

PROCUREMENT FORUM

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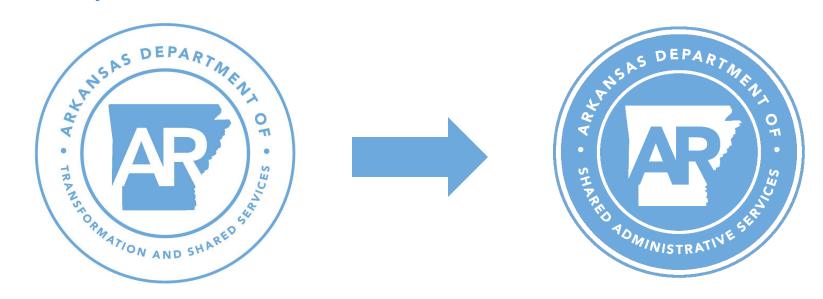
FORUM AGENDA

- Introduction to the Office of State Procurement
- 2 Legislative Updates
- **3** Services Contracts
- SAP Ariba What to Expect Next
- 5 FY 26 Delegation Order
- **6** Questions & Answers

1 Introduction to the Office of State Procurement

DEPARTMENT OF SHARED ADMINISTRATIVE SERVICES

The Arkansas Department of Transformation and Shared Services (TSS) was established in 2019 following the passage of Act 910 for the purpose of creating efficiencies through collaboration across state government. During the 2025 legislative session, TSS's name was updated to reflect the services our office provides and is now the Department of Shared Administrative Services (SAS). Leslie Fisken serves as the Secretary of SAS.



OFFICE OF STATE PROCUREMENT



OSP has primary responsibility and oversight for the Statewide procurement of commodities, technical, and professional services for all state agencies, boards and commissions and colleges and universities. OSP provides training in the Procurement Law, regulations, and policies.



Meet Our Team



Deputy Director

OSP Legal

Jessica Patterson

Tanya Freeman

Michelle **Bridges-Bell**

Credit Cards & Services

Solicitations & Contracts

Vendor and Material Maintenance

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Julie Robnolt

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Legislative Updates

LEGISLATIVE UPDATES



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- Act 419 Recodification of Title 19
- Act 782 To Amend Arkansas Procurement Law
- Act 206 To Amend the Law Concerning Competitive Sealed Proposal
- Act 207 To Amend Law Concerning Emergency Procurements
- Act 936 To allow Procurement Certifications to be Combined
- Act 924 To prohibit the procurement of an electric vehicle of a component of an electric vehicle that was manufactured in whole or part using forced labor.
- Act 943 To Prohibit the Use of Public Funds by State Agencies to Purchase Promotional Items Made in China
- Act 343 To Amend the Law Concerning State Owned Vehicles

ACT 419 RECODIFICATION OF TITLE 19

- Title 19 working group began meeting in December of 2022
- Working group comprised of 11 members representing various departments and branches across state government
- Title 19 had grown too large, and some sections ran out of numbers, which required like subject matters to be codified in nonconsecutive sections

- Structural reorganization of Title 19:
 - Added subtitles
 - Some sections moved out of Title 19 and into Titles 10, 11, 14, 20 and 25
 - Technical changes to text
- Arkansas Procurement Law now codified in Title 19, subsection 61.

ACT 782 TO AMEND THE ARKANSAS PROCUREMENT LAW



Allows an agency to determine if the cost of a bid is unrealistic, meaning it's too low to meet the solicitation's requirements



Requires a request for proposal to be issued for at least 20 days



In a request for proposal, requires costs to be scored before evaluating proposals



Adds language clarifying when a contract ratification is required



Requires state agencies to give OSP seven (7) days notice before issuing a solicitation

ACT 782 COMPETITIVE SEALED BIDDING ARK. CODE ANN. § 19-11-229(f)

- (4)(A) A state agency may determine that the cost of the bid is unrealistic
- (B) As used in this subdivision (f)(4), "unrealistic" means too low to reflect the ability of the bidder to meet the requirements of the invitation for bids.
- Address ambiguity determining cost realism (when the price is too low to reflect an ability of the respondent to meet the scope requirements) by clarifying the role of the procurement officials within the process.

ACT 782 COMPETITIVE SEALED PROPOSALS ARK. CODE ANN. § 19-11-230(f)

- (5)(A) A state agency may determine that the cost of the proposal is unreasonable or unrealistic.
- (B) As used in this subdivision (d)(5):
- (i) "Unrealistic" means *too low* to reflect the ability of the offeror to meet the requirements of the request for proposals; and
- (ii) "Unreasonable" means *too high* for the requirements of the request for proposals.

