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Management Office. Loss of Capital Assets must also be reported to the County Property Manager.

4.8 Supplementary General Principles of Law Applicable: Unless displaced by the particular provisions of this Policy, the principles of law and equity, including the Uniform Commercial Code of this state, the common law of contracts as applied in this state and law relative to agency, fraud, misrepresentation, duress, coercion and mistake or other applicable laws supplement the provisions of this policy.

SECTION FIVE: METHODS OF SOURCE SELECTION

5.1 General. Subject to the limitations of this Procurement Policy, any type of contract which will promote the best interests of this County may be used.

5.2 Sealed Bidding Process. All contracts of **\$100,000** or more shall be awarded by competitive sealed bidding except as otherwise provided in Sec. 7.1 (Competitive Sealed Bidding), Section 12.3 (Contracting for Legal Counsel), Section 9.8 (Sole Source Procurement), Section 10 (Emergency Procurements), Section 12 (Procurement of Technical & Professional Services), Section 13 (Procurement of Construction and A/E Services), and Section 13.13 (Direct Selection of Pre-qualified Technical Registrants) of this Policy.

5.3 Solicitation Prohibitions. Any bid or proposal that is conditioned upon award to the respondent of both the particular contract being solicited and another Cochise County contract shall be deemed not responsive or unacceptable.

SECTION SIX: STATUTORY REQUIREMENTS FOR PROCUREMENT

(A.R.S. § 11-254.01)

6.1. Purchase of Supplies & Materials Greater than or equal to \$100,000. All purchases of supplies, material, equipment and contractual services, except professional services, made by the County and having an estimated cost in excess of **one-hundred thousand dollars (\$100,000)** per transaction, or the aggregate amount thereof (A.R.S. § 41-2535), shall be based on competitive sealed bids. Purchases may not be artificially divided or fragmented so as to constitute a purchase under this section and to circumvent the source selection procedures required by A.R.S. §§ 41-2533 or 41-2534. (See Section Seven below)

6.2. Purchase of Supplies & Materials Less than \$100,000. Any procurement which does not exceed an estimated dollar amount of **one-hundred thousand dollars (\$100,000.00)** may be made in accordance with adopted policies contained herein and procedures promulgated by the Procurement Manager, except that the procurement shall be made with such competition as is practicable under the circumstances. See Section 8.1.1 below.

6.2.1 For purchases costing less than \$1,000, departments will use procedures providing for adequate and reasonable competition as promulgated by the County Procurement Manager. (Also see Section 8.2)

6.2.2 For purchases costing at least \$5,000 but less than \$35,000, the Procurement Officer should obtain at least three (3) oral price quotations. (Section 8.1.1.3)

6.2.3 For purchases costing at least \$35,000 but less than \$100,000, the Procurement Officer will obtain at least three (3) written price quotations. If three quotations cannot be obtained, the Procurement Officer shall document why this was not possible. (Section 8.1.1.2)

SECTION SEVEN: PROCUREMENTS EXCEEDING AGGREGATE AMOUNT OF \$100,000 (A.R.S. § 41-2535)

7.1 . Competitive Sealed Bidding (A.R.S. § 41-2553; A.R.S. § 11-254.01; A.R.S. §11-255; A.R.S. § 34-201)

7.1.1 In all Competitive Sealed Bidding for supplies, commodities, equipment, construction and contractual services (except professional services), the Procurement Manager shall issue the Invitation For Bids.

7.1.2 Invitation For Bids shall be issued in sufficient time before the date and time set for bid closing to permit free competition, unless a shorter time is deemed necessary for a particular procurement as determined in writing, by the Procurement Manager.

7.1.3 The Invitation For Bids shall be published in a newspaper in accordance with the provisions of Title 39, Chapter 2 and include the following:

- Instructions and information to respondents concerning the bid submission requirements, including the time and date set for bid closing,
- the address of the office to which bids are to be received,
- the period that the bid shall remain open,
- The purchase description, specifications, evaluation criteria, delivery or performance schedule, and inspection and acceptance requirements;
- The Contract terms and conditions, including warranty and bonding or other security requirements, as applicable.
- and any other special information;

7.1.4 If the Invitation For Bids incorporates documents by reference, the Invitation For Bids shall specify where such documents may be obtained.

