



Memorandum

To: All State Agencies, Boards and Commissions
Attn: Purchasing Agents,
From: Joseph A. Giddis
Date: March 7, 2005
Subject: State Procurement Policy-Agency Use of the Competitive Bid Process

The Office of State Procurement has determined that the State Procurement Law authorizes state agencies to establish contracts for goods and/or services through the use of the competitive bid method, regardless of whether or not an option for extension is included, so long as the estimated value of the initial agreement does not exceed \$25,000 and none of the individual extension periods of equal or shorter duration exceed this same dollar amount. This does not apply to contracts for leases which are covered by R2:19-11-229 and R2:19-11-234.

This determination allows agencies to establish contracts for a variety of goods and services that traditionally have been processed through the Office of State Procurement and will move the purchasing of these commodities closer to the point of need.

Questions regarding this determination should be directed to: Kathy Besancon, Kathy.besancon@dfa.state.ar.us, Dudley Meadows Dudley.meadows@dfa.state.ar.us or Jerry Hester Jerry.hester@dfa.state.ar.us in the Office of State Procurement.