



**CITY OF SIERRA VISTA**

**GENERAL PROCUREMENT**

**POLICY AND PROCEDURES MANUAL**

**(REVISED NOVEMBER 3, 2023)**

CITY OF SIERRA VISTA  
PROCUREMENT POLICY & PROCEDURES MANUAL  
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CITY OF SIERRA VISTA  
PROCUREMENT POLICY MANUAL  
CHAPTER 1 – GENERAL

1-1 PURPOSE

The purpose of this manual is to provide direction for employees of the City of Sierra Vista involved in requesting, ordering, receiving, or paying for and disposing of goods, services, and construction needed by the City, and to guarantee fair and equitable treatment of all persons involved in providing those goods, services, or construction to the City.

1-2 AUTHORITY

This manual is authorized by § 39.03 (B) (3) of the City’s Procurement Code, adopted by the Sierra Vista City Council on November 30, 2016.

1-3 APPLICABILITY

- A. All City of Sierra Vista employees, whether compensated or non-compensated are governed by Chapter 39, Procurement Code, of the Sierra Vista City Code.
- B. All expenditures of funds by City of Sierra employees, regardless of fund source, for goods, services, and construction, and all sale and disposal of City property shall be made in accordance with these procedures.

1-4 RESPONSIBILITY

- A. The City Manager is charged with overall responsibility for the City’s procurement system. This responsibility is exercised through the Chief Procurement Officer (CPO).
- B. The CPO is the principal public purchasing official for the City. The CPO’s responsibilities are enumerated in § 39.03 of the City’s Procurement Code.
- C. Department heads are responsible for their employees’ compliance with the provisions of the City’s Procurement Code and with this manual.
- D. Any purchase or contract entered into by any elected official or appointed City official, department head, or employee that violates the provisions of the Procurement Code or these procedures may be held personally and financially responsible for that violation. Violation of these policies and procedures may be grounds for disciplinary action, to include termination.

## CHAPTER 2 – PURCHASING CYCLE

### 2-1 DEFINITION

The purchasing cycle is the series of activities that must be undertaken to ensure that City departments receive the goods, services, or construction needed to perform their missions in support of the citizens of the City.

### 2-2 SEQUENCE AND RESPONSIBILITIES

The purchasing cycle consists of the following steps.

- A. RECOGNITION OF NEED. Recognition of a need may occur at many levels of hierarchy within the City. For major Capital Improvements Projects, it may originate at City Council Level. For routine operational supplies, it may originate with the user.
- B. PREPARATION OF DESCRIPTION (SPECIFICATIONS). Originating department.
- C. PREPARATION OF A REQUISITION. Originating department.
- D. SOURCE SELECTION AND PROJECT DELIVERY METHOD. This responsibility resides with the CPO, who may solicit recommendations from the originating department.
- E. PREPARATION, ISSUE, AND RECEIPT OF SOLICITATION. Procurement Division. Unless specifically authorized by the CPO, this activity may not be delegated.
- F. REVIEW AND EVALUATION OF BID TO DETERMINE THE MOST ADVANTAGEOUS TO THE CITY. Procurement Division. The CPO may solicit recommendations from the originating department.
- G. RECEIPT OF GOODS, SERVICES, OR CONSTRUCTION. Procurement Division with the assistance of the originating department.
- H. PAYMENT TO VENDOR. Accounts Payable - Finance after certification of compliance with specifications from originating department.
- I. DISPOSAL OR TRANSFER OF GOODS. CPO.

## CHAPTER 3 – CENTRALIZATION AND DELEGATION

### 3-1 AUTHORITY

As provided by the Sierra Vista City Code, all rights, powers, duties, and authority relating to the procurement of supplies, services, and construction, and the management, control, warehousing, sale, and disposal of supplies, services, and construction are vested in the CPO.

3-2 DELEGATION

As authorized by Code, the CPO may delegate limited procurement authority in writing to designees, or to any department, agency, or official.

3-3 INTERNAL CONTROLS

When authority has been delegated, each department head shall bear responsibility for sufficient internal controls to assure compliance with the provisions of the Procurement Code and this manual.

CHAPTER 4 – REQUISITIONS

4-1 PURPOSE

The purpose of a requisition is to communicate the need of a user to the Procurement Division, and to provide for its fiscal validation. A well-thought-out requisition forms the basis for a solicitation sent to bidders or offerors, and is essential for assuring the completion of a timely and economical purchasing transaction.

4-2 PRE-PLANNING

- A. Before entering a requisition, the using department should invest the appropriate amount of time and planning to be certain the requisition is prepared properly, to include account information and project number if applicable. If the using department has a critical, complex, or expensive requirement, taking time at the front end will save time later. *It is important to coordinate with the Procurement Division in advance for requirements that are critical and time sensitive.*
- B. Procurement dollar thresholds will determine which methods of procurement are available to use and the lead time necessary to solicit pricing. The following identifies thresholds for the various procurement methods allowed.



<b>Method</b>	<b>Threshold</b>	<b>Comments</b>
<b>Direct Check Request</b>	\$2,500.00	The maximum allowable amount for direct check request without prior authorization from Procurement shall not exceed \$2,500.00.
<b>Direct Check Requests for items not defined as a “procurement” per City Code.</b>	Any Dollar Amount	<ul style="list-style-type: none"> <li>• Payments to Utilities</li> <li>• Reimbursements to local businesses for city-approved grants</li> <li>• Membership Fees not related to a specific service performed or supply provided.</li> <li>• Advertising</li> <li>• Insurance purchases</li> <li>• Library books</li> </ul>
<b>P-Cards</b>	\$2,500.00 max Per Transaction	Individual employee limits will be raised or lowered as necessary. Limit adjustments must be submitted and/or approved by the requesting department head and approved by the CPO and City Manager.
<b>Small Purchases:</b>	\$0-\$2,500.00	Departments are authorized to purchase up to \$2,500.00 without entering a requisition and may use any approved method. Purchasing Cards are the preferred method for Small Purchases.
	\$2,500-\$9,999	A requisition shall be entered and Procurement will obtain the goods or services using whichever method and from which vendor it deems to be most advantageous to the City. The CPO may authorize the direct acquisition of goods and/or services within the \$2,500 - \$9,999 threshold limit if deemed in the City’s best interest.
	\$10,000-\$99,999	Requisition must be entered. Procurement must solicit and strive to obtain three written quotes and maintain appropriate documentation in accordance with State Law.
<b>Formal Solicitations</b>	\$100,000 and Up	Any order or contract expected to be \$100,000 or more shall require a formal solicitation. Procurement will use a Request for Sealed Bids or Request for Proposals, whichever is deemed most appropriate and advantageous to the City. Requisitions must be entered.

<p><b>State Contract/ Cooperative Contracts</b></p>	<p>N/A</p>	<p>Requisitions shall be entered. The above Thresholds and Procedures do not apply if an item or service is available for use on a State Contract or Cooperative Contract. Procurement shall use its best judgment in determining which Procurement Method to use. Procurement shall perform due diligence to ensure that the contracting entity complied with proper Procurement procedures</p>
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- C. Small dollar goods or services, procured under the provisions of § 39.14 (Small Purchases) of the Procurement Code, may be obtained within ten days or less from the time of receipt of the validated need by the Procurement Division. Procurements with more complex requirements will necessarily require additional processing time. Administrative lead time for complex procurements includes preparation of the solicitation document(s) and review by the using department prior to release of the solicitation. The following are the **minimum days expected from solicitation to opening**, to be used for planning purposes. More complex procurements may require additional time.