 Address ambiguity determining cost realism (when the price is too low to reflect an ability of the respondent to meet the scope requirements) and reasonableness (is cost too high) by clarifying the role of the procurement officials within the process.

ACT 782 COMPETITIVE SEALED PROPOSALS ARK. CODE ANN. § 19-11-230(d)(4)

- (4) A state agency shall:
- (B) Evaluate the cost of each proposal received from a responsible offeror in response to a request for proposals under this section in the state agency's initial evaluation of the proposals; and
- (C) Not identify responsible offerors as being reasonably susceptive of being awarded a contract under this section until the cost proposal from each responsible offeror has been evaluated.

Changes to Cost Scoring:

- Requires the cost of EACH proposal from a responsible offeror to be evaluated during the initial evaluation phase.
- Prohibits identifying "reasonable susceptible" offerors until AFTER the cost proposal from each responsible offeror has been evaluated.

ACT 782 COMPETITIVE SEALED PROPOSALS ARK. CODE ANN. § 19-11-230(c)

RFP Minimum Response Deadline:

- Increases the minimum public notice period for RFPs to "at least 20 business days" before the submission deadline.
- Requires an extension of "at least 10 business days" if an RFP is reissued before the anticipation to award.

ACT 782 COMPETITIVE SEALED PROPOSALS ARK. CODE ANN. § 19-11-230(e)

Requires negotiations to be conducted by individuals trained and certified in negotiation and procurement processes, with training specific to Arkansas law provided by the Director's office.



ACT 782 PROTESTS – ARK. CODE ANN. § 19-11-244(a)(5)(B) & § 19-11-244(f)



- Clarifies that a response to a protest must be submitted within five (5) calendar days.
- Provides that "contract negotiations with the anticipated awardee may proceed during the protest period."

ACT 782 DISBARMENT AND SUSPENSION – ARK. CODE ANN. § 19-11-245(f)

- Clarifies that a debarment/suspension decision is not an order under the Administrative Procedure Act.
- Adds that a debarment/suspension decision can be appealed to the Secretary of the Department of Shared Administrative Services.

ACT 782 RATIFICATIONS - ARKANSAS CODE § 19-11-247(a)–(c)

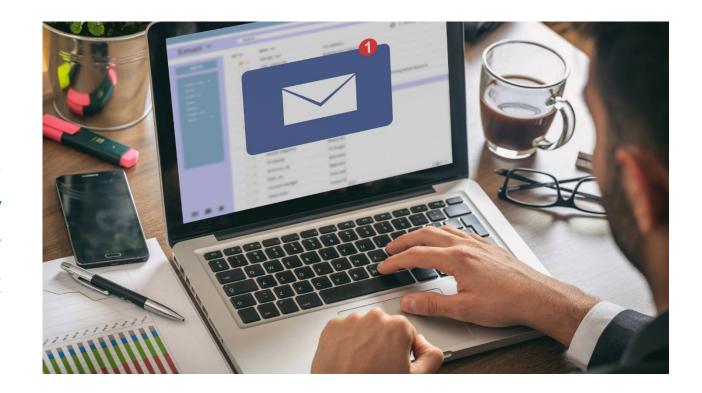
- (a) The provisions of this section apply where it is determined upon any review provided by law that a solicitation or award the creation, solicitation, award, management, or modification of a contract is in violation of law.
- (b) If prior to award it is determined that a solicitation, or proposed award, or modification of a contract is in violation of law, then the solicitation, or modification shall be:
 - (1) Cancelled; or
 - (2) Revised to comply with the law.

- (c) If after an award it is determined that a solicitation or award the creation, solicitation, award, management, or modification of a contract is in violation of law, then in addition to or in lieu of other remedies provided by law:
- Clarifies that contract ratification is required for violations of procurement law beyond a solicitation or award.
- Ratifications include also the *creation*, management, or modification of a contract, rather than just solicitation or award.

ACT 782 NOTIFICATION TO OSP - ARKANSAS CODE § 19-11-282

Notification of Solicitations:

"A state agency other than an institution of higher education shall notify the Office of State Procurement that the state agency is going to issue an invitation for bids or a request for proposals at least seven (7) calendar days before issuing the solicitation."



