

# Town of Florence



<b>POLICY TITLE:</b> PURCHASING POLICY	<b>EFFECTIVE DATE:</b> JUNE 16, 2010
<b>RESPONSIBLE DEPARTMENT:</b> FINANCE	<b>AP / RESOLUTION No.:</b> 1244-10
<b>APPROVAL:</b> <input type="checkbox"/> TOWN MANAGER      SIGNATURE: _____ <input checked="" type="checkbox"/> TOWN COUNCIL      DATE APPROVED: MAY 17, 2010	
<b>REFERENCES:</b>	

## TABLE OF CONTENTS

<b>1.0</b>	<b>Purpose</b> _____	<b>4</b>
<b>2.0</b>	<b>Scope</b> _____	<b>4</b>
<b>3.0</b>	<b>Responsibilities</b> _____	<b>4</b>
<b>4.0</b>	<b>Policy</b> _____	<b>4</b>
4.1	Authority Levels _____	4
4.2	Powers and Duties of Officers _____	5
4.21	Department Head _____	5
4.22	Procurement Officer _____	5
4.3	Emergency Purchases _____	6
4.4	Sole Source Purchase _____	7
4.5	Local Preference _____	7
4.6	Computer Hardware and Software _____	7
4.7	Missing Receipts _____	7
4.8	Petty Cash _____	7
4.9	Public Access to Procurement Information _____	8
4.10	Division of Purchases _____	8
4.11	Credit Accounts _____	8
4.12	Internal Control _____	8
4.13	Ethics in Public Contracting _____	9
4.131	Criminal Penalties _____	9
4.132	Employee Conflict of Interest _____	9
4.133	Gratuities and Kickbacks _____	9
4.134	Prohibition Against Contingent Fees _____	10
4.135	Contemporaneous Employment Prohibited _____	10
4.136	Waivers from Contemporaneous Employment Prohibition and Other Conflicts of Interest _____	10
4.137	Use of Confidential Information _____	10
4.138	Sanctions _____	10
4.139	Recovery of Value Transferred or Received in Breach of Ethical Standards _____	11
<b>5.0</b>	<b>Procedures</b> _____	<b>13</b>
5.1	Requisitions _____	13
5.11	Unapproved or unauthorized requisitions _____	13
5.12	Annual Requisitions _____	13
5.13	Exception _____	14
5.2	Purchase Orders _____	14
5.21	Purchase Order Process _____	14
5.22	Purchase Order Terms and Conditions _____	15

5.3	Payment Requests	15
5.4	Town Charge Cards	15
5.5	Unauthorized Purchases	15
5.6	Purchasing Process	16
5.61	Purchases of less than \$5,000	16
5.62	Purchases of \$5,000 to \$24,999	16
5.63	Purchases of \$25,000 or More	17
5.64	Emergency Purchase	18
5.7	Bid Process	18
5.71	Open Market Procedure	18
5.72	Oral Price Quotations	18
5.73	Written Price Quotations	19
5.74	Formal Bidding Process or Competitive Sealed Bids	19
5.75	Formal Bidding Procedure	20
5.76	Professional Services	20
5.77	Contracts, Leases, and Purchase Agreements	21
5.78	Construction Projects-Authority Public Buildings and Improvements	22
5.79	Responsibility for Maintenance vs. Construction Contracts	22
5.710	Bidding/Quotes	23
5.7101	Alternate Bid Procedure	23
5.7102	Published Notice Soliciting Bids	23
5.7103	Bidders List	23
5.7104	Website	23
5.7105	Bidders Security	23
5.7106	Bid Opening Procedure	24
5.7107	Bid Rejection	24
5.7108	Award of Contracts	24
5.7109	Tie Bids	24
5.71010	Performance Bonds	25
5.8	Request for Qualifications (RFQ)	25
5.9	Request for Proposals (RFP)	26
5.10	Proposal Rejection	27
5.11	Demonstrating Lawful Presence	27
5.12	Protest Procedure	27
5.121	Right to protest	27
5.122	Resolution of bid protests	27
5.123	Filing a protest	27
5.124	Time for filing protests concerning improprieties in a solicitation	28
5.125	Status of procurements during the protest	28
5.126	Responsibilities of the Procurement Officer	28
5.127	Remedies	29
5.128	Appeals to the Town Manager	29
5.129	Content of appeal	29
5.1210	Notice of appeal	29
5.1211	Status of procurement during appeal	30
5.1212	Town Manager's Determination	30
5.1213	Extension for Filing Determination	30
5.1214	Comments on Determination	31
5.1215	Appeal to the Hearing Panel	31
5.1216	Dismissal before Hearing	31
5.1217	Hearing	31
5.1218	Remedies	31
6.0	<b>Definitions</b>	31
<b>7.0</b>	<b>Supplements</b>	<b>35</b>
7.1	Purchase Order Terms and Conditions	35
7.2	Insurance Requirements for Contractors	35
7.3	Requisition	35
7.4	Purchase Order	35