<u>Type Solicitation</u>	<u>Minimum Days to Opening</u>
Informal Written Quote	7
Sealed Bid w/o Pre-Bid Conference	17
Sealed Bid w/Pre-Bid Conference	16 to conference 24 to opening
Request for Proposals w/o Conference	17
Request for Proposals w Conference	16 to conference 24 to opening

## CHAPTER 5 – SPECIFICATIONS

### 5-1 DEFINITION

Prior to, or coincidentally with the preparation of a requisition, the responsible department must develop a clear, concise, but thorough description of their need. The term “specification” refers to that portion of a solicitation that describes the physical or functional characteristics, or the nature of a supply, service, or construction item required by a using department. It is used interchangeably with the terms, “purchase description,” “purchase specification,” “purchase requirement,” “commercial item description,” “technical specification,” “scope of work,” “and “statement of work.” A specification may include requirements for samples, prototypes, inspection, testing, warranty, and packaging. *The specification portion of a solicitation should not contain bidding instructions, contractual terms and conditions, delivery, pricing formats, or similar items.*

## 5-2 RESPONSIBILITY

The Sierra Vista City Code gives the CPO the authority and responsibility for specifications. Because the purpose of a specification is to translate a user's need into the delivery of a good or service, the development of specifications must be a cooperative effort between the responsible department and the Procurement Division. Prior to release of a specification as part of a solicitation, the CPO must be satisfied that it will result in a fair and equitable competitive procurement.

## 5-3 TYPES OF SPECIFICATIONS

There are several types of specifications. The development, selection, and use of a particular type of specifications will be dependent on the situation, time, information available, and needs of the user. Infrastructure facility construction normally combines elements of both performance and design specifications.

- A. **PERFORMANCE SPECIFICATIONS.** Performance specifications (sometimes known as functional specifications) communicate what a product is to do, rather than how it is to be built.
- B. **DESIGN SPECIFICATIONS.** Design specifications employ dimensional and other physical requirements, and concentrate on how a product is fabricated, rather than on what it should do. Design specifications are normally prepared by architects and engineers for construction or custom manufactured products.
- C. **BRAND NAME OR EQUAL SPECIFICATIONS.** When a specification mentions a manufacturer's brand name or model number, it shall also include the words, "or equal." In this regard, "or equal" means, "*substantially equal to and capable of performing the essential functions of the referenced brand name or model.*"
- D. **SCOPE OF WORK FOR SERVICES.** A scope of work (also known as statement of work) is used in the procurement of professional or other services. The statement of work generally consists of general requirements, which describe the contractor's responsibility to provide a service or produce a specific study, design, or report for the user. Specific requirements address the specific tasks, subtasks, parameters, and limitations which must be considered in producing the final product.

## 5-4 SPECIFICATION "DO'S" AND "DON'TS"

- A. **DO'S**
  - 1. Use the word "shall" to describe a command or mandatory requirement.
  - 2. Use the words, "should", "will" or "may" to describe an advisory or optional requirement.
  - 3. Be specific and detailed in presenting mandatory requirements.
  - 4. State a requirement of fact once and avoid duplication.

B. DONT'S

1. Present something as mandatory if it is really only optional.
2. Write specifications of scope of work that restricts response a single bidder or offeror.
3. Place bid/proposal administrative or contractual terms in the specification portion of the document.

5-5 PREPARATION AND REVIEW OF SPECIFICATIONS

Departments shall be responsible for preparation or review and approval (if prepared for the City by architects, engineers, designers, and draftsmen), of (at least) the first draft of specifications, to be submitted to the CPO for review. All written specifications must be delivered in an electronic format, preferably in a .doc (MS Word) format. After Procurement review, if any changes were made, a redlined draft will be returned to the originating department for final review.

CHAPTER 6 – SOLE SOURCE AND EMERGENCY PROCUREMENTS

6-1 GENERAL

- A. The Sierra Vista City Code § 39.15 (Sole Source Procurements) allows for exemption from the competitive process when the CPO determines in writing that there is only one source practicably available to supply a good or service.
- B. The Sierra Vista City Code § 39.16 (Emergency Procurements) also authorizes the CPO to approve a waiver of the competitive process when an emergency develops that threatens termination of essential services or that threaten the public safety, health, or welfare.

6-2 SOLE SOURCE PROCUREMENTS

- A. CRITERIA. The following are the criteria used by the CPO for determination of sole source.
  1. The vendor is the original equipment manufacturer, and there is no regional distributor.
  2. The parts or equipment requested are not interchangeable with similar parts or equipment available from another manufacturer.
  3. No other equipment is available that will meet the specialized needs of the department or perform the intended function.
  4. Continuity/integration of operations for installed systems or equipment requires interoperability that is only available by purchasing the proposed parts or equipment.

5. Detailed justification is available which establishes beyond a reasonable doubt that the vendor is the only source practicably available to provide the item or service required.

B. PROCEDURES. The following sole source procedures shall be used.

1. For procurements of \$10,000 or less, the CPO may request sole source justification from the using department.
2. For procurements expected to exceed \$10,000, the requesting department shall prepare and submit sufficient documentation that the CPO may certify that the procurement is valid in accordance with paragraph A, prior to placing an order. The CPO will require the vendor to submit cost or pricing data to substantiate prices offered, and as a basis for negotiations if required.
3. An approved sole source determination shall remain valid for subsequent purchases of the same item or service for a period not to exceed three years. After expiration the requesting department shall prepare additional justification to demonstrate that the original circumstances justifying the sole source continue to remain valid.
4. All documentation pertaining to the sole source determination shall be made a permanent part of that procurement file, and shall be made available to the public upon request.

6-3 EMERGENCY PURCHASE PROCUREMENTS

A. CRITERIA. The criteria listed below shall be used for determining whether to use emergency purchase procedures. **NOTE: Poor planning does not constitute an emergency situation.**

1. An equipment breakdown or act of God threatens to terminate essential services; or,
2. Public safety, health, or welfare is threatened by a dangerous condition or immediate need for supplies, equipment, or services.

B. PROCEDURES. The following emergency procedures shall be used.

1. During normal City business hours, the affected department shall notify the CPO of the emergency situation and request verbal approval to proceed with the emergency purchase. The department should provide the following information.
  - a. The nature of the emergency.
  - b. If known, the estimated cost of the goods/services required.
  - c. The vendor recommended to receive the order.

2. After normal City business hours, the affected department head may initiate an emergency purchase. The existence of an emergency does not negate the requirement to seek and document competitive sources and prices whenever practicable.
3. In all cases of emergency procurement, a written justification for the procurement shall be prepared and signed by the department head, and forwarded to the CPO for approval of waiver prior to close of the next regular business day. The emergency justification shall be accompanied by a requisition for a confirming purchase order.

## CHAPTER 7 – PURCHASING CARDS

### 7-1 GENERAL

The Sierra Vista City Code § 39.14 (E) establishes purchasing cards as a method of making small purchases. Additional guidelines may be found on Administrative Directive ADM-PRO-2015-78. A City of Sierra Vista purchasing card entrusts the employee with the responsibilities of an ordering officer, authorized to expend City funds for low dollar, off-the-shelf supplies and services needed by their department. Commensurate with this authority rests the responsibility to assure that the City Code and these procedures are followed. Failure to comply with these rules and procedures may result in removal of authority to serve as ordering officer, and in extreme cases, disciplinary action, termination, and/or pecuniary liability for misappropriation of City funds.

A complete copy of the Procurement Card policy manual is included at the end of this manual.

### 7-2 CONDITIONS

- A. A purchasing card is used to purchase low dollar off-the-shelf items, such as repair parts or services, hardware, food, travel, hotel accommodations, professional memberships, subscriptions, and sundry items that are not otherwise stocked or used in large quantities.
- B. Each employee issued a purchasing card will be assigned a single purchase limit and/or a daily/monthly purchase limit. Attempts at making purchases that exceed these limits will automatically be disallowed by the system. A case-by-case waiver to increase the limit(s) may be made through, and with the approval of, the CPO. Purchases shall not be artificially divided so as to comply with established limits.
- C. Purchasing cards issued to City employees shall not be used to purchase fixed asset items, items or services paid for by federally funded grants, computer hardware and/or software, medical services, or items that are on City blanket order or require a signed contract.
- D. Supplies/services must be stocked/provided by the vendor. Back orders and partial shipments are not authorized.