ACT 206 - TO AMEND THE LAW CONCERNING COMPETITIVE SEALED PROPOSAL UNDER THE ARKANSAS PROCUREMENT LAW

- Amends the Best and Final Offer section of Ark. Code Ann. 19-11-230(e)
- Allows offerors to a request for proposal an opportunity to amend their proposal if the agency needs to clarify a request to a solicitation

ACT 206 – TO AMEND THE LAW CONCERNING COMPETITIVE SEALED PROPOSAL UNDER THE ARKANSAS PROCUREMENT LAW

Previously, offerors did not have an opportunity to clarify their proposals, if it was determined after discussions that the offerors may have not understood what was required.

This amendment allows those identified as "responsible and reasonably susceptible" of being awarded a contract the opportunity to revise their proposal following a clarification.

Benefits of Act 206

- Ensures a transparent and effective procurement process.
- Improved quality of proposals: By explicitly stating that the offeror may clarify, offerors gain a better understanding of what the procuring entity truly needs.
- This will allow the offeror to refine their proposal to be more responsible and better understanding of State requirements.
- Reduce ambiguity: Clearer requirements reduce the potential for misunderstandings and possible disputes.

ACT 206 – ARKANSAS CODE ANNOTATED 19-11-230(E)(2)(C)(II)

(ii) In responding to a request for a best and final offer, an offeror may:

Resubmit the offeror's original proposal with lower pricing or additional benefits, or both, in accordance with the specifications of the request for proposals;

Submit a written response that states that the offeror's original proposal, including without limitation the pricing, remains unchanged;

Resubmit the offeror's proposal by revising the offeror's response to one (1) or more of the specifications of the request for proposals.

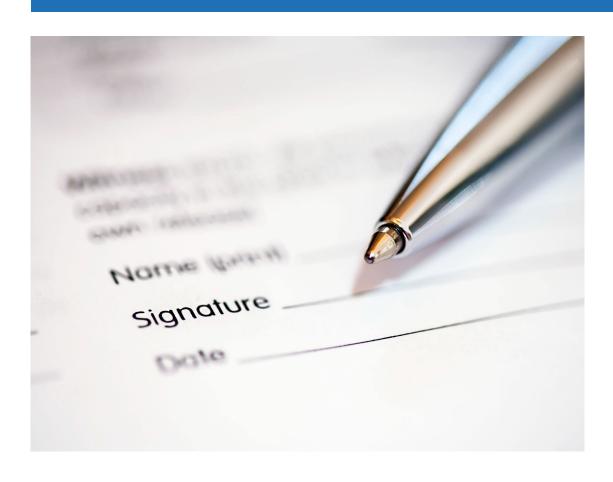
ACT 206 – ARKANSAS CODE ANNOTATED 19-11-230(E)(2)(C)(II)

• PREVIOUSLY, offerors were limited to either lowering their price or adding benefits, while keeping their original proposal intact.

Benefits:

• NOW, there is a mechanism to directly address RFP clarifications through the best and final offer process.

ACT 206 – ARKANSAS CODE ANNOTATED 19-11-230(E)(2)(C)(II)



Benefits:

- Improved quality of best and final offers.
- By allowing for revisions to substantive aspects of the proposal, offerors can submit higher-quality BAFOs.
- Greater flexibility in negotiations.

ACT 207 – TO AMEND THE LAW CONCERNING EMERGENCY PROCUREMENTS, ARK. CODE ANN. § 19-11-233(b)(2)

- (2) As used in this subsection, "critical emergency" means:
- (A) <u>An</u> emergency in which human life or health is imminently endangered; <u>or</u>
- (B) A state of disaster emergency declared under § 12-75-107.

- Expands the definition of critical emergency to include declaration of emergency by the Governor
- If the Governor declares an emergency, critical emergency purchases should still be reported to OSP at the earliest practical date

ACT 936 - TO ALLOW PROCUREMENT CERTIFICATIONS TO BE COMBINED; TO AMEND THE LAW REQUIRING CONTINGENT FEES TO BE COMBINED

Arkansas Code Annotated § 19-11-282: Combined Written Certifications.

Does not employ illegal immigrants. Ark. Code Ann. § 19-11-105.

Has not retained person to solicit or secure contract on a contingent fee basis. Ark. Code Ann. § 19-11-708.

Is not providing a state employee with a person or indirect monetary benefit. Ark. Code Ann. § 19-11-1012(b)(8).

Does not and will not boycott Israel. Ark. Code Ann. § 25-1-503; 25-1-1102.

Is not owned by People's Republic of China. Ark. Code Ann. § 25-1-1202.

Contract may be terminated if funds not appropriated. Ark. Code Ann. § 19-11-1012(b)(11).

