How have these commodities/services been solicited in the past?
  - Is there a more strategic way (saving time, effort, and/or money) to make the purchase this time?

Answers to these questions will direct the buyer in how to proceed with the procurement.

Prior to determining if you will purchase from an existing contract or create a new contract with a solicitation, you must understand the function of OAs and POs. An outline agreement (OA) and a purchase order (PO) are both purchasing documents that are created in AASIS, but they have different functions.

An OA serves as a contractual agreement between the State and a contractor governing the future purchase of specified commodities or services.

A PO serves as an actual order of those commodities or services and gives the contractor permission to ship. It also commits the State to pay for the order.

For more information on OAs and POs, go to the link for *The Function of POs an OAs*.

## **Procurement Authority**

When there is not a current outline agreement (OA) in place from which to place a purchase order (PO), a new contract, OA and/or PO must be created. The anticipated dollar amount of the purchase will dictate the next steps. Typically:

- An agency may execute a purchase with an initial contract amount (ICA) under \$75,000.
- If the ICA is anticipated to be \$75,000 or more, the PR is routed to TSS OSP to execute, typically, an IFB or RFP.

Some State agencies may have the authority to execute purchases on their own that surpass the \$75,000 ICA threshold. There are two instances in which this is allowed:

1. When the agency has an Agency Procurement Official (APO) on staff.
2. When the agency has been granted a Delegation Order from the TSS OSP Director.

An Agency Procurement Official (A.C.A. § 19-11-203) is authorized to execute solicitations with a dollar amount that exceeds \$75,000.

- Typically, APO positions are with State public colleges and universities.
- A list of agencies with APO positions may be found in A.C.A. § 19-11-220.

A Delegation Order (A.C.A. § 19-11-218) is a written authorization from the TSS OSP Director allowing a person or agency to make purchases above the standard thresholds and policy limits, up to a specified dollar amount.

- Delegation Orders are issued for a maximum of two years.
- A current list of Delegation Orders may be found on the TSS OSP website under Laws, Rules, and Guidelines.

Buyers for the State of Arkansas work at many different State agencies and have varying levels of authority for the types of purchasing they may execute.

For example, an agency buyer at a State agency may be authorized to execute purchases less than \$75,000, and an APO may execute a purchase of an unlimited dollar amount.

Whether you are a buyer at a State agency, an APO buyer, a buyer at an agency with a delegation order, or a buyer at TSS OSP, Arkansas Procurement Law is equally applicable to all State purchases and procurement contracting that you may execute.

## Preparing a Solicitation

When a contract is not already in place for a needed purchase, a buyer must issue a solicitation to establish a new contract (OA or an independent PO).

It's critical that a buyer review all the data and attachments in the PR, and plan an efficient procurement, to achieve a final contract that meets the needs of the State and provides best value.

Two of the key items that need to be considered when initiating a procurement through a solicitation are:

1. The type of procurement method to be used.
  - To ensure an advantageous resultant contract.
2. The timeline requirements of the chosen procurement method.
  - To efficiently plan the procurement tasks involved, and to ensure the commodity or service is received when it is needed.

When selecting the most appropriate procurement method, it is important to note:

- The total projected cost.
- The information provided regarding the required function of the commodity or nature of the service (Attached specifications.)
- The contractor selection factors.
  - Lowest cost, or evaluation of proposals to select the best solution/value.

Use the **Typical Procurement Methods** job aid as a guide to help you determine the most suitable procurement method. The job aid is provided on the TSS OSP website on the Arkansas Procurement Manual webpage.

The job aid provides a reference to the procurement law where you can find further details and direction for each method.

## Creating a Solicitation

A preliminary step in procuring services or commodities is clearly specifying what you need. Getting a clear understanding from the agency of what is being sought can help you develop clear specifications. "Specifications" means any technical or purchase description or other description of the physical or functional characteristics, or of the nature, of a commodity or service. See Ark. Code Ann. 19-11-241. As defined in Arkansas Procurement Law, the term "specification" can also be used to refer to any

description of any requirement for inspecting, testing, or preparing a commodity or service for delivery.

### REMINDER

*The solicitation you create, especially the specifications section, becomes a crucial part of the resultant contract.*

The PR should provide you with at least a general idea, but you may need to contact the agency and perform some market research to get a clear idea of what is available in the marketplace. Market research the process of gathering qualitative and quantitative information about a commodity or service, and it can provide broad product knowledge that may help you develop clear and well-informed specifications.

For more information on Market Research, go to the link for **Market Research**.