# Schmidt, Kathy

From:

Darlene Hicks < Darlene. Hicks@dfa.arkansas.gov>

Sent:

Friday, February 19, 2021 12:38 PM

To:

Schmidt, Kathy Paul Ford

Cc: Subject:

FW: Request for RFQ Procurement - Property Damage Mitigation Solicitation

Per Ark. Code Ann. 19-11-802, we have the following request for Request for Qualification.

#### **Darlene Hicks**

Statewide Procurement Coordinator
Transformation and Shared Services, Office of State Procurement
o. 501.371.1405 | f. 501.682.4252
darlene.hicks@dfa.arkansas.gov

From: Brandi Schroeder < Brandi. Schroeder@dfa.arkansas.gov>

Sent: Wednesday, February 10, 2021 4:04 PM

To: Darlene Hicks < Darlene. Hicks@dfa.arkansas.gov>

**Cc:** Edward Armstrong OSP <Edward.Armstrong@dfa.arkansas.gov>; Camber Thompson <Camber.Thompson@dfa.arkansas.gov>; Paul Ford <Paul.Ford@dfa.arkansas.gov> **Subject:** FW: Request for RFQ Procurement - Property Damage Mitigation Solicitation

Good afternoon, Darlene.

Please see the correspondence below in which Director Armstrong determined an RFQ to be the most suitable procurement method for establishing a Property Damage Mitigation Services QVL.

Please let me know if you need further information to report this determination to BLR.

Thank you,

### **Brandi Schroeder**

Statewide Procurement Coordinator
Transformation and Shared Services, Office of State Procurement
o. 501.682.4169 | f. 501.624.9311
brandi.schroeder@dfa.arkansas.gov

From: Edward Armstrong OSP < Edward.Armstrong@dfa.arkansas.gov >

**Sent:** Friday, January 15, 2021 1:55 PM

To: Brandi Schroeder < Brandi.Schroeder@dfa.arkansas.gov >

Cc: Camber Thompson < Camber. Thompson@dfa.arkansas.gov>; Paul Ford < Paul. Ford@dfa.arkansas.gov>

Subject: RE: Request for RFQ Procurement - Property Damage Mitigation Solicitation

Dear Ms. Schroeder,

Thank you for your email. Arkansas Procurement Law provides that, with some exceptions, a request for qualifications (RFQ) only be used as a solicitation method after the State Procurement Director has determine that it is the "most suitable method of procurement." Ark. Code Ann. 19-11-802.

In determining whether an RFQ is the most suitable method of procurement, the director must consider: (A) Why the request for qualifications is the most suitable method of procurement; (B) Why cost should not be considered in the procurement; and (C) How the cost of the contract will be controlled if cost is not a factor in the procurement.

From the information you've provided, it's my understanding that the goal of the solicitation will be to create a qualified vendors list (QVL) for participating entities to use in the event of a qualifying event, which will likely be an emergency that requires rapid response. An RFQ is the most suitable method for compiling a QVL.

Pricing can't be determined with specificity for property damage mitigation services that hasn't occurred yet, which is why the solicitation cannot really be determined by cost. Furthermore, regardless of the vendor, the cost is largely controlled by Xactimate, which is software that restoration and property claims industries use to estimate property damage. The solicitation will specify that costs for services be no more than 10% over the Xactimate estimate.

Based on the aforesaid considerations, I find that adequate cost controls are in place and that an RFQ is the most suitable method of procurement given the goal and the nature of the solicitation. We will need to inform the Bureau of Legislative Review (BLR) of this determination so that the proper committee or subcommittee can be informed at its next contract review.

Cordially & Respectfully,



# **Edward Armstrong**

State Procurement Director
Transformation and Shared Services, Office of State Procurement
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edward.armstrong@dfa.arkansas.gov

EPIC Service

The mission of the Office of State Procurement is to serve the citizens of Arkansas by ethically, efficiently and transparently procuring quality commodities and services for the State of Arkansas.

**From:** Brandi Schroeder < <u>Brandi.Schroeder@dfa.arkansas.gov</u>>

Sent: Wednesday, January 13, 2021 11:24 AM

**To:** Edward Armstrong OSP < <a href="mailto:Edward.Armstrong@dfa.arkansas.gov">Edward.Armstrong@dfa.arkansas.gov</a> <a href="mailto:Cc: Camber Thompson@dfa.arkansas.gov">Cc: Camber Thompson@dfa.arkansas.gov</a>

Subject: Request for RFQ Procurement - Property Damage Mitigation Solicitation

Good morning,

I am requesting permission to solicit Statewide emergency property damage mitigation services through the request for qualifications procurement method. The goal of the solicitation will be to create a qualified vendors list (QVL) for participating entities to use in the event of a qualifying event.

Pricing for property damage mitigation services is largely controlled by Xactimate, software that restoration and property claims industries use to estimate property damage. The solicitation will specify that costs for services be no more than 10% over the Xactimate estimate.

The solicitation will be created in coordination with both the Arkansas Insurance Department and the TSS Division of Building Authority, and the resulting QVL will replace the existing SP-14-0087 Emergency Restoration Services QVL.

Please let me know if you need additional information to make your determination.

Thank you for your consideration.



## **Brandi Schroeder**

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