- Previously: Contractors were required to separately certify that the contractor complies with each certification.
- Now: A contractor may certify that their certification applies to all Arkansas laws applicable to the contractor's performance under the contract.



Creates a new law that provides state and local government entities cannot enter into contracts to buy electric vehicles or EV components, if they were made using forced labor.

Requirement: A company selling EVs or its components must provide a sworn statement (certification) stating (in good faith) that no forced labor was used by anyone involved in making that product.

ACT 943 – TO PROHIBIT THE USE OF PUBLIC FUNDS BY STATE AGENCIES

Arkansas Code Annotated § 25-1-1202

• Creates a new law for state agencies <u>prohibiting</u> the use of "public" funds to buy "promotional items" made in China.







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Procurement procedure:

- Identify if an item being purchased falls under the definition of "promotional items."
- Verify the country of origin for such items.
- Ensure that promotional items made in China are not purchased with state public funds under new or renewed contracts.

ACT 343 - TO AMEND THE LAW CONCERNING STATE OWNED VEHICLES

Centralizes Some Fleet Duties Within the Department of Shared Administrative Services

Background: AR Forward initiative to improve fleet management



- DSAS will be responsible for:
 - Maintaining the state vehicle inventory;
 - Prioritizing agency requests for new vehicles; and
 - Promulgating rules for vehicle acquisition and use.
 - Reassign vehicle from one state agency to another based on need, age, condition, utilization, and justification.
- DFA approval for purchases will still be required.

ACT 343 - TO AMEND THE LAW CONCERNING STATE OWNED VEHICLES

- Arkansas Code Annotated § 22-8-105: GPS tracking
- Requires that all state-owned vehicles (except those used for law enforcement) must have a global positioning device (GPS) installed by January 1, 2028.



ACT 778 - TO REPEAL THE COMPUTER AND ELECTRONIC RECYCLING GRANTS; AND TO REPEAL THE COMPUTER AND ELECTRONIC RECYCLING FUND, ARK. CODE ANN § 19-5-1217, § 25-34-108 ET SEQ.

- Eliminates the Computer and Electronic Recycling Grant Program
- Redirects the percentage from Energy and Environment for the Grant Program to Marketing and Redistribution

FAILED LEGISLATION

- HB1376 To encourage state agencies to award a portion of state contracts to Arkansas businesses that have been in operation for less than 5 years.
- HB1560 To require pricing information for lighting components for public works projects.
- HB1949 To add medical, emergency medical, and ambulance services to the list of professional services.

ARKANSAS PROCUREMENT RULES www.codeofarrules.arkansas.gov

R7:19-11-229. COMPETITIVE SEALED BIDDING.

BID OPENING. When practical, the names of the bidders and amounts of their bids may be read aloud. Except where it may be deemed impractical, due to the nature or complexity of an invitation for bids, an abstract of bids which contains the amount of each bid and the name of the bidder shall be prepared for each invitation for bids. An abstract of bids shall be retained in the bid file and shall be available for public inspection.

19 CAR § 1-507. Bid opening.

- (a) When practical, the names of the bidders and amounts of their bids may be read aloud.
- (b) Except where it may be deemed impractical, due to the nature or complexity of an invitation for bids, an abstract of bids which contains the amount of each bid and the name of the bidder shall be prepared for each invitation for bids.
- (c) An abstract of bids shall be retained in the bid file and shall be available for public inspection.

IKASO RECOMMENDED RULE REVISIONS

- Additional rule allowing mandatory responses to a Request for Information.
- Clarify what is required to meet sole source requirements.
- Clarify how the economic justification should be calculated for approval to participate in a cooperative agreement.
- Clarify when a bid or proposal is unreasonable (too high) or unrealistic (too low).
- Specifically require protesting party to give notice to the awardee and awardee to provide response to protestor.
- Remove reference permitting an RFP to permit only three highest ranked vendors as eligible for negotiations.
- Require agency debarment or suspension to be done in consultation with OSP.

19 CAR § 1-1403. MANDATORY RESPONSE PROVISION.

Agencies may make RFI responses mandatory as a precondition for vendors to respond to any related subsequent procurements by obtaining approval from the State Procurement Director or the head of the procurement agency. In seeking such approval, the agency shall:

- (1) Issue a request letter addressed to the State Procurement Director. Email is sufficient to constitute a request. Whether delivered by email or mail, the communication should be clearly marked or labeled "Request for Mandatory RFI Responses".
- (2) Articulate in the written request the factors and reasoning for why RFI responses should be made mandatory in these circumstances, including steps that will be taken to ensure potential future RFP competition will not be limited as a result.
- (3) Attach a copy of the draft RFI to the written request.