7.1.5 The Invitation For Bids shall require the acknowledgment by the Respondent of the receipt of all addenda issued.

7.1.6 An Invitation For Bids may require the submission of bid samples, Descriptive Literature, Technical Data and may require a demonstration, inspection or testing of a product before Award.

7.1.7 Copies of the invitation and specifications shall be supplied to, and bids shall be solicited from, qualified sources consistent with the items to be purchased as determined by the

7.26.7 Correction or Withdrawal of Bids. The Procurement Manager is authorized to approve the correction or withdrawal of on-line bids as described in Section 7.6 (Correction or Withdrawal of Bids).

7.26.8. Bid Evaluation and Award. Responses to electronic solicitations shall be evaluated to determine which bid is the most advantageous to the county concerning price, conformity to the specifications and other factors.

7.26.8.1. A response that does not meet the specifications shall be rejected as non-responsive.

7.26.8.2 The contract shall be awarded to the responsible Respondent whose bid or response is determined to be the most advantageous to the County concerning price, conformity to the specifications and other factors. In the case of bids for goods or non-construction services, price shall be evaluated without regard to applicable taxes.

SECTION EIGHT: PROCUREMENTS NOT EXCEEDING AN AGGREGATE AMOUNT OF FIFTY THOUSAND DOLLARS (\$100,000) (A.R.S. § 41-2535)

8.1 Non-Emergency Procurement under \$100,000. Any procurement which does not exceed an aggregate dollar amount of fifty thousand dollars may be made in accordance with procedures promulgated by the Procurement Manager, except that the procurements shall be made with such competition as is practicable under the circumstances. Procurement requirements shall not be artificially divided or fragmented so as to constitute a purchase under this section and to circumvent the source selection procedures required by A.R.S. Section 41-2533 or Section 41-2534 or be artificially combined to circumvent this section.

8.1.1 Written Quotations: If practical, purchases estimated to cost more than \$35,000.00 but less than \$100,000 shall be made in accordance with the following procedures:

8.1.1.1 The Procurement Manager or designee shall solicit written quotations by issuing a Request for Quotations to at least three vendors, if possible.

8.1.1.2 Bidders shall submit quotes on a form approved by the Procurement Manager in a format accepted by the Manager, and all quotes received shall be retained in the Purchase Order File. (See Request for FAX Quote Form attached.)

8.1.1.3 The award is made to the lowest bidder meeting specification requirements concerning price, conformity to specifications, and other Procurement factors.

8.1.1.4 If only one responsive quotation is received, a statement shall be included in the contract file setting forth the basis for determining that the price is fair and reasonable. This determination may be based on a comparison of the proposed price with prices found reasonable on previous purchases or current price lists.

9.8.2.3 For purchases **not exceeding** an aggregate amount of **\$100,000**. A Requisition on Purchasing Division (RPD) shall be transmitted to the Procurement Division indicating that only one source is known to exist. Efforts should be made by the requesting department to locate any other possible sources, and the names of those contacted who were unable to supply the required items or services shall be noted in the comment section of the requisition. The Procurement Officer will review the requisition and attempt to identify any potential suppliers who are not listed on the requisition. If no other source is found, a purchase order will be issued to the sole supplier who is known to be capable of filling the order.

9.8.2.4 A request for Sole-Source Procurement **exceeding** an aggregate of \$50,000 shall be transmitted to the Procurement Manager in requisition form in the same manner as above, with the names of potential suppliers, except for proprietary purchases, who have been contacted by the requesting department listed on the requisition. The Procurement Office will attempt to locate any other potential suppliers, and will publish notice of the proposed purchase in the newspaper per A.R.S. Title 39, Chapter 2, with a request that anyone who wishes to be considered as a potential supplier contact the Procurement Manager. If any supplier other than the one previously identified is found to exist, then the purchase must be completed through the formal competitive bid process. If no other suppliers are discovered, the Procurement Manager will notify the department who will then submit a request for approval of the purchase to the Board of Supervisors for consideration as an agenda item. If the Board approves the purchase, a purchase order will be issued.

