



A RESOLUTION REQUIRING THE ADOPTION OF POLICIES FOR THE EQUITABLE
AND TRANSPARENT PROCUREMENT OF GOODS AND SERVICES

WHEREAS, the Arkansas Development Finance Authority ("ADFA") is an independent entity of the State of Arkansas empowered with specific functions and responsibilities to act; and

WHEREAS, Act 944 of 2025 clarified the independent nature of the ADFA and allowed increased flexibility to carry out the missions of the ADFA, including excepting the ADFA from the state's laws governing the procurement of goods and services including Arkansas Code Annotated Section 19-11-201, et seq.; and

WHEREAS, the adoption of clear standards for purchase of goods and services in a clear, consistent and auditable manner will aid the operational efficiency of the ADFA and safeguard public trust in the use of funds in the name of the ADFA.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ADFA AS FOLLOWS:

Section 1

The following policies regarding the adoption of procurement policies for the expenditure of funds will be adopted by the ADFA and implemented in all decisions as appropriate from the date of the adoption of this resolution:

"Policy

The Arkansas Development Finance Authority (ADFA) is committed to open, transparent, arms-length procurement policies which conform with the laws of the State of Arkansas and the policies and procedures adopted by the ADFA Board. The purpose of these policies is to align the purchase of goods and services with the broader policies and objectives of the ADFA and ensure compliance with the legal and ethical obligations of the ADFA.

Purchasing decisions are business decisions made on behalf of the ADFA. Procedures for budgeting and expending funds are designed to meet the requirements of Generally Accepted Accounting Principles, State of Arkansas fiscal laws and regulations that may legally apply to the ADFA, Federal Aid requirements, and applicable policies of the ADFA.

These policies reflect the ADFA's general policy of transparency and openness. ADFA staff should apply these policies with a commitment to open, free and fair transactions.

Waivers or deviations of these policies can only be made with the prior written approval of the President of ADFA. Any waivers issued by the ADFA President will be reported in writing to the ADFA Board at the next regular Board meeting.

Applicability: These policies apply only to transactions expending funds belonging to the ADFA. These policies do not apply to:



- Funds appropriated to the ADFA by the State which are located in the Arkansas State Treasury, and whose use is otherwise limited by Arkansas law; or
- Decisions otherwise determined by the Professional Selection Policies of the ADFA as adopted and approved by the Arkansas Legislative Council pursuant to Arkansas Code Annotated Section 15-5-212(a) as promulgated under 15 CAR § 60-101 et seq.

Definitions: Unless otherwise stated, definitions of terms used here will conform with those used in Black's Law Dictionary, 9th Edition, Thompson Reuters, 2005.

Board Approval Required: The prior approval of the ADFA board is required for transactions that require:

- Purchase of Good and Non-Professional Services in excess of \$100,000 over the projected life of the agreement, if applicable;
- Acquisition, disposition or leasing of any legal interest (e.g. fee title or easement) in land valued at more than \$500,000; or

General Procurement Processes: The ADFA is committed to conducting business in an open, transparent and competitive manner. Procurement decisions will be based on objective considerations of price, value, efficiency and quality and should in all cases be based on established, written facts.

- Only the total foreseeable value of a contract should be considered. Contracts cannot be structured in a manner designed to defeat procurement processes. Efforts to obtain responsive quotes or bids should be documented. Failure to obtain multiple responses to solicitation may require resubmission of the solicitation or a written statement from the procuring official that no additional responses could be reasonable obtained.
- The maximum term for the contract of services is two years. Contracts for services may be renewed multiple times but under no circumstance may a contract be extended beyond a total contract life of seven years.
- Review of bids, proposals or solicitations in excess of \$25,000 should be performed by a committee of staff of the ADFA formed for that purposes in a manner similar to form and format as that employed under Ark. Code Ann. § 15-5-409.
- For the purchase of Goods and Services, the ADFA will follow the following criteria:
 - Total contract value of Less than \$25,000: For purchases of goods and services valued at less than \$25,000, no bids are required but ADFA staff should make reasonable effort to obtain best available goods or services in question.
 - Total contract value of between \$25,000 and \$100,000: For purchases of goods and services valued at between \$25,000 and \$100,000, ADFA staff must request at least three written quotes supported by basic contractual documentation. Each quote must be considered based on value and the contract awarded based on a reasonable determination that it represents the best available option for the ADFA.
 - Total contract value in excess of \$100,000: For purchases of goods and services in excess of \$100,000, staff must use either a Request for Proposal (RFP) or an Invitation for Bids (IFB), as described below. Responsive proposals or bids must be considered by staff committee pursuant to Ark. Code Ann. § 15-5-409. Contracts shall be awarded only upon the recommendation of the staff committee and the approval of the ADFA Board.

Sole Source Procurement

Where a single vendor is the only feasible source for the goods and services to be procured, the purchase may be deemed a sole source procurement, and the vendor may be selected without using the General Procurement Process defined above.



- Requests for Sole Source procurement must be made in writing to the President of ADFA. Requests must document efforts to identify potential vendors, provide a factual basis for the request and the general justification for the request.
- Requests for Sole Source procurement can only be approved upon a showing that General Procurement Processes cannot be met with reasonable effort.