- E. Supplies/services are needed immediately, and are not normally ordered in large quantities or stocked for consumable inventory.
- F. Cash advances are not authorized, and are not permitted with purchasing cards.
- G. The using department head must certify that every purchase made by department personnel was for official use only by approving each purchase in Munis during the reconciliation service.
- H. The using department shall be responsible for the payment from their budgeted funds of any penalties and/or interest resulting from their failure to certify invoices for payment by the date required.

7-3 EMPLOYEE RESPONSIBILITY

An employee to whom a purchasing card has been issued bears the responsibility to ensure that all rules established by City Code and these procedures are followed. At a minimum, the employee shall:

- A. Use their purchasing card only for transactions required by their duties as an employee of the City of Sierra Vista (official use only).
- B. Safeguard their purchasing card, and ensure it is not inadvertently used for personal purchases.
- C. Immediately report unauthorized use, loss, or theft to their department and to the Procurement Division.

7-4 CERTIFICATE

All City employees issued a purchasing card shall read and sign the following certificate prior to receiving a card:

I, \_\_\_\_\_ certify that I have read and understood the City of Sierra Vista procedures for purchasing cards. I understand that I must immediately report misuse, loss, or theft to the CPO and my department director. I understand that my use of a purchasing card is subject to approval by the CPO, and it may be revoked by the CPO or my department director at any time without notice. I further understand that failure to conform to these procedures and to the City Purchasing Code may subject me to disciplinary actions, termination, and/or pecuniary liability for misappropriation of City funds.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

APPROVED:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Procurement Officer

NOTE: Copies of this certificate shall be retained in the Department and Procurement Division files.

7-5 DEPARTMENT DIRECTOR RESPONSIBILITIES

- A. Ensure that all department employees issued a purchasing card understand the rules and procedures, and that purchases are made within budgetary limits.
- B. Select individuals to be issued a purchasing card, and ensure they are properly trained in their use.
- C. Review monthly statements and certify that all purchases meet the requirements of the Code and these procedures, and forward to Finance for payment by the date due.
- D. Confirm that the misuse, loss, or theft of a purchasing card issued to a department employee is reported to the Procurement Division.
- E. Ensure that employees issued a purchasing card return their cards to the Procurement Division upon notice of termination or revocation of purchasing card privileges.

7-6 FINANCE DIVISION RESPONSIBILITIES

- A. Process invoices for payment, and issue check(s) to the purchasing card company expeditiously so as to avoid the assessment of late fees and/or interest.
- B. Ensure purchases are charged to the proper accounts.
- C. Assess any department-caused late fees and/or interest to that department's budgeted funds.

7-7 PROCUREMENT DIVISION RESPONSIBILITIES

- A. Serve as the City of Sierra Vista administrator for the purchasing card program. Maintain liaison with the purchasing card company.
- B. Issue written purchasing card procedures.
- C. Review department requests for purchasing cards, and request the cards from the financial institution.
- D. Issue purchasing cards to employees upon receipt of a signed certificate executed in accordance with paragraph 7-4.
- E. Maintain the file of card holder certificates.
- F. Spot check individual usage to ensure department compliance with procedures.

CHAPTER 8 – CONTRACTS



## 8-1 GENERAL

A contract is any written agreement, regardless of what it is called, for the procurement or disposal of supplies, services, or construction. To be effective, a contract must include an offer and acceptance by competent parties, and the furnishing of some good or service for an agreed monetary consideration.

## 8-2 TYPES OF CONTRACTS

The City of Sierra Vista uses several types of contracts.

- A. **BLANKET PURCHASE AGREEMENT.** A blanket purchase agreement, also known as a BPA, establishes the commitment of a vendor to furnish the City's requirements for items or services on an as-required, over-the-counter basis. An example of a BPA is an auto parts contract.
- B. **TERM CONTRACT.** A term contract establishes a source of supply for a good or service for a specified period of time. Most construction contracts and all City contracts for professional services are term contracts.
- C. **REQUIREMENTS CONTRACT.** A requirements contract is an indefinite-quantity agreement in which the City is obligated to order, and the vendor is obligated to supply, all of the City's normal requirements for goods and/or services, for specified prices during a specified period. An example is the contract for installation, upgrade, maintenance, and repair of the City's integrated building automation and access control system.

## 8-3 ORIGIN OF CONTRACTS

The City of Sierra Vista uses contracts from various sources.

- A. **ARIZONA STATE CONTRACTS.** Most contracts negotiated by the State of Arizona include terms which allow political subdivisions to use the contracts. Since these contracts are competitively bid, the City may use them whenever it is advantageous to the City, which will almost always be the case.
- B. **COOPERATIVE PURCHASING CONTRACTS.** An Arizona state contract is technically a cooperative purchasing contract because it is entered into through an intergovernmental agreement (IGA) with the state. However, the City Code authorizes the CPO to enter into such agreements with other public procurement units. Such public procurements include other Arizona political subdivisions, any agency, board, department, or other instrumentality of such political subdivision, or any nonprofit corporation created solely for the purpose of administering a cooperative purchase under the laws of the state. It may also include any other state, or a political subdivision thereof, or an agency of the United States.
- C. **CITY OF SIERRA VISTA CONTRACTS.** A City contract is negotiated by the City's Procurement Division for city-wide purposes or for a specific department.

8-4 USE

- A. Whenever the Procurement Division negotiates a contract for a particular commodity or service, City departments must use that agreement, rather than requisition a non-contract item.
- B. If the Procurement Division becomes aware of a contract competitively entered by another jurisdiction that may be of use to the City, the Procurement Division must first verify that the vendor will extend the contract for City use. Nearly all City contracts now include language which allows IGA partners to use the contract. Similarly, many other state political subdivisions have similar language.

8-5 APPROVALS

- A. Only the City Manager and CPO are authorized by City Code to bind the City under contract for the procurement of goods, services, or construction, unless a specific delegation or exemption is made by letter of authority to another official or employee.
- B. The CPO shall secure the signature of the contractor on all contracts. The CPO shall sign and forward the contract to the City Attorney for approval, and to the City Clerk for attestation. After processing, the CPO will return a fully-executed copy to the contractor, and make distribution of such additional copies as necessary.

8-6 CONTRACT ADMINISTRATION

The responsibility for administration of City contracts resides in the Procurement Division. Because of limitations in the areas of expertise of the Procurement staff, the CPO will normally enlist the assistance of the using department's project officer to ensure thorough compliance with all technical provisions of the contract.

- A. **CONTRACT ADMINISTRATION DUTIES.** Among the contract administration duties of the Procurement Division are the following:
  - 1. Preparation of all administrative documentation, from solicitation through contract closeout.
  - 2. Review, approve, and formally issue all requests for changes in delivery, price, or specification before any action is taken by the department or contractor.
  - 3. Process pay requests through department project officer for review and approval, and forward to Finance in time to meet payment deadlines.
  - 4. Prepare and issue letters of demand, default, and termination to contractors.
  - 5. Resolve disputes with contractors.
  - 6. Maintain the City's record file of the contract.

- B. **PROJECT OFFICER DUTIES.** Among the duties of the using department's project officer are the following:
1. Prepare and/or review and approve specifications.
  2. Document all activities of the contract and forward documents to Procurement for the record file.
  3. Notify Procurement promptly of any disputes, failures to perform, or other problems with contractors.
  4. Review, verify, and certify pay requests in an expeditious manner.
  5. Prepare and forward written contract acceptance and closeout documents to Procurement.

## CHAPTER 9 – COMPETITIVE SEALED BIDS

### 9-1 PURPOSE

The purpose of this chapter is to establish the City's policy for the purchase of goods and services using competitive sealed bidding.

### 9-2 DEFINITION AND AUTHORITY

Competitive sealed bidding is a method of source selection in which award is made to the lowest responsive and responsible bidder whose bid complies with the specifications contained in the invitation for bids. This means that price is the decisive criterion for determining the vendor who will receive the award. The City Procurement Code establishes competitive sealed bidding as the default method of source selection.

