



## TECHNICAL BULLETIN No. 041

TITLE: **Limited Competition Report**

REVISION: **Number 5**

DATE(s): Current Version: **December 27, 2022** Previous Version: June 19, 2015

### I. Authority

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. § 41-2536	Sole Source Procurement
A.R.S. § 41-2537	Emergency Procurements
A.R.S. § 41-2551	Record of Procurement Actions
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-E301	Sole Source Procurements
A.A.C. R2-7-E302	Emergency Procurements
A.A.C. R2-7-E303	Competition Impracticable Procurements

### II. Definitions

Purchasing Agency: Any state governmental unit (SGU) that is authorized by this chapter or rules adopted pursuant to this chapter, or by way of delegation from the director, to enter into contracts. (Source: A.R.S. § 41-2503(34))

Competition Impracticable Procurement: A procurement requirement exists which makes compliance with A.R.S. §§ 41-2533, 41-2534, 41-2538, or 41-2578 impracticable, unnecessary, or contrary to the public interest, but which is not an emergency under R2-7-E302. (Source: A.A.C. R2-7-E303)

Emergency Procurement: Any condition creating an immediate and serious need for materials, services, or construction in which the State's best interests are not met through the use of other source-selection methods. The condition must seriously threaten the functioning of state government, the preservation or protection of property, or the health or safety of a person. (Source: A.A.C. R2-7-E302)

Sole Source Procurement: A material or service procured without competition when there is only a single source for the material or service or no reasonable alternative source exists. (Source: A.A.C. R2-7-E301)

Sole Source, Emergency, and Competition Impracticable Procurements are limited to procurements for over \$100,000. (Source: A.A.C. R2-7-E301, R2-7-E302, and R2-7-E303)

### III. Policy

A. Limited Competition Procurements: Utilization of limited competition procurements shall be rare. All limited competition procurements shall be made with as much competition as is practicable under the circumstances. At a minimum, the procurement officer shall execute a negotiation

process, if practicable, with the prospective supplier(s) identified for the limited competition procurement.

- B. Justification: A limited competition procurement may be justified when:
1. Only one source is capable of supplying the materials or service (Sole Source);
  2. There is an emergency situation that meets the requirements of A.A.C. R2-7-E302(A). (Emergency Procurement); or
  3. A number of sources capable of supplying the materials or service may exist, but compliance with A.R.S. §§ 41-2533, 41-2534, 41-2538, or 41-2578 impracticable, unnecessary, or contrary to the public interest. (Competition Impracticable).
- C. Documentation: To document authorization of these procurement methods, utilize the required forms available on the [State Procurement Office website](#). The completed, signed forms shall be made part of the procurement file and uploaded into the State's eProcurement system.
- D. Reporting: The SGU shall submit a report of all determinations made and each contract awarded under a Sole Source Procurement (A.R.S. § 41-2536, A.A.C. R2-7-E301), Competition Impracticable (A.R.S. § 41-2537, A.A.C. R2-7-E303) and Emergency Procurement (A.R.S. § 41 -2537, A.A.C. R2-7-E302).
- SPO Compliance may send an email reminder at the start of every quarter requesting the previous quarter's report. SGUs are required to submit complete reports for the previous quarter no later than fifteen (15) days into the start of the new quarter.

#### IV. Effective

This Technical Bulletin is hereby authorized and effective on December 27, 2022, unless otherwise revised or repealed.



ED Jimenez (Dec 27, 2022 13:38 MST)

Ed Jimenez, State Procurement Administrator

Dec 27, 2022

Date Signed