Request For Proposals

- Requests for proposals (RFP) can be used for the purchase of goods and services. They are used for purchases greater than \$100,000 when it is determined that technical ability, expertise or general ability to carry out a contract should be considered in addition to price.
- An RFP will be awarded based on consideration of both price and technical ability, i.e. the ability of the vendor to carry out the requirements of the contract.
- At a minimum, an RFP must state:
 - The weighted importance of price versus technical ability;
 - A detailed scope of work for the project;
 - Minimum criteria for vendors, if any;
 - A beginning and end date of the contract, including a projected term;
 - Applicable terms and conditions as determined by the ADFA.
- Public notice of the RFP should be provided using the ADFA website or other reasonable means.
- Unless otherwise determined by the President of the ADFA, all RFPs must be publicly posted for at least seven (7) calendar days. This period is the Solicitation Period.
- During the Solicitation Period, ADFA staff may discuss the contract with potential vendors only for the purpose of clarification and to ensure full understanding of, and responsiveness to, the solicitation requirements.
- Prospective vendors should be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals.
- Upon receipt of a submission, ADFA staff will make a determination of initial minimum criteria. Submissions which do not meet his criteria will be rejected.
- Upon the conclusion of the Solicitation Period, ADFA staff will collect all submissions which meet minimum requirements for consideration and subsequent approval to negotiate by a staff committee, acting in accordance with Ark. Code Ann. § 15-5-409.
- Nothing in these policies will prevent the ADFA from negotiating with selected vendors to achieve the best possible contract for the ADFA.

Invitation for Bids (IFB)

- Invitations for bids should be used when quality of a good or service is effectively uniform and can be confirmed in express written terms, and the only primary criteria to be considered is the price of the bid.
 - At a minimum, an IFB should include:
 - A detailed description of the goods or services to be acquired, including specific objective requirements which must be met;
 - The time frame in which the contract must be carried out;
 - Public notice of the IFB should be provided using the ADFA website or other reasonable means.
 - Unless otherwise determined by the President of the ADFA, all IFBs must be publicly posted for at least seven (7) calendar days. This period is the Solicitation Period.
 - During the Solicitation Period, ADFA staff may discuss the contract with potential



vendors only for the purpose of clarification and to ensure full understanding of, and responsiveness to, the solicitation requirements.

- Prospective vendors should be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals.
- Upon the conclusion of the Solicitation Period, ADFA staff will collect all submissions which meet minimum requirements for review. Only those submissions meeting minimum criteria will be considered.
- The award will be given to the lowest priced qualifying submission.
- Nothing in these policies will prevent ADFA from negotiating with selected vendors to achieve the best possible contract for ADFA.

Written Documents Required

- ADFA staff should reduce all contracts, regardless of value, into some form of writing. "Verbal" contracts (whether for goods or services), though they may become legally enforceable by and against ADFA, are not allowed.
- Contracts should be recorded when appropriate to the relevant forms, e.g. ADFA Services Contract Form SRV-1 or ADFA Goods Contract Forms. When appropriate, and for particularly large or complex agreements, these forms should be recorded in addition to other, binding documents relevant to the contract itself.

Terms of Contracts

- Unless otherwise provided by law or as specifically authorized by the President, a contract for procurement of goods or services from a vendor may be entered into for a period of not more than three (3) years if funds for the first fiscal year of the contemplated contract are available at the time of contracting. The President may authorize a contract for goods and services with a term of more than three (3) years if the President determines such action is necessary in furtherance of the ADFA's mission, will serve the best interests of the State, and sufficient funds currently are available or will be available for extended performance of the contract.
- Unless otherwise provided by law or as specifically authorized by the President, a contract may be extended annually for a total contract life of seven (7) years.
- Payment and performance obligations for succeeding fiscal years shall be subject to the availability and budgeting of funds.

Scope of Work

- **Scope of Work:** Contracts valued in excess of \$25,000 should include a scope of work (SOW) that specifies in reasonable detail the work to be performed, the quantity and quality of work expected, and when and where the work is to be performed. The SOW in the contract must be substantially the same as, or be a subset of, the SOW in the vendor selection documentation for that contract (e.g., written quotation, competitive bid, sealed bid, request for proposal or statement of qualifications).
- **Emergency Amendments** An existing contract can be amended on an emergency basis with the approval of the President upon a showing that facts giving rise to the amendment were not reasonably apparent or foreseeable at the time the contract was proposed and entered into.
- However, a contract cannot be amended to:
 - Expand the SOW beyond the original scope of the contract (the work within the contemplation of the parties when the contract was entered into) or the vendor selection documentation (ex. written quotations, competitive bid, sealed bid,

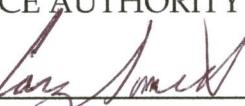


request for proposals or statement of qualifications);

- Increase the dollar amount by more than 10% of the dollar amount for the current contract term; or
- Extend the term of the contract. Any changes to existing contracts made on an emergency basis will be reported in writing to the ADFA Board at the next regularly scheduled meeting.

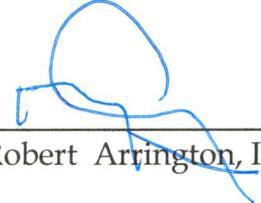
PASSED AND APPROVED this 4th day of December, 2025

ARKANSAS DEVELOPMENT
FINANCE AUTHORITY

By: 

Carey Smith, Chair

Attest:

By: 

Robert Arrington, Interim President