9.8.2.5 A record of sole source procurements shall be maintained as a public record. The Board of Supervisors by a vote of two thirds of its membership may make, or authorize the Procurement Manager to make, sole source procurements exceeding \$50,000. See Sole Source Authorization Form attached.

9.9 Cancellation of Solicitation.

9.9.1 An Invitation for Bids, a Request for Proposals, a Request for Qualifications or other solicitation may be cancelled, or any or all bids, proposals or statement of qualifications may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the County. Each solicitation issued by the County shall state that the solicitation may be cancelled and that any bid, proposal or statement of qualification may be rejected in whole or in part when in the best interests of the County.

9.9.2 Cancellation Prior to Opening.

9.9.2.1 As used in this Section, "opening" means the date and time set for opening of bids, receipt of statements of qualifications or receipt of proposals in competitive sealed proposals.

9.9.2.2 A solicitation may be cancelled in whole or in part when the Procurement Manager determines in writing that such action is in the County's best interest for reasons including but not limited to:

- the County no longer requires the materials, services, or construction;
- the County no longer can reasonably expect to fund the procurement; or

13.5 Types of Construction Procurement. Titles 34 and 41 of the Arizona Revised Statutes authorize the County to conduct several types of Construction and Professional Service Procurements. These Procurements are: Limited Scope Construction Procurement, Simplified Construction Procurement, Design-Bid-Build, Design-Build, Construction-Manager-At-Risk, and Job-Order Contracting. In addition, Title 28 of the Arizona Revised Statutes authorizes the County Engineer to conduct the equivalent of the Title 34 Design-Bid-Build process. The description of each Construction Procurement method is as follows:

13.5.1 Limited Scope Construction Procurement - Statutory dollar limited Construction with a simplified Bid process. Contracts are Awarded by the Procurement Manager or as delegated by the Procurement Manager.

13.5.2 Simplified Construction Procurement Program - Limited to \$100,000 including all Change Orders subsequent to Award. Invitations for Bids shall be sent to Contractors listed on an annually updated Construction Contractor register. The Contracts are Awarded by the Procurement Manager or as delegated by the Procurement Manager.

13.5.3 Design-Bid-Build - The County's Procurement method in which sequentially a Consultant under one Contract designs a project, the project is publicly Bid, and the lowest Responsible and Responsive Bidder constructs the project under a second and separate Contract. Contracts with a value of \$50,000 or less may be awarded by the Procurement Manager. Other Contracts are Awarded by the Board of Supervisors.

13.5.4 Design-Build - A Procurement method where one Contract is Awarded for both the Design and Construction of a project. Design is normally accomplished prior to Construction but, Design and Construction may occur simultaneously. The Contract is awarded by the Board of Supervisors.

13.5.5 Construction-Manager-At-Risk - A Procurement method where two Contracts are awarded for the design and the Construction of a project. Design and Construction may occur sequentially or concurrently. The Contracts are Awarded by the Board of Supervisors.

13.5.6 Job-Order-Contracting - This type of Contract is basically an "on-call" Construction Contract. This type Contract is limited to five years, and by state statute cannot exceed \$1m. The Contract is Awarded by the Board of Supervisors.

13.6 Limited Scope Construction Procurement Procedure

13.6.1 The following procedures will be used to implement Limited Scope Construction Procurements:

- Prepare specifications and scope of work. The scope of work shall be written in sufficient detail to enable a Contractor to submit a written response for the described work. The scope of work may include drawings, sketches, job project coordination requirements or other data that would affect the price. The scope of work may also require a Contractor to subcontract a minor portion of the project with a consultant to prepare drawings or other documents.