### 9-3 ELEMENTS AND RESPONSIBILITIES

- A. **ELEMENTS.** The competitive sealed bidding process includes the following elements:
1. Issuance of a written invitation for bids (IFB).
  2. Public notice of the IFB by City website, emailing notices to potential bidders using the City's e-Procurement system available on the City's website, and publishing in a newspaper of general circulation.
  3. Public opening at the date, time, and location advertised.
  4. Evaluation of bids based upon criteria set forth in the IFB, to include a determination of responsiveness and responsibility.
  5. Award to the lowest responsive and responsible bidder whose bid meets the specifications.
- B. **DEPARTMENT RESPONSIBILITIES.** The originating department shall be responsible for the following during the competitive sealed bidding process:

1. Submit a requisition and set of specifications to the Procurement Division that meet the requirements of Chapters 4 and 5 of this manual.
  2. Review bid documents referred by the Procurement Division to ensure that bidders' offers meet specifications.
  3. Document reasons based on the specifications why a bidder should not be considered for an award.
  4. Recommend award to the lowest responsive and responsible bidder meeting the specifications.
- C. **PROCUREMENT RESPONSIBILITIES.** The Procurement Division shall be responsible for the following during the competitive sealed bidding process:
1. Prepare bid documents based upon the requisition and specifications submitted by the department, so that the process is open, equitable, and fair to all potential bidders.
  2. Issue and advertise the invitation for bids.
  3. Receive and secure bids prior to opening.
  4. Open bids at the date, time, and location specified in the IFB.
  5. Analyze bids to determine the apparent lowest responsive and responsible bidder.
  6. Provide a copy of bids and the analysis to the originating department for review.
  7. Prepare a formal written award to the lowest responsive and responsible bidder meeting the specifications, and provide written notice to unsuccessful bidders, returning bonds where applicable.

#### 9-4 PROCESSING TIMES

Minimum administrative processing time to opening for competitive sealed bidding is listed in paragraph 4-2 B. of this manual. Beyond these times, and to assure a fair and efficient process, the following guidelines should be used.

- A. **PROCUREMENT REVIEW.** The Procurement Division should perform an initial analysis and forward to the originating department within one (1) business day.
- B. **DEPARTMENT REVIEW.** The originating department should take no more than five (5) business days to review the results of the bid and return a recommendation to the Procurement Division.
- C. **AWARD.** The Procurement Division should prepare and mail award documents and notices of non-selection within two (2) business days.

- D. DELAYS. Whenever any of the above procedures are expected to take more than the allotted time, the department or Procurement should notify the other promptly of the reasons for the delay.

9-5 DETERMINATION OF RESPONSIVENESS

- A. DEFINITION. A responsive bid is a bid which conforms in all material respects to the requirements set forth in the invitation for bids. The reasons for a finding of non-responsiveness may include:
1. The bidder failed to sign the bid, complete and return the required forms, or provide required bonds.
  2. The bidder altered the terms, conditions, or specifications.
  3. The bidder did not offer goods or services that complied with specifications.
  4. The bidder did not offer firm pricing or comply with the pricing format required.
- B. NOTICE. A non-responsive bid shall be rejected by the CPO, and the bidder notified in writing for the reasons thereof.

9-6 DETERMINATION OF RESPONSIBILITY

- A. DEFINITION. A responsible bidder is a person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance. The reasons for a finding of non-responsibility may include:
1. The bidder is not a regular dealer or supplier of the goods or services offered.
  2. The bidder does not have the ability to comply with the required delivery or performance schedule.
  3. The bidder does not have a satisfactory record of performance as documented *prior to the receipt of bids* by the requesting department, the Procurement Division, or another state agency or political subdivision.
  4. The bidder is not properly licensed to perform the contract as determined by the Arizona Registrar of Contractors.
  5. The bidder does not have a satisfactory record of integrity, or the bidder is currently debarred or suspended by the City of Sierra Vista, or another state agency or political subdivision.
  6. The bidder does not have the necessary facilities, organization, experience, technical skills, or financial resources to fulfill the terms of the contract or order.

- B. NOTICE. When a bidder is declared non-responsible, the Code requires that the CPO promptly notify the bidder in writing. Information relating to the finding shall not be released outside the City.

9-7 CONFIDENTIALITY

After bids are opened they shall be treated as confidential until the CPO awards the contract. *Department staff shall not discuss bids with competing vendors.* All vendor questions shall be referred to the CPO.

CHAPTER 10 – COMPETITIVE SEALED PROPOSALS

10-1 PURPOSE

The purpose of this chapter is to establish the City’s policy for the procurement of goods and services using competitive sealed proposals. The Chief Procurement Officer determines which type of procurements may be procured under this section.

10-2 DEFINITION AND AUTHORITY

Competitive sealed proposals is a method of source selection where specifications are not well-defined, and price is not the sole determining factor. Award is made to the responsible offeror whose proposal is determined in writing to be most advantageous to the City, taking into consideration the evaluation factors, to include price, as set forth in the request for proposals. The City Procurement Code allows competitive sealed proposals when the CPO determines in writing that the use of competitive sealed bidding is neither practicable nor advantageous to the City.

Good and services shall be acquired competitively from qualified suppliers to meet specific needs and to achieve the greatest value for money expended. Awarded proposal is awarded based on factors other than just price.

***NOTE: Competitive Sealed Proposals as a method of source selection does not apply to and shall not be used for the procurement of professional architectural, engineering, or land surveying services, nor to those project delivery methods for construction where one of these professional services is an integral part of the procurement.***

10-3 ELEMENTS AND RESPONSIBILITIES

- A. ELEMENTS. The competitive sealed proposals process includes the following elements:
  - 1. Issuance of a written request for proposals (RFP).
  - 2. Public notice of the RFP by City website, emailing of notices to potential offerors using the City’s e-Procurement service located on the City’s website, and publishing in a newspaper of general circulation.

3. Public opening at the date, time, and location advertised.
4. Evaluation of proposals based upon criteria set forth in the RFP, to include but not limited to pricing, and preparation of a rank-ordered list of those firms deemed reasonably susceptible to being awarded the contract.
5. Interview of those firms listed, and initiation of negotiations with the top finisher.
6. Award to the firm whose negotiated proposal is deemed most advantageous to the City.

B. DEPARTMENT RESPONSIBILITIES. The originating department shall be responsible for the following during the competitive sealed proposals process:

1. Submit a requisition to the Procurement Division that meets the requirements of Chapter 4 of this manual, and prepare and forward a statement of work that includes, at a minimum, the following:
  - a. Background of the requirement.
  - b. Data supporting the need for the goods or services.
  - c. Objectives of the resulting contract.
  - d. The expected schedule.
  - e. The expected deliverables.
  - f. Minimum qualifications of the offering firm.
  - g. Proposed evaluation criteria, listed in relative order of importance.
2. Provide personnel to participate as members of the City's Project Review Committee (PRC) to perform individual evaluation of the proposals referred by the Procurement Division. Using the established evaluation criteria, prepare a rank-ordered list of those proposals.
3. As members of the PRC, prepare interview questions and participate as Committee members in the interview of the short-listed firms.
4. Recommend award to the firm whose negotiated proposal is most advantageous to the City.

C. PROCUREMENT RESPONSIBILITIES. The Procurement Division shall be responsible for the following during the competitive sealed proposals process:

1. Prepare a draft RFP based upon the statement of work elements listed above, and return to the department for review and comment.
2. After all changes are made, issue and advertise the request for proposals.

3. Receive and secure proposals prior to opening.
4. Open proposals at the date, time, and location specified in the RFP.
5. Prepare an evaluation form on paper or web-based, describing the weighted evaluation criteria from the RFP, and list each offeror.
6. Provide a copy of proposals and evaluation forms to the PRC for review and preparation of a rank-ordered list of firms.
7. With the participation of the PRC, initiate the negotiation process beginning with the top-rated firm.
8. Prepare a formal written award to the firm whose negotiated proposal is most advantageous to the City, and provide written notice to unsuccessful offerors.

