



# 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. 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.

### **Small Business Award Preference:**

For new open market procurements and RFQ's with an expected average annual value of less than or equal to \$250,000 over the life of the contract Agencies **must**:

- Notify at least two small businesses capable of providing the product or service of the opportunity, if available.<sup>1</sup>
- Include SBPP contract language and place it prominently within the RFR or RFQ.
- Evaluate bids received from, and award a contract to, an SBPP-participating small business that meets the department's best value criteria.
- Conduct a BAFO and/or negotiation before disqualifying an SBPP participating business based on price or desirable criteria.
- Award to a large business only if there is no SBPP participating business meeting departments' best value criteria.

## SBPP Guidance for Competitive Solicitations

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**Identifying SBPP Participating Bidders:** Agencies can identify contractors participating in SBPP in COMMBUYS by clicking on the Master Blanket Purchase Order. Choose the Vendor tab, then click on the Distributors tab. Diverse and eligible small businesses are identified under the Categories column.

Departments may also 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.

**Bidder Qualifications and Product/Service Specifications:** In the process of developing the RFR/RFQ, Departments should identify the essential bidder qualifications and specifications and avoid setting requirements:

- for the sole purpose of reducing the bidder pool (e.g. excessive liability insurance levels),
- discouraging small/niche bidder participation (e.g. "one-stop shopping" or statewide service requirements), or
- using bidder company size as a proxy for product or service quality (e.g. size of delivery fleet vs. delivery time guarantee).

For more guidance on qualifications and specifications please refer to the [OSD Conducting Best value Procurements Handbook](#).

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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.

**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 and 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.

- **General evaluation requirements:** Notwithstanding the BAFO consideration, Departments will evaluate responses from SBPP participants first. The SBPP participant that meets all the required qualifications/specifications and attains the highest evaluation score (if any) will be chosen as the apparent successful bidder. Should no SBPP response meet the evaluation criteria, then other responses may be evaluated.
- **Ceiling price<sup>2</sup>:** 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. If the price offered by the SBPP participant is above the maximum acceptable price documented in the evaluation criteria, Departments must request a Best and Final Offer (BAFO) from the SBPP bidder to meet the Departments' criteria. If the BAFO attempt is unsuccessful, Departments will review prices from *all* responses and select the bidder that meets all requirements that attains the highest evaluation score and that offers a price that is at or below the maximum acceptable price documented in the evaluation criteria.
- **Best and Final Offer (BAFO) and Negotiation:** Departments may use all BAFO and negotiation tools available in the Conducting Best Value Procurements Handbook at any time to enhance the value offered to the Commonwealth.
- **Use of Information Submitted by Large Businesses in Response to a Solicitation:** Departments are reminded that they 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, as described in the Conducting Best Value Procurements Handbook, linked above.

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<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 all bidders offering prices above the maximum acceptable price.