- Prepare a cost estimate for the scope of work in compliance with A.R.S. § 34-201 et seq. and this Policy.
- Prepare a Request for Quotation (RFQ) that lists the date, time and location for receipt of sealed written responses. The RFQ will be on a form approved by the Procurement Manager.
- Responses to an RFQ will be solicited in accordance with the following guidelines. A no-bid response shall constitute a response.
- For work of a nominal value of \$1,000.00 or less, one written response is required.
- For work greater than \$1,000.00 but less than \$5,000.00, two written responses are required.
- For work greater than \$5,000.00 but less than \$100,000, (A.R.S. §§ 34-201.C and 28-6713. B), three written responses are required.
- Respondents must submit their Offers as specified in the Requests for Quotation. Responses received after the due date and time or at the wrong location shall be non-responsive and will be returned to the Respondent unopened.
- Award of the Contract shall be made by the Procurement Manager and shall be made to the lowest priced Responsive and Responsible Respondent meeting all specifications.
- Should changes in the scope of work be necessary after the Award they shall be described in a Change Order on an approved form. The Change Order shall be signed by the Project Manager and approved by the Procurement Manager. The initial Contract shall direct the Contractor not to begin work as the result of any change until receipt of a written approved Change Order. See Change Order Request Form attached.
- Payment for work performed, should when practical, be made in one lump sum. Payment will be made within 45 days of the request for payment after final County acceptance. If the Contract period exceeds two months, the Contractor may request a partial payment. (In compliance with standard partial payment provisions).

13.7 Simplified Construction Procurement Procedure

13.7.1 A.R.S. § 41-2535.D shall be formally adopted for Construction Procurement as set forth herein. A Procurement involving Construction not exceeding \$100,000 may be made pursuant to rules adopted by the Procurement Manager in accordance with this section. At a minimum the rules require that:

- A list shall be maintained of persons who desire to receive Solicitations to Bid on Construction projects to which additions shall be permitted throughout the year.

basis. Prices, Terms, Conditions, total dollar limit of the order and the period covered is pre-established, not to exceed one year. Shipments are made 'when needed' or 'as required'. The vendor must be provided a written list of Department personnel that are authorized to make releases against this type order. Only authorized personnel will make releases against this type order. This type order is not dollar limit restricted to a maximum dollar value. A Blanket is often referred to as a Requirements Contract.

“Brand Name Or Equal” Specification: A specification that uses one or more manufacturers brand names or catalogue numbers to describe the standards of quality, performance and other characteristics needed to meet the requirements of a solicitation and provide for the submission of equivalent products.

Business: A corporation, partnership, individual, sole proprietors, joint stock company, joint venture, professional association, or any other legal entity, operated for profit or nonprofit that is properly licensed or otherwise authorized to do business.

Capital Asset: County property that has a total cost of \$5000 and up. This includes shipping, handling, taxes, installation, assembly, and testing expense.

Change Order: (A.R.S. 41-2552) A written alteration to a contract or purchase order, signed by the Procurement Manager, in accordance with the terms of the contract, unilaterally directing the contractor or vendor to make changes with or without the consent of the Contractor or Vendor.

Commodity: A transportable article of trade or commerce that can be bartered or sold.

Contract: A written instrument or electronic document containing the elements of offer, acceptance, and consideration to which an agency is party. It includes but is not limited to contract of a fixed price, cost, plus a fixed fee, or incentive type. It also includes contracts providing for the issuance of job or task orders, equipment leases, real estate rentals, maintenance agreements, letter contracts and purchase orders.

Competitive Threshold: Any purchase where the aggregate total is in excess of **\$100,000**, must be competitively selected.

Competitive Sealed Bid: The method of procurement which requires: the issuance of an Invitation for Bid with a purchase description including acceptance criteria and all contractual terms and conditions; a public opening of bids at a pre-designated time and place; unconditional acceptance of a bid without alteration or correction except as authorized in the County Procurement Policy; and, award to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the Invitation for Bids.

Competitive Sealed Proposal: The method of procurement which involves but is not limited to: Solicitation of proposals through a request for proposals; the opening of proposals will avoid disclosure of offerors or contents to competing offerors before and during the process of negotiation; submission of cost or pricing data from the offeror where required; discussions with responsible offerors whose proposals have been determined to be reasonably susceptible of being

Request for Quotation (RFQ): An informal request for information where oral or written quotes are obtained from vendors without formal advertising or receipt of sealed bids. This process is used when statutes do not require formal sealed bids in the solicitation of quotations from vendors and suppliers and is based primarily, if not exclusively, to the pricing on the same or like products and services. Used when price competition is desired. Verbal and written Quotation Thresholds for Cochise County are as follows:

- For purchases greater than \$5,000 but less than \$35,000 you must Obtain oral price quotations from three or more vendors.
- For purchases cost at least \$35,000 but less than **\$100,000**. obtain written price quotations from three or more vendors

Requisition on Procurement (RPD): The procurement process does not start until the end-user prepares and forwards an approved purchase request to the Procurement Division. The purpose of the requisition is to provide the Procurement Division with the proper approvals and sufficient information necessary for initiating procurement.

