

## Best Value Evaluation of Responses to Small Procurements: A Guide for Strategic Sourcing Teams

### Background

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**The Small Business Purchasing Program (SBPP)** was established to support the existence and growth of small businesses by providing them with special consideration within the Commonwealth of Massachusetts' procurement process for goods and services. Effective July 1, 2021, all goods and services procurements expected to result in \$250,000 or less in annual spending (Small Procurements) must include SBPP Contract Language stating that the department intends to award a contract to a Massachusetts-based Small Business bidder if a response from an eligible SBPP participant is received and meets the department's best value criteria.

Other changes related to the SBPP include:

Prior Policy/Process	Policy/Process effective July 1, 2021
Required only for small, open-market procurements for goods and services.	Required for small, open-market procurements <b>and RFQs</b> for goods and services.
No specific notification requirement applicable to small businesses.	Departments must notify <b>at least two small</b> businesses capable of providing the product or service of the opportunity, if available. <sup>1</sup>

This guidance applies to the evaluation of responses to competitive open-market solicitations and RFQs issued on or after July 1, 2021.

### SBPP Guidance for Competitive Solicitations

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**Identifying SBPP Participating Bidders:** Departments may use the "Bidder SBPP Status, By Bid Number" COMMBUYS report to identify which of the bidders (if any) are SBPP participants. The report is available to buyers after logging into COMMBUYS under the "gear" icon. When prompted, enter the last five digits of the COMMBUYS Bid Number for the solicitation.

**Small Business Award Preference:** In accordance with the Supplier Diversity Office's *SBPP Policy*, Departments must award contracts for Small Procurements to SBPP-participating small business bidders if both of the following conditions are met:

- The response is received from an eligible small business; AND
- The response meets the Department's best value criteria as defined in the RFR or RFQ.

**Bidder Qualifications and Product/Service Specifications:** In the process of developing the RFR/RFQ, Departments are encouraged to identify the essential qualifications successful bidders must possess to be effective and define the product/service specifications that reflect the needs of the department (required qualifications and specifications). In accordance with the *General SDO Program Policy*, such qualifications and specifications must be examined critically to avoid setting requirements for the sole purpose of reducing the bidder pool (e.g. excessive liability insurance levels),

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<sup>1</sup> For contracts that have one small vendor, this vendor must be notified. Contracts that have no small vendors are exempt from this requirement.

discouraging small/niche bidder participation (e.g. “one-stop shopping” requirements), or using bidder company size as a proxy for product or service quality (e.g. size of delivery fleet vs. delivery time guarantee).

In addition to required qualifications and specifications, small procurements may include desirable bidder qualifications and product/service specifications, compliance with which may be evaluated and scored. These desirable qualifications and specifications must focus on the supplier performance and product/service quality in a manner that allows fair competition among small and large bidders.

**Best Value Criteria and Evaluation Outcomes:** Departments may use all tools afforded to them by 801 CMR 21.00 and the [Conducting Best Value Procurements](#) Handbook to evaluate responses from small procurements to identify the bidder(s) that meets the Department’s best value criteria. Departments may consider the following evaluation tools and their application to evaluating responses to small procurements.

**For solicitations that only include *required* qualifications/specifications:**

Evaluation tools	Application to SBPP evaluation
<p><b>Ensure meeting required qualification and specifications:</b> If a solicitation only includes required qualifications and specifications, Departments may develop a checklist of such criteria for bidder qualification.</p>	<p>Departments will qualify responses from SBPP participants based on meeting required criteria. The SBPP participant that meets all requirements and offers the lowest price will be chosen as the apparent successful bidder.</p>
<p><b>Set a ceiling price for the solicitation:</b> In addition to the above, bid evaluation criteria may include a maximum acceptable price for a product/service based on available funding, market research, or results of prior solicitations.<sup>2</sup></p>	<p>If the price offered by the SBPP participant is above the maximum acceptable price contemplated in the evaluation criteria, Departments must request a Best and Final Offer (BAFO) from the bidder to provide the bidder an opportunity to meet the Departments’ criteria. If the BAFO attempt is unsuccessful, Departments will review prices from <i>all</i> responses and select the bidder that meets all requirements and offers the lowest price.</p>

**For solicitations that include *required and desirable* qualifications/specifications:**

Evaluation tools	Application to SBPP evaluation
<p><b>Score responses based on meeting desirable qualifications/specifications:</b> If a solicitation includes desirable bidder qualifications and/or product/service specifications, those may be used to develop the evaluation criteria for scoring.</p>	<p>Departments will evaluate responses from SBPP participants first. The SBPP participant that meets all the required qualifications/specifications and attains the highest evaluation score will be chosen as the apparent successful bidder. Should no SBPP response meet the evaluation criteria, then other responses may be evaluated.</p>

**Best and Final Offer (BAFO):** At any point after receiving responses and prior to final selection of bidders for negotiation and award, Departments may request SBPP bidders to provide a BAFO. Such BAFO requests may be made to enhance the value offered to the Commonwealth and/or to provide SBPP bidders another opportunity to meet the ceiling price or minimum score criteria.

**Contract Negotiation:** Once the successful bidder(s) have been selected, Departments may negotiate to further enhance the value offered to the Commonwealth.

**Use of Information Submitted by Large Businesses in Response to a Solicitation:** Departments may use price and other information submitted by non-SBPP participants that otherwise meet the requirements of the bid to conduct BAFO and contract negotiations with SBPP participants.

<sup>2</sup> If this evaluation design is used, (1) the maximum acceptable price must be set prior to opening responses, and (2) the evaluation criteria should anticipate and address the possibility of no bidders meeting the maximum acceptable price criterion.