7.5	Expense Certificate for Missing Receipts	35
7.6	Bid Tabulation Sheet	35
7.7	Sole Source/ Emergency Purchase Justification	35
7.8	Payment Request Form	35
7.9	Demonstrating Lawful Presence	35
7.10	Information Technology Purchase Request Form	35

## **1.0 Purpose**

This Policy establishes the rules, procedures and forms for the purchase of supplies and services for the Town of Florence.

It is the policy of the Town of Florence to provide for the fair and equitable treatment of all persons involved in public purchasing by the Town of Florence, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

## **2.0 Scope**

This Policy applies to all employees of the Town of Florence and the Florence Town Council. This Policy shall govern the procurement of any goods or services for or on behalf of the Town, including, but not limited to, equipment, material, supplies, services and public improvement.

## **3.0 Responsibilities**

The Finance Department is responsible for the development, coordination, enforcement and documentation of the Purchasing Policy. All Town personnel with supervisory responsibility will have knowledge of and be responsible for the communication, enforcement and adherence to the Purchasing Policy.

The responsibility for purchasing resides with the Town Manager, Finance Director and Department Heads. In the absence of the Town Manager the Finance Director shall serve as Chief Fiscal Officer.

## **4.0 Policy**

### **4.1 Authority Levels**

- 4.11 Department Heads must approve all purchases regardless of dollar value.
- 4.12 Finance Director has signature authority to approve purchases of less than \$5,000.
- 4.13 Town Manager has signature authority to approve purchases of \$5,000 to \$24,999. The Finance Director must verify if funding is available and make recommendation to Town Manager prior to approval.
- 4.14 Town Council approval is required on any purchase of \$25,000 or more. The Finance Director must verify if funding is available and Town Manager must make recommendation prior to placement on the Town Council Agenda.

## 4.2 Powers and Duties of Officers

### 4.21 Department Head

- 4.211 Maintain the uniformity of the Purchasing Policy for full and open competition on all purchases and sales.
- 4.212 Purchase or contract for purchases as outlined in the Purchasing Policy.
- 4.213 Direct Department's Purchasing Clerk to prepare and process purchases as outlined in the Purchasing Policy.
- 4.214 Verify that the account code is accurate and funds exist in the budget prior to authorization of a requisition.
- 4.215 Sign all requisitions and purchase orders for his/her department. His/her signature on the requisition shall be an indication that all purchases comply with this Policy.
- 4.216 Ensure the integrity of the purchases by careful examination of invoices and documents.
- 4.217 Ensure the inspection of supplies and equipment delivered, and contractual services performed, to determine their conformance with the specifications as set forth in the purchase order or contract. Each requisition or purchase order shall attest that the goods and services were received when the payment request is processed.
- 4.218 Ensure that all bid requirements have been followed and adequate documentation of these bids is retained.
- 4.219 Provide all contracts to the Town Attorney for approval as to form prior to its execution.
- 4.2110 Obtain Attorney approval prior to placing an item on the Town Council agenda.
- 4.2111 Forward all original formal and written bid documents to the Town Clerk for record retention upon completion of the bidding process.
- 4.2112 Notify the Finance Department, Accounts Payable Division, of any discrepancies on contested invoices or billings that delay the Five Day Return Rule (See Section 5.3).

### 4.22 Procurement Officer

The Finance Director is the Procurement Officer for the Town. The Procurement Officer may delegate his/her duties and responsibilities.