Responder: One who submits a response to a solicitation document.

Responsible Bidder: A bidder whose reputation, past performance, and business and financial capabilities are such that the bidder would be judged by an appropriate authority as capable of satisfying an organization's needs for a specific contract.

Responsive Bidder: A bidder whose bid does not vary from the specifications and terms set out in the invitation for bids.

Sealed: A method determined by the Procurement Manager to prevent the contents being revealed or known before the deadline for submission of responses.

Open Purchase Order: Used for open market purchases of bits and pieces of equipment or supplies needed for day-to-day operations from the same vendor within a specified time frame. Prices, Terms and Conditions are not pre-determined. An Open Order does no more than establish a "line of Credit". Open Purchase order total cannot exceed \$1000. Individual purchases made on this type order will not exceed \$100 per transaction. Procurement requirements may not be artificially divided to circumvent these source selection requirements.

Personal Property: All supplies, equipment and materials, excluding real property.

Procurement Card or P-card: A credit card issued to an individual employee of the County for the purpose of making authorized purchases of products or services on its behalf. The procurement card program is designed to reduce the amount of processes, time, and costs incurred when making various purchases for the County. The County realizes substantial cost savings by reducing: 1) the number of purchase orders; 2) checks that must be printed and issued; and 3) the volume of invoices that must be matched and paid.

Point of Origin (shipping point): The location where a shipment is received by a transportation line from a shipper.

Prequalification of Vendors: The screening of potential vendors in which such factors as financial capability, reputation and management are considered when developing a list of qualified vendors. Also see Vendors List.

Price agreement: A contractual agreement in which a purchaser contracts with a vendor to provide the purchaser's requirements at a predetermined price. Usually involves a minimum number of units, orders placed directly with the vendor by the purchase, and limited duration of the contract. See also Blanket Contract and Requirements Contract.

Procurement: The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, store keeping, and salvage and disposal operations.

Proprietary or Sole Brand: The only items that can perform a function and satisfy a need. This should not be confused with "Sole Source." An item can be proprietary and yet available from more than one source. Example: A lens for a particular brand camera. The manufacturer's lens is the only one that will fit the camera but it can be purchased from more than one source, thus, it is not sole source.

Public Procurement: The process of obtaining goods and services for public purpose following procedures implemented to protect public funds from being expended extravagantly or capriciously. Procurement practices are mandated by legislature.

Qualified Products List (QPL): A list of products that, because of the length of time required to test and evaluate, are tested in advance of procurement to determine which suppliers comply with the specification requirements. Also referred to as an "approved brands list."

Qualified Vendor/Responsible Vendor: A vendor determined by a buying organization to meet minimum set standards of business competence, reputation, financial ability and product quality for placement on the vendor list.

Request for Information: Known as an RFI, this process refers to the solicitation of quotations from vendors and suppliers and is intended to provide assistance to the requisitioning unit in determining pricing, specifications, and market availability. This is for information purposes only and not an actual RFQ. Often used to determine if vendors are available to provide the services required.

Request for Proposal (RFP): The most intensive type of "full and open" procurement process. A Formal sealed-bid process for the solicitation of quotations from vendors and suppliers when the work/purchase is over **\$100,000**. This procurement technique is used when the requirements are not clearly known, are qualitative rather than quantitative, when the term of contract is multi-year, or when the requesting department is looking for a solution to a problem, and/or the selection of a supplier is being made not only on price but a combination of non-price-factors such as – specifications, warranties, liabilities, quality, performance abilities, experience, lead time, delivery, setup and references. Frequently this process is conducted with the assistance of a selection committee who will "grade or rate" proposals based on the various 'weighted' criteria.