#### 10-4 PROCESSING TIMES

Minimum administrative processing time to opening for competitive sealed bidding is listed in paragraph 4-2 B. of this manual. Beyond these times, and to assure a fair and efficient process, the following guidelines should be used.

- A. **PROCUREMENT REVIEW.** The Procurement Division should prepare evaluation packets, to include evaluation forms, and forward to the originating department within two (2) business days.
- B. **PROJECT REVIEW COMMITTEE EVALUATION.** Individuals of the designated project review committee should take no more than five (5) business days to perform an evaluation of proposals and return a recommended rank-ordered list to the Procurement Division.
- C. **INTERVIEW AND NEGOTIATIONS.** The Procurement Division should initiate interviews/negotiations with the top rated firm within two (2) business days.
- D. **NOTICE OF AWARD.** The Procurement Division should prepare and mail award documents and notices of non-selection within two (2) business days of selection of an awardee.
- E. **DELAYS.** Whenever any of the above procedures are expected to take more than the allotted time, the department or Procurement should notify the other promptly of the reasons for the delay.

#### 10-5 CONFIDENTIALITY

As is the case with competitive sealed bids, all proposals and documents prepared during the negotiation process shall be treated as confidential until the CPO awards the contract. Department staff shall not discuss proposals, nor the course of the continuing evaluation process, with anyone outside the City. All questions shall be referred to the CPO.



CHAPTER 11 – PROCUREMENT OF PROFESSIONAL ARCHITECTURAL,  
ENGINEERING, AND LAND SURVEYING SERVICES

11-1 PURPOSE

The purpose of this chapter is to establish the City’s policy for the procurement of professional architectural, engineering, and land surveying services.

11-2 DESCRIPTION AND AUTHORITY

Professional architectural, engineering, and land surveying services are procured through a qualifications-based system. Statements of qualifications are solicited from interested firms; the responding firms’ statements are evaluated and rank-ordered; negotiations, to include a request for pricing proposal, is initiated beginning with the top-ranked firm; and award made to the firm whose negotiated proposal is most advantageous to the City. The Arizona Revised Statutes, which mandate this method of source selection, provides detailed policy in Sections 34-601 through 34-611. Section 34-103 of the ARS and the Sierra Vista City Code also delegate direct hiring authority to the City’s CPO when the contract for architectural services will be less than \$250,000, and for engineering services when the contract will be less than \$500,000.

11-3 ELEMENTS AND RESPONSIBILITIES

- A. **ELEMENTS.** The standard process for procurement of professional architectural, engineering, and land surveying services includes the following elements:
1. Issuance of a written request for statements of qualifications (RFQ).
  2. Public notice of the RFQ by public bulletin board, City website, mailing of notices to potential offerors from the City’s registered vendors list, and publishing in a newspaper of general circulation.
  3. Public opening at the date, time, and location advertised.
  4. Evaluation of statements based upon criteria set forth in the RFQ and preparation of a rank-ordered short list.
  5. Interview of top-listed firm, and initiation of negotiations.
  6. Award to the firm whose negotiated proposal is deemed most advantageous to the City.
- B. **DEPARTMENT RESPONSIBILITIES.** The responsibilities of the originating department are essentially identical to those of the competitive sealed proposals process as detailed in paragraph 10-3 B. above.
- C. **PROCUREMENT RESPONSIBILITIES.** The responsibilities of the Procurement Division are similar to those of the competitive sealed proposals process as detailed in paragraph 10-3 C. above, with the following exceptions:
1. After opening the statements and preparing evaluation forms, provide copies of proposals and evaluation forms either on paper or

electronically to the PRC for review and preparation of a short list of three to five firms deemed reasonably susceptible to being awarded the contract.

2. Based on the recommendations of the PRC, notify those firms that were selected to the short list as well as those that were not.
3. With the participation of the PRC, schedule an interview with each of the short-listed firms to establish a final rank-ordered list.
4. Initiate the negotiation process with the top firm on the final rank-ordered list.
5. All other steps remain the same as in paragraph 10-3 C. above.

#### 11-4 PROCESSING TIMES

With the exception of the limited direct hiring of architectural and engineering firms under the provisions of ARS section 34-103, the processing time for the procurement of professional services is the longest of any of the City's methods of source selection. For planning purposes, an additional four to six weeks should be added to those times projected in paragraph 10-4 for processing qualifications statements, requesting and evaluating pricing proposals, and consummation of negotiations. Departments anticipating the procurement of these services should plan accordingly.

#### 11-5 CONFIDENTIALITY

As is the case with competitive sealed bids and competitive sealed proposals, all statements of qualification and documents prepared during the negotiation process shall be treated as confidential until the CPO awards the contract. Department staff shall not discuss proposals, nor the course of the continuing evaluation process, with anyone outside the City. All questions shall be referred to the CPO.

### CHAPTER 12 – VENDOR PERFORMANCE

#### 12-1 GENERAL

Ensuring proper performance by vendors requires cooperation and communication between the using departments and the Procurement Division. Timely action on the part of both the departments and Procurement is a prerequisite for enforcing the terms and conditions of purchase orders and contracts.

#### 12-2 NONCOMPLIANCE

- A. Failure by vendors to deliver on time, in the proper quantities, or in accordance with specifications are serious discrepancies that must be handled in a prompt, consistent, and fair manner.
- B. When a non-compliant circumstance becomes apparent, the department's project officer should promptly contact the vendor to request correction, and notify the

Procurement Division. A complete record should be made of the vendor contact, to include name, title, and contact information, and any promises made by that person. A copy of the record should be forwarded to Procurement for the record file.

- C. If the non-compliance continues the department should request that Procurement issue the vendor a written notice to correct the situation. Continued failure by the vendor to comply with the terms of the contract or order may result in cancellation of the contract. If the contract is for construction, the failure may ultimately result in invoking the bonds and/or the assessment of liquidated damages.
- D. Department personnel who fail to take prompt action to notify the vendor and Procurement Division may create a defacto change to the terms. By inaction, the department is approving the vendor's behavior.
- E. The Procurement Division shall document the proceedings in the record file to provide a complete history of the vendor's performance.

#### 12-3 IMPORTANCE

- A. Among the important reasons for a properly documented vendor performance file are the following:
  - 1. Use when considering debarment or suspension of vendors.
  - 2. Use when making decisions on tie bids.
  - 3. Use as evidence in court cases.
  - 4. Justify a declaration of vendor default.
  - 5. Justify charging the defaulting vendor with the difference when the City seeks delivery from another vendor.
  - 6. Justify withholding payment until performance is completed.
  - 7. Processing warranty claims.
- B. The Procurement Division *may not disqualify* any vendor without a properly documented performance file.
- C. Payment *may not be withheld* unreasonably from a vendor if services/products have been delivered and invoiced, unless there is a *demand in writing* for the vendor to correct an unsatisfactory situation with a definite "not later than" date for performance.

### CHAPTER 13 – COOPERATIVE PURCHASING

### 13-1 GENERAL

- A. Cooperative purchasing is a process by which two or more jurisdictions enter into a cooperative purchasing agreement for the purpose of procuring materials, services, or construction from the same vendor. This form of procurement has the benefits of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information, and taking advantage of expertise and information that may be available in only one of the jurisdictions.
- B. Cooperative purchasing transactions must be legitimate and enforceable. There must be mutuality between buyers and sellers, and a commitment on the part of participants in the cooperative procurement process to purchase from the successful vendor.
- C. “Shopping” cooperative contracts (using one jurisdiction’s contracts to bargain with other vendors) is considered unethical purchasing practice, and is strictly forbidden. City employees shall not engage in this practice.

