



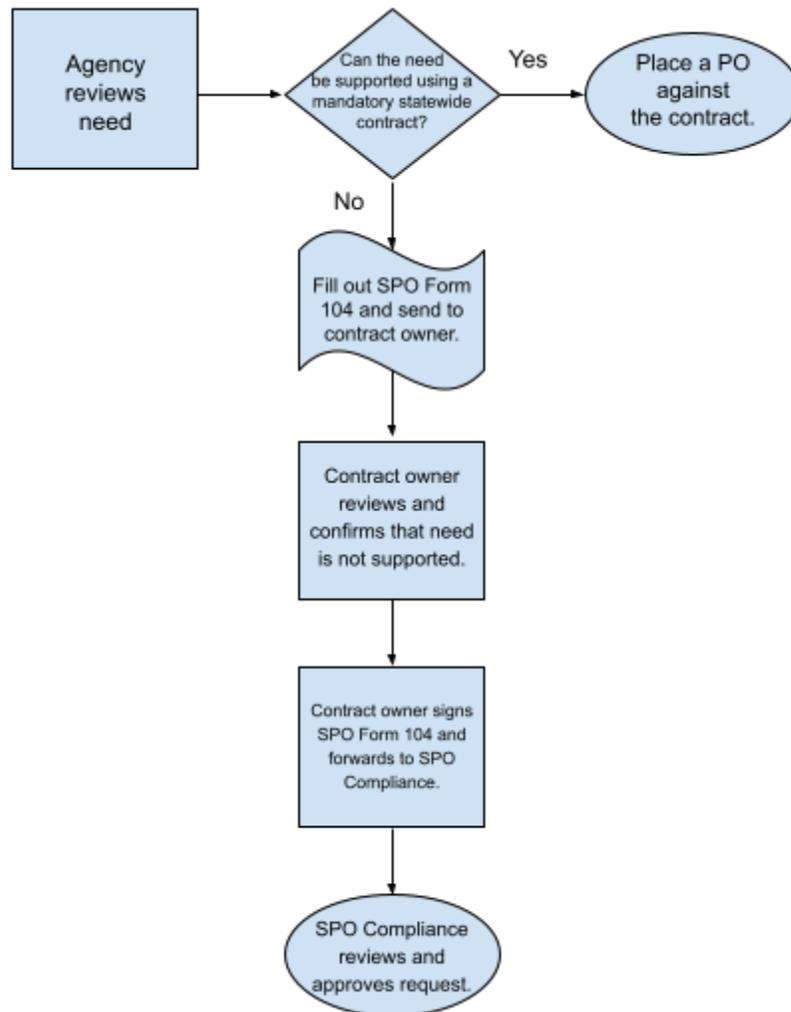
STANDARD PROCEDURE No. 040

TITLE: **Off-Contract Requests for Mandatory Statewide Contracts**
REVISION: **Number 3**
DATE(s): **Current Version: November 2, 2022 Previous Version: February 2, 2015**

I. Description

The following standard procedure shall be followed when purchasing materials or services from a supplier other than a State contractor when a mandatory statewide contract exists for the same material or service pursuant to [A.R.S. § 41-2532, Methods of source selection](#) and [A.A.C. R2-7-A301, Source Selection Method: Determination Factors](#). For these purchases, all state agencies must use [SPO Form 104 Off-Contract Procurement Authorization located on the SPO website](#).

III. Standard Procedure



1.0 Agency Reviews Request and Verifies With Existing Contractor(s)

1.1 **Receive and Review:** Agency receives and reviews the request to bypass a mandatory statewide contract and aggregate dollar amount including purchase price, taxes and delivery charges for the term of the contract and accounting for all allowable extensions and options.

See: [A.R.S. § 35-154](#) Unauthorized obligations; effect; liability
[A.R.S. § 41-2535](#) Procurements not exceeding a prescribed amount
[S.A.A.M.](#) Topic 45, Section 35: P-Card General Policies and Procedures

- 1.2** Verify Availability on Existing Statewide Contracts: Agency verifies availability of the material or service on existing statewide contracts by checking the State's eProcurement system and reviewing the Scope of Work or Specifications.

See: [A.R.S. § 41-2532](#) Methods of Source Selection
[A.A.C. R2-7-A301](#) Source Selection Method: Determination Factors

- 1.3** Verify Ability of Contractor: Agency contacts the existing contractor(s) to verify their ability to fulfill the material or service requested. Contact information can be found in the State's eProcurement system. Contractor's response should be included in Off-Contract Authorization request.

2.0 **Requesting an Off-Contract Procurement Authorization**

- 2.1** Request Off-Contract Procurement Authorization: If the material or service is dissimilar in some salient way to what is available on a mandatory statewide contract, or the contractor(s) is unable to fulfill the material or service within the terms of its mandatory statewide contract, the agency shall engage their Procurement Officer to request an Off-Contract Authorization from the State Procurement Administrator via SPOCompliance@azdoa.gov. Agency Procurement Officer shall provide factors other than cost as to why the mandatory contract can not be utilized.

- 2.2** Identify Significant Procurement Role (if applicable): If the agency Procurement Officer will solicit quotes greater than ten thousand dollars (\$10,000) for the provision of materials, services or construction, or have another Significant Procurement Role, a [Procurement Disclosure Statement \(located on the SPO website\)](#) shall be completed and included in the procurement file.

See: [A.R.S. § 41-753](#) Unlawful acts; violation; classification
[A.R.S. § 41-2503\(36\)](#) Definitions, Subsection 36, Significant Procurement Role
[Standard Procedure 003](#) Significant Procurement Role

- 2.3** Complete Off-Contract Procurement Authorization Document: Complete the Off-Contract Procurement Authorization document and 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 mandatory statewide contract, and the state contractors contacted. Include the contract number, the reason why the contractor(s) cannot meet the agency's needs under the contract, and the suggested supplier name(s) and address(es). Indicate if a competitive sourcing action will occur to secure an alternative supplier. Send the form to the contract owner listed in the eProcurement system and copy SPOCompliance@azdoa.gov.

See: [SPO Form 104](#) Off-Contract Procurement Authorization

3.0 **Post-Authorization Actions**

- 3.1** Determine Type of Competitive Action: If the Off-Contract Procurement Authorization is approved by the State Procurement Administrator or their deputy, the agency Procurement Officer shall then determine the type of competitive action that should occur based on the total aggregate cost of the purchase for the term of the contract.

- 3.2** Create Contract or Purchase Order and Send to Supplier(s): Create a Contract or Purchase Order to send to the supplier(s).

4.0 **When SP 040 Does Not Apply**

- 4.1** The requirement to request an Off-Contract Authorization may be bypassed only if the following conditions are met:

- The purchase can be made using a purchasing card (p-card); and
- The purchase does not exceed \$200 in aggregate inclusive of tax and freight (regardless of agency's set P-card limit).

Example: An agency wants to purchase a \$100 item from "House Depot". This item is on-contract with "Lowell's". Since the total purchase does not exceed \$200 and can be made using a p-card, filling out and sending SPO Form 104 Off-Contract Procurement Authorization to SPOCompliance@azdoa.gov is not required.

Note that items or services not currently within the scope of work of any existing state contract do not require off-contract authorizations.

5.0 EFFECTIVE

This Standard Procedure is hereby authorized and effective Nov 2, 2022 unless otherwise revised or repealed.



[ED Jimenez \(Nov 2, 2022 15:51 PDT\)](#)

Ed Jimenez
State Procurement Administrator