Authority: Arkansas Code § 19-11-225.

19 CAR § 1-235. COOPERATIVE PURCHASING

(b) In seeking the determination from the director, the agency must include a verifiable economic justification as to why using the cooperative purchasing agreement is more cost effective or likely to realize savings than conducting a solicitation. A verifiable economic justification includes a comparison of current State contract pricing and the pricing under a cooperative purchasing agreement, or a comparison of information obtained from a request for information and pricing under a cooperative purchasing <u>agreement</u>, or a comparison or current contract pricing for a nearby comparable state and the pricing under a cooperative purchasing agreement. The justification should include a comparison of a sufficient proportion of the spend to extrapolate an expected overall savings.



Services Contracts

MAY OSP COMMUNICATION REGARDING PORTAL SUBMISSIONS

The Chairs of the Review Subcommittee have requested that all agencies and institutions submitting contracts and amendments for legislative review provide greater clarity and detail in the "Contract Summary" and/or "Purpose for Amendment" section within the portal.

To support the subcommittee's review process, please ensure that future submissions include a **clear and detailed description of the contract's purpose** and, when applicable, a **concise explanation for any amendments**. This additional context will help members better understand the nature and intent of each submission as they prepare for Review meetings.

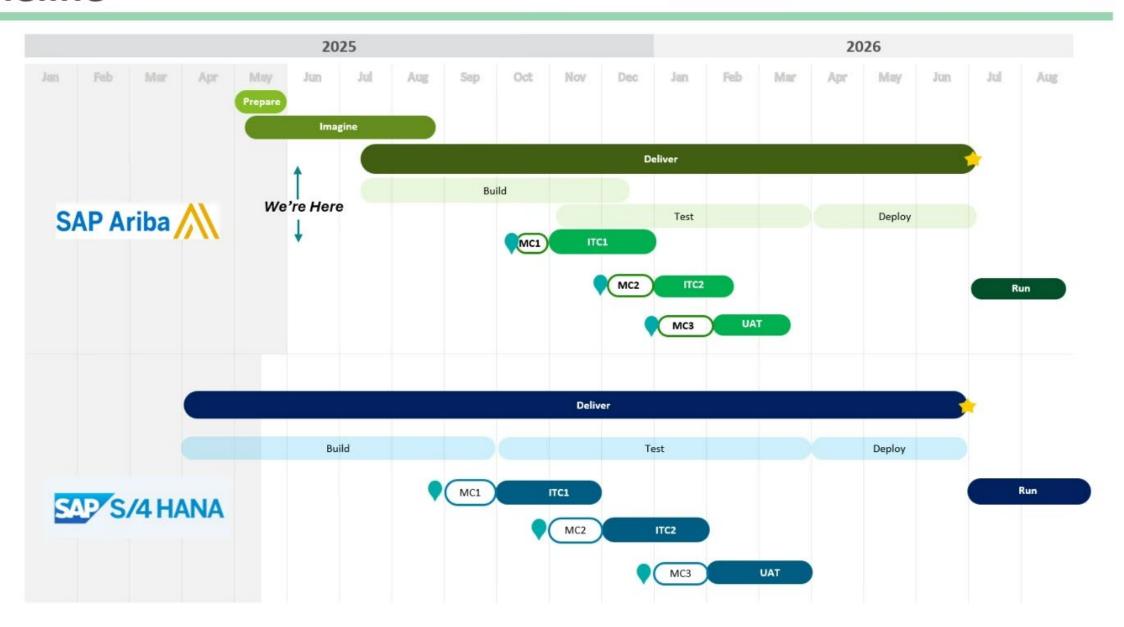
BEST PRACTICES AND TIPS

- Avoid using acronyms in the description.
- Provide enough information for someone with no prior knowledge of the contract to understand its purpose.
- State clearly what the contract is for and why it is needed.
- Submit an amendment, explain what is being changed and why the change is necessary.
- Be concise but informative—avoid vague or generic statements such as "services needed" or "continuation of existing contract."
- Tailor the description to a legislative audience who may not be familiar with your agency's internal operations.

4 SAP Ariba – What to Expect

Timeline





5 FY 26 Delegation Order

FY 26 Delegation Order

- An application process and training requirements to obtain general procurement authority
- An initial contract limit of \$2,000,000 on an agency's authority to independently perform a solicitation
- An application process for requesting written authority to independently perform a solicitation over \$2,000,000, which will be considered on a case-bycase basis