The Procurement Officer shall:

- 4.221 Purchase, negotiate, recommend for execution and/or contract for supplies, materials, services, equipment, and improvements requested by any Department Head in accordance with this Policy or other rules and regulations as prescribed by the Town Manager or Town Council.
- 4.222 Procure the quality and quantity of supplies, materials, services, equipment and improvements that provides the Town with the best value.
- 4.223 Create and maintain such forms as necessary for compliance with this Policy.
- 4.224 Maintain a bidders list, vendors catalog file, and records necessary for the purchase of supplies, materials, services, equipment and improvements.
- 4.225 Review all documentation, including the bid advertisement, to ensure compliance with the Florence Town Code and Purchasing Policy prior to award of bid for all purchases of \$25,000 or more.
- 4.226 Ensure that all supplies, materials, services, equipment, and improvements are used for the sole purpose of Town operations. Unauthorized use of any Town property or services is prohibited.
- 4.227 Have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries that are necessary to determine their quality and conformance with specifications.

#### 4.3 Emergency Purchases

Immediately after an emergency purchase occurs, a requisition is submitted along with the completed Sole Source / Emergency Purchase Justification Form (Supplement 7.7) and forwarded to the Finance Department. Any emergency purchase of \$25,000 or more is ratified on the next Town Council agenda.

4.31 Emergency purchases may occur when:

- 4.311 Human life is in danger.
- 4.312 A natural disaster or act of God requires immediate action.
- 4.313 Unanticipated circumstances pose a threat to Town property.
- 4.314 A situation exists where work on a specific project will stop or be adversely affected unless immediate action is taken.

#### 4.4 Sole Source Purchase

Departments may procure and contract for supplies and services without using competitive procedures when it is clearly determined to be impractical to procure through the competitive bidding process. The Department Head shall submit a Sole Source/Emergency Purchase Justification Form (Supplement 7.7) to the Town Manager for pre-approval. If approved by Town Manager, the Department Head shall process the corresponding requisition.

In the event a Sole Source Purchase exceeds \$25,000, the Department Head shall obtain Town Council pre-approval, and, if approved, the purchase shall be processed by the Department in accordance with the Purchasing Policy.

#### 4.5 Local Preference

When purchasing or awarding contracts for supplies, equipment or contractual services with an estimated value of less than \$10,000, the purchase or contract shall, if possible, be awarded to vendors who have both a place of business located within the municipal limits of the Town and a current business license from the Town for a period of not less than 12 months prior to the date of award or purchase. The preference for a local, rather than an out-of-town bidder, shall only apply if the local bid, with quality and suitability considered, is no more than 10 percent higher than the out-of-town bid. This preference shall not be used where state law or any applicable federal statute or regulation forbids the granting of such preference, or requires another method for competitive bidding.

#### 4.6 Computer Hardware and Software

Prior to the purchase of computer hardware or software an IT Purchase Request form (Supplement 7.10) must be completed and submitted to the IT Manager. All computer hardware and software purchases are reviewed and recommended by the IT Manager. All system configurations or modifications shall have the participation, consultation and recommendation of the IT Manager.

#### 4.7 Missing Receipts

Every attempt shall be made to obtain a duplicate of a lost or missing receipt, for all purchases less than \$50, prior to filing an Expense Certificate for Missing Receipts form (Supplement 7.5).

All missing receipts over \$50 require Town Manager approval for reimbursement. Only one missing receipt per employee, under \$50, is reimbursed without the approval of the Town Manager. Afterward each missing receipt requires the approval of the Town Manager for reimbursement.

#### 4.8 Petty Cash

Petty Cash may only be used for expendable items. Such expenditures shall not exceed the maximum of \$50 per transaction except as allowed below.

Petty Cash is used to make purchases of an unknown dollar amount for items when the Town does not have a charge account established. The requisition process shall be used to obtain Petty Cash. An additional allowance, of up to

\$500, may be issued to the Department's petty cash account if deemed appropriate by the Finance Director. After the funds are spent, the remainder of the petty cash, along with a receipt is returned to the Department Head. The Department Head will prepare a breakdown of the expenditures made with the petty cash. This is forwarded to the Finance Director. The excess funds returned, if any, will be deposited against the petty cash account and the record of expenditures will be entered by journal entry to credit Petty Cash and debit the expense accounts. This will return the petty cash fund to its original amount and expense the items purchased. The department is responsible for all additional petty cash requested.