### 13-2 AUTHORITY

- A. SIERRA VISTA CITY COUNCIL. The Sierra Vista City Code authorizes the Chief Procurement Officer to enter into cooperative purchasing agreements with other public procurement units.
- B. CHIEF PROCUREMENT OFFICER.
  - 1. As the central procurement officer for the City, the CPO is charged with the responsibility to sponsor, conduct, and/or administer cooperative purchasing agreements.
  - 2. The CPO may use any cooperative purchasing agreement entered into with any department of the State of Arizona, any political subdivision of the State, any agency, board, department, or other instrumentality of such political subdivision, and any nonprofit corporation created solely for the purpose of administering a cooperative purchase under the laws of the State, and any other state, or a political subdivision thereof, or any agency of the United States.
  - 3. Prior to use, the CPO shall ensure that any contract contemplated for use under this paragraph was procured competitively in accordance with the requirements of the City Code.

### 13-3 TYPES OF COOPERATIVE PROCUREMENTS

The following types of cooperative purchasing agreements are authorized for use by the City.

- A. COMBINED SOLICITATIONS. Two or more jurisdictions combine their requirements into a single solicitation. One of the participants serves as the lead jurisdiction and performs the administrative details of preparing and issuing solicitation documents, analyzing bids, and issuing a contract. The other

participating jurisdictions commit to using the resulting contract for all their requirements for the commodity to be purchased. An example of this type agreement is the procurement of all fuels and lubricants used by the City.

- B. “RIDING” OR “PIGGY-BACKING” ANOTHER JURISDICTION’S CONTRACT. The vendor must agree to offer the commodities to the “riding” jurisdiction at the same terms and conditions as were offered to the contracting jurisdiction. Cooperative contracts sponsored by the State of Arizona, the Mohave Educational Services Cooperative (MESC), and the Strategic Alliance for Volume Expenditures (SAVE) are examples of “piggy-backing” contracts which the City routinely uses.

#### 13-4 PROCEDURES

- A. If a department becomes aware of a contract in another jurisdiction that may be of benefit for City use, the department should submit a requisition for the commodities required. The requisition should contain a notice to Procurement explaining the existence of the contract with as much information as is available to assist the CPO in making a determination that the contract meets the requirements of paragraph 13-2 B. 3. above. Procurement will then contact the vendor to secure agreement to allow the City to use the contract.
- B. If a department is aware that other jurisdictions are planning to issue solicitations for a commodity that the department needs, a requisition should be submitted with the estimated quantities. The requisition should contain information to assist the CPO in arranging a combined solicitation with the other jurisdiction. Sufficient time should be allowed to coordinate the combined solicitation.
- C. When the CPO issues a purchase order against a cooperative purchase entered into under paragraphs A or B above, departments shall place orders against that contract wherever feasible, prior to considering another form of purchase.

### CHAPTER 14 – GRANT PROCUREMENTS

#### 14-1 GENERAL

When a procurement involves the expenditure of federal assistance or other grant funds, the procurement shall be conducted in accordance with any mandatory applicable federal laws and regulations as required by the funding source. This includes compliance with 2 CFR Part 200.317 - 200.326, as applicable.

### CHAPTER 15 – DISPOSITION OF SURPLUS

#### 15-1 GENERAL

The final step in the procurement cycle is disposition of the item when it is no longer useful to the department. Timely identification of surplus and obsolete material is essential to an

effective disposition program. Delayed identification ties up capital, results in higher maintenance and salvage costs and further deterioration of items.

#### 15-2 AUTHORITY

The Sierra Vista City Code grants authority to the CPO to conduct and monitor the City's surplus property program. Responsibilities delegated include the following:

- A. The CPO may require periodic reports of all supplies which are no longer used or which have become obsolete, worn out, or unusable.
- B. The CPO shall have the authority to transfer stock to other agencies.
- C. The CPO shall have the authority to sell, exchange, or trade-in all supplies which have become unsuitable for public use.
- D. The CPO shall ensure all sales are made to the highest responsible bidder.

#### 15-3 METHODS OF DISPOSAL

When items become excess, obsolete, or surplus, the using department must report them to the CPO. In all cases of property disposal, the department shall notify the Finance Division to update the department's Fixed Asset Accounts. The authorized methods of surplus disposition follow.

- A. **TRANSFER.** The transfer to another department that has a use for the item is the best method of disposition. The Procurement Division will periodically circulate a list of items available for transfer. A department wishing to accept an item available for transfer will notify Procurement and receive approval for the transfer.
- B. **SALE.** There are several methods of selling excess and surplus items that are no longer of use to the City.
  - 1. *Auctions.* The City contracts with an auctioneering service to sell items to the highest bidder at advertised public auctions. On-line auctions are also allowed.
  - 2. *Sealed Bids.* The CPO may determine that items will be sold at a sealed bid sale. Public notice of the sale is made, and solicitations are mailed to prospective bidders. This method assures reaching a large number of prospective bidders, and allows potential purchasers from outside the immediate geographical area to participate in the bidding.
  - 3. *Negotiated Sales.* The CPO is authorized to negotiate the sale of surplus items with other political subdivisions of the State.
- C. **TRADE-IN.** The CPO may determine that it is advantageous to the City to seek bids on replacement items with the bidders allowed to offer prices with trade-in allowance and without trade-in allowance. Award may be made in the manner that is most advantageous to the City.

D. DONATION.

1. *Less than \$10,000.* The CPO, with the written approval of the City Manager, may make donations of items up to an aggregate value of less than \$10,000 to any non-profit organization or government agency.
2. *\$10,000 or more.* The City Council, by resolution, may make a donation with an aggregate value of \$10,000 or more, providing that the City Manager determines in writing that the donation is in the best interest of and contributes to the general welfare of the citizens of the City.

15-4 ALLOCATION OF PROCEEDS

Unless otherwise directed by the City Council or required by the terms of a grant, the proceeds from the disposition of surplus or excess property will be deposited into the City's general fund.

15-5 SALES TO EMPLOYEES

The sale of surplus or excess City property to City employees is strictly prohibited unless the purchase is made at a City sponsored public auction, and the employee competes on an equal basis with all other eligible bidders.

15-6 DISPOSAL OF GRANT-FUNDED MATERIAL

When equipment was purchased using funds from State or Federal grant funds, the provisions of the grant shall be followed during disposal. It is the disposing department's responsibility to notify Procurement at the time the property is declared surplus of any grant provisions which must be followed. If required by the grant provisions, proceeds from the disposal shall be returned to the grant funding agency, rather than deposited to the City's general fund.

CHAPTER 16 – PROCUREMENT ETHICS

16-1 GENERAL

The objectives of public procurement include conserving public funds and inspiring public confidence. Any erosion of honesty, integrity, and openness is more injurious to public procurement than to most other public pursuits. The appearance of a conflict of interest may be as harmful to public confidence in its government as an actual case of misconduct. For that reason, all personnel involved directly or indirectly in procurement transactions, from the original purchase to the ultimate disposal, must be guided by the highest standards of conduct. Procurement ethics apply to both Sierra Vista City employees and to non-employees.

16-2 POLICY

City policy for ethics in procurement is set forth in sections § 39.50 through § 39.62, Ethics in Public Contracting, of the Sierra Vista City Code of Ordinances. In general terms, any

attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the City employee's duties is a breach of a public trust. Any attempt to influence any public employee to breach the standards of ethical conduct is likewise a breach.

16-3 PROCUREMENT ETHICS FOR CITY EMPLOYEES

A. PROSCRIBED PRACTICES. It shall be a breach of ethical standards for any City employee to participate directly or indirectly in a procurement contract when the City employee knows that:

1. The City employee or any member of the City employee's immediate family has a financial interest pertaining to the procurement.
2. The City employee is or will become, while a City employee, the employee of any person contracting with the City.
3. The City employee or any member of the City employee's immediate family is negotiating, or has an arrangement concerning prospective employment with a bidder, offeror, or contractor.
4. The City employee or former City employee solicits, demands, accepts, or agrees to accept from another person, a gratuity or an offer of employment in connection with any procurement action.
5. The City employee or former employee knowingly uses confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

B. DISCOVERY OF ACTUAL OR POTENTIAL CONFLICT OF INTEREST, DISQUALIFICATION, AND WAIVER. Upon discovery of an actual or potential conflict of interest, a City employee must promptly file a written statement of disqualification and withdraw from further participation in the transaction involved. The City employee may apply to the City Manager in accordance with § 39.57 of the Sierra Vista City Code for an advisory opinion as to what further participation, if any, the employee may have in the transaction.

C. EMPLOYEE DISCLOSURE REQUIREMENTS, REMEDIES. Any City employee who knows or should have known of a conflict of interest, and fails to report such conflict to the CPO, is in breach of the ethical standards, and may be subject to the administrative and/or criminal sanctions prescribed in §§ 39.51 and 39.60 of the Sierra Vista City Code. These include the following:

1. Oral or written warnings or reprimands.
2. Suspension with or without pay for specified periods of time.
3. Termination of employment.



4. Right to recovery from employee value of anything received in breach of ethical standards. recoverable by the City as provided in § 39.62.

D. ADOPTION OF NIGP CODE OF ETHICS. The City of Sierra Vista hereby adopts the NIGP Code of Ethics and any future revisions thereof as a Policy Statement:

### **City of Sierra Vista, Procurement Division Code of Ethics/Guiding Principles**

“The staff of the Procurement Division owe the City our best unbiased judgment every time we expend its money and/or act on the City’s behalf. We guide our activity through the application and adherence to the following commonly shared values and ethical standard for partnering with suppliers and City departments.

1. Avoid unfair trade practices by ensuring that all suppliers are given equal consideration as guided by Federal, State, and City regulations.
2. Conduct business in good faith; demanding honesty and ethical practices from all participants in the procurement process.
3. Avoid soliciting or accepting money, loans, credits, discounts, favors, services, personal gifts from any supplier or potential supplier.
4. Promote positive supplier/contractor relationships by offering supplier representatives courteous, fair, and ethical treatment.
5. Avoid involvement in any transactions/activities that could be a conflict between personal interest and the interests of the City.
6. Ensure that all procurements comply with the City Procurement Code and applicable statutes and adhere to the letter and spirit of laws governing the procurement function.
7. Honor our obligations and require that obligations to our City be honored.
8. Strive to maintain an unimpeachable standard of integrity in all business relationships both inside and outside the City.
9. Never use confidential information as a means of obtaining financial enrichment or personal betterment for oneself or for any other person.
10. Be conscious of the importance of every dollar we spend and strive to maximize supplier competition in all contracting opportunities.
11. Maintain a supportive and respectful work environment that brings out the best in all of us.

12. Deliver the highest level of customer service to our fellow employees, residents and suppliers.
13. Enhance proficiency by acquiring and maintaining current technical knowledge and pursuing related educational opportunities and professional growth that will create added value for the City.”

16-4 PROCUREMENT ETHICS FOR NON-CITY EMPLOYEES

- A. **PROSCRIBED PRACTICES.** Any effort to influence any public employee to breach the standards of ethical conduct set forth in paragraph 16-3 A. above and in § 39.52 through § 39.56 of the Sierra Vista City Code is itself a breach of ethical standards.
- B. **REMEDIES.** The City Manager is fully empowered by the Sierra Vista City Code to impose any one or more of the remedies described in §§ 39.61 and 39.62 of the Code against non-employees who breach ethical standards.

16-5 DUE PROCESS

All procedures under this Section shall be in accordance with due process requirements consistent with all other ordinances, rules and procedures, including, but not limited to, a right to notice and an opportunity for a hearing prior to imposition of any suspension without pay, termination of employment, or debarment or suspension from being a contractor or subcontractor under a City contract

## CHAPTER 17 – BID PROTEST PROCEDURES

- (A) *Right to protest.* Any actual or prospective bidder, offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Chief Procurement Officer with appeal rights to the City Manager. The protest shall be submitted within 14 days after such aggrieved person knows, or should have known, of the facts giving rise thereto.
- (B) *Authority to resolve protests.* The City Manager shall have the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve a protest of an aggrieved bidder, offeror, or contractor, actual or prospective, concerning the solicitation or award of a contract.
- (C) *Decision.* If the protest is not resolved by mutual agreement, the City Manager shall promptly issue a decision in writing. The decision shall:
  - (1) State the reasons for the action taken; and
  - (2) Inform the protestant of its right to judicial or administrative review.
- (D) *Notice of decision.* A copy of the decision under subsection (C) of this section shall be mailed or otherwise furnished immediately to the protestant and any other party intervening.
- (E) *Finality of decision.* A decision under subsection (C) of this section shall be final and conclusive, unless fraudulent, or unless any person adversely affected by the decision commences an action in a court of competent jurisdiction.
- (F) *Stay of procurements during protests.* In the event of a timely protest under division (A) of this section, the Chief Procurement Officer shall not proceed further with the solicitation or award of the contract, until the City Manager makes a written determination that the award of a contract without delay is necessary to protect substantial interests of the city.
- (G) *Entitlement to costs.* In addition to any other relief, when a protest is sustained and the protesting bidder or offeror should have been awarded the contract under the solicitation but is not, then the protesting bidder or offeror shall be entitled to the reasonable costs incurred in connection with the solicitation, including bid preparation costs, but not including attorney's fees incurred in conjunction with the bid preparation.

('76 Code, § 3-8-9) (Ord. 903, passed 7-23-92; Am. Ord. 2008-012, passed 6-12-08; Am. Ord. 2016-008, passed 12-8-16). Sierra Vista Procurement code Section 39.40

EMPLOYEE CERTIFICATE

CITY OF SIERRA VISTA PURCHASING CARD

I, \_\_\_\_\_ certify that I have read and understood the City of Sierra Vista procedures for purchasing cards. I understand that I must immediately report misuse, loss, or theft to the Chief Procurement Officer (CPO) and my department director. I understand that my use of a purchasing card is subject to approval by the CPO, and it may be revoked by the CPO or my department director at any time without notice. I further understand that failure to conform to these procedures and to the City Purchasing Code may subject me to disciplinary actions, termination, and/or pecuniary liability for misappropriation of City funds.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

APPROVED:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Procurement Officer

NOTE: Copies of this certificate shall be retained in the Department and Procurement Division files.

PURCHASING CARD ADMINISTRATIVE DIRECTIVE

# PURCHASING CARD PROGRAM

(PER CITY OF SIERRA VISTA PROCUREMENT CODE SECTION 39.03 AND 39.14(C))



*Introduction • Policies • Procedures  
Cardholder Application*

## INTRODUCTION

Welcome to the City of Sierra Vista Purchasing Card (also referred to as the P-card) Program. This overview is designed to assist in the management and payment of business-related purchases using the Chase Bank Purchasing Card. The Card is intended to streamline the entire procurement process and in many cases it can supplant the use of traditional Purchase Orders, Field Purchase Orders (FPOs), and Petty Cash. The Purchasing Card is a very flexible purchasing medium with a variety of features which will aid individuals and managers in controlling acquisitions.

The Purchasing Card offers benefits to:

**Cardholders** - the ability to obtain goods and services directly from vendors thereby eliminating the need to generate Requisitions and await processing to a Purchase Order. This greatly speeds parts or service turnaround time and thus is a tremendous aid in the completion of City tasks.

**Managers** - The Purchasing Card provides a cost-effective alternative for the acquisition and payment of Department/Division goods and services. The card's design allows ease of control and real-time monitoring, reducing overall processing time and cost to staff and greatly minimizing the steps in the procurement process. The P-card gives the manager an instant ability to control not only the vendors, but also the dollar amounts available to each card. The net result is a heightened focus on value-added activities. The depth to which the Purchasing Card is utilized and succeeds depends entirely on participation by Departments and Divisions.

**Vendors** - At the vendor level, the Purchasing Card functions exactly like a credit card. Sales receipts will be given to the individual purchaser as a record of each transaction. Payments directly to the vendor, by Chase Bank, are typically completed within 48 hours, which will eliminate the need for multiple periodic billing to the City of Sierra Vista and subsequent multiple payments to the vendor.

## GENERAL

Contact Information - All inquiries regarding the Purchasing Card should be directed to Procurement Dept. Phone: 520-458-3315.

Obtaining Cards - Cards are issued to the City of Sierra Vista by Chase Bank. All cardholders will be required to complete a Cardholder Application and receive a signature approval for issuance of a Purchasing Card from their Supervisor and Department Manager. Applicants will be required to read and sign the Purchasing Card Introduction/Policies/Procedures indicating that they understand the intended uses and restrictions of the P-card. The signed form will be forwarded to Chase Bank. Upon approval, typically two to three weeks, Chase will send the card to the City's Purchasing Division for issuance to the individual.

The Purchasing Card is a corporate charge account card and has no bearing on an individual's personal credit. However, it will be the cardholder's responsibility to ensure their card is used within the stated guidelines of the City of Sierra Vista. Cardholders should treat the P-card with the same level of care as one does their personal credit cards.

## TYPES OF PURCHASES

The intent of the Purchasing Card is to assist City employees in the acquisition of and payment for any and all City business-related goods or services. Individuals will be notified by the Purchasing Card Administrator as to their specific spending categories and limits, however, listed below are general guidelines for the various groups of cardholders.

Unless otherwise authorized:

- the Purchasing Card is to be used for single transactions of \$250 or less.
- the daily Purchasing Card limit is \$250
- the monthly Purchasing Card limit is \$500
- the Purchasing Card should be used before other methods, such as a Requisition/Purchase Order, FPO, or Petty Cash.

Because of unique requirements for each Cardholder, specific limits may be different than those listed above. To discuss or request a change of individual limits please contact the Purchasing Card Administrator.

All purchases must be for City-related business only. All other purchases are prohibited. Violation of this requirement will be cause for disciplinary action and could result in employment termination.

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## RECORDKEEPING

Reconciliation & Approval - Receipts for all transactions will be forwarded, **without delay**, by the card user to their respective Supervisor within their Department or Division. After reviewing each individual's purchases, online, Supervisors will approve or disapprove (as necessary) the individual purchases and forward receipts to the P-card Reconciler within their Department or Division. The reconciler will match register receipts to the individual's online purchase history and confirm dates, items purchased, and cost. The reconciler will then generate an internal payment request, linking each purchase to an appropriate City account number for their Div/Dept, and forward all documents to the Finance Division. At the end of each month, Finance will receive a statement from Chase Bank, and will reconcile all Div/Dept receipts and authorize a single payment to Chase for the total of all transactions.

## CREDITS

Where returns, overcharges, etc., may apply to an individual's Purchasing Card, those credits from the vendor shall be issued directly to an individual's P-card account. This credit will appear on subsequent Chase statements.

**Under no circumstances shall a Cardholder accept cash, for any reason, from a vendor in lieu of a 'CREDIT' to their Purchasing Card account.**

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## DISPUTED CHARGES

The individual cardholder and their Department/Division reconciler will be responsible for contacting the vendor to resolve any disputed charges or billing errors. In the event of disputes or errors, the reconciler shall immediately contact the Finance Division to request statement copies. The reconciler shall then contact the vendor, within 30 days of the statement date, to settle disputes. If the matter is not resolved within 30 days the reconciler and cardholder shall contact the Purchasing Card Administrator and complete dispute forms which will be forwarded to Chase Bank for resolution.

## REJECTED PURCHASES

A vendor may, for a variety of reasons, reject an individual's Purchasing Card. Perhaps the transaction is greater than the individual's limit for a given time period, or the cardholder may be attempting a purchase at a vendor location for which that individual has not been granted access. However, if a cardholder feels they were erroneously declined they should contact the Purchasing Card Administrator for assistance.

## ACCOUNT DEACTIVATION OR CLOSURE

The Purchasing Card Administrator is required to close an account if a cardholder:

- transfers to a different department/division
- transfers to a position where the P-card is not required
- terminates employment

The Purchasing Card Administrator is required to deactivate, either temporarily or permanently, a cardholder's account if:

- the P-card is used for personal or unauthorized purposes
- the P-card is used to purchase alcoholic beverages or any substance, material, or service which violates City policies, laws, or regulations
- the cardholder splits a purchase to circumvent their P-card purchase limitations
- the cardholder uses another individual's card to circumvent the purchase limitations of one or both cardholders
- the cardholder fails to provide receipts for any given transaction
- the cardholder fails to provide information, when requested by supervisors or the Purchasing Card Administrator, regarding a transaction
- the cardholder accepts cash as a refund or credit to their or anyone's P-card account
- the cardholder fails to adhere to all Purchasing Card policies and procedures as established by the City of Sierra Vista and Chase Bank

Improper use of the P-card may lead to disciplinary action, up to and including prosecution in a court of law and/or termination. Should the cardholder fail to utilize the card properly and are unable to account for purchase charges, the cardholder authorizes the City of Sierra Vista to deduct a like amount from the cardholders wages/salary. The cardholder further agrees to allow the City of Sierra Vista to pursue collection of any amounts owed by that individual against their P-card account, even if the cardholder is no longer in the City's employment.

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## LOST OR STOLEN PURCHASING CARDS

In the event of a lost or stolen P-card, the cardholder shall immediately contact JP Morgan-Chase toll free at 1-800-270-7760. This is a 24-hour/365 day toll free number. The supervisor and Purchasing Card Administrator shall then be notified at their earliest availability.

## CARDHOLDER RESPONSIBILITIES / APPLICATION

The cardholder must use the Purchasing Card for legitimate City business purchases only. Misuse of the card will subject the cardholder to disciplinary action in accordance with City policies and procedures. The cardholder must:

- ensure the P-card is used for legitimate City business purchases only
- maintain the P-card in a secure location at all times
- adhere to purchase limits and restrictions of their P-card
- obtain receipts or packing slips which include item price, shipping, and tax information for ALL purchases
- forward all receipts/transaction documents to their Supervisor within 48 hours of each transaction
- contact the Purchasing Card Administrator should their card be rejected for any purchases
- report erroneous charges to their Reconciler and Purchasing Card Administrator
- attempt to resolve disputes or billing errors with the aid of their reconciler, within 30 days and notify the Purchasing Card Administrator should the error not be resolved within that time period.
- not accept cash for any credit or refund against their or any other P-card holders account
- immediately report lost or stolen cards to Chase Bank at 1-800-270-7760, followed by notification to their Supervisor and Purchasing Card Administrator
- return the card to their Supervisor upon termination of employment or upon transfer to another Division/Department
- make all requests for credit limit changes, vendor limitation changes, etc., to their Supervisor and the Purchasing Card Administrator

Should there be any questions regarding the P-card program, please contact:

Purchasing Card Administrator  
458-3315

SIGNED \_\_\_\_\_

PRINTED NAME \_\_\_\_\_

DATE \_\_\_\_\_

SUPERVISOR SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

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PURCHASING CARD PROCEDURES  
NOTE 1

The Purchasing Card shall not be used for acquisitions of any items which require cross-division/department approval, such as computer software or hardware, which requires IT approval.

Use of the P-card for such acquisitions **will** result in action against the cardholder. Additionally, the total cost of any unauthorized P-card charges **may** be levied against the cardholder's wages along with a possible suspension of their P-card account.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_

PURCHASING CARD PROCEDURES  
NOTE 2

Items which have been denied through the standard Requisition process shall not be subsequently acquired through use of the Purchasing Card.

Use of the P-card for such acquisitions **will** result in suspension of the cardholder's account. Additionally, the total cost of any unauthorized P-card charges **may** be levied against the individual's wages.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_