A petty cash voucher shall be completed with the date, amount spent, receipt, expense account number, and signature of person receiving the cash and the person who disbursed it.

Travel expenses that were requested on Travel Request Form A are not paid out of petty cash. These expenses are paid by check prior to travel, or requested on Travel Form B (*refer to Town of Florence-Travel Policy and Procedures*).

#### 4.9 Public Access to Procurement Information

Procurement information shall be a public record and shall be available to the public. Public records and other matters in the custody of the Town of Florence shall be open to inspection by any person at all times during office hours (Refer to ARS 39-121).

#### 4.10 Division of Purchases

Dividing or splitting a requisition for a purchase to avoid the approval process is not permitted. Purchases for the same product, project or services that are made on the same or subsequent days, or with the same vendor on that day(s) is submitted on one requisition unless there is a valid reason for it. Any employee willfully attempting to avoid the approval process is subject to the provisions of the Ethics in Public Contracting sub-section of this Policy (See Section 4.13).

#### 4.11 Credit Accounts

Applications for charge accounts to vendors shall be requested and prepared by the Finance Department. Unless requested, the credit limit for vendors is set by the Finance Director, and is not in excess of \$5,000 unless special circumstances are identified by the Finance Director or authorized by the Town Manager.

#### 4.12 Internal Control

All invoices, billings, statements, etc., are mailed to the Town of Florence, P.O. Box 2670, Florence, AZ 85132, Attention: Accounts Payable. Specific departments ordering materials, supplies and services should be noted on the invoices, billings, statements, and other similar documentation. Special circumstances for not following these procedures must be approved by the Finance Director, and identify what vendor(s) are mailing directly to the alternate post office box or address.

## 4.13 Ethics in Public Contracting

### 4.131 Criminal Penalties

To the extent that violations of the ethical standards of conduct set forth in this Policy constitute violations of the Arizona Criminal Code, Title 13, they shall be punishable as provided therein. Such penalties shall be in addition to any civil sanctions set forth elsewhere. Criminal, civil, and administrative sanctions against employees or non-employees which are in existence on the effective date of this Policy shall not be impaired.

### 4.132 Employee Conflict of Interest

It shall be unethical for any Town employee to participate directly or indirectly in a procurement contract when the Town employee knows that:

4.1321 The Town employee or any member of the Town employee's immediate family has a financial interest pertaining to the procurement contract; or

4.1322 Any other person, business, or organization with whom the Town employee or any member of a Town employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement contract.

4.1323 A Town employee or any member of a Town employee's immediate family who holds a financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matters pertaining to that interest.

### 4.133 Gratuities and Kickbacks

#### 4.1331 Gratuities

It shall be unethical for any person to offer, give, or agree to give any Town employee or former Town employee, or for any Town employee or former Town employee to solicit, demand, accept, or agree to accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal thereof.

#### 4.1332 Kickbacks

It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or

any person associated therewith, as an inducement for the award of a subcontract or order.

4.1333 Contract Clause

The prohibition against gratuities and kickbacks prescribed in this Policy shall be conspicuously set forth in every contract and solicitation thereafter.

4.134 Prohibition Against Contingent Fees

It shall be unethical for a person to be retained, or to retain a person, to solicit or secure a Town contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

4.135 Contemporaneous Employment Prohibited

It shall be unethical for any Town employee who is participating directly or indirectly in the procurement process to become or to be, while such a Town employee, the employee of any person contracting with the governmental body by which the employee is employed. (ARS 38-504).

4.136 Waivers from Contemporaneous Employment Prohibition and Other Conflicts of Interest.

4.1361 The Town Council may grant a waiver from the employee conflict of interest provision or the contemporaneous employment provisions upon making a written determination that:

4.13611 The contemporaneous employment or financial interest of the Town employee has been publicly disclosed;

4.13612 The Town employee is able to perform his/her procurement functions without actual or apparent bias or favoritism; and

4.13613 The award will be in the best interest of the Town.

4.137 Use of Confidential Information

It shall be unethical for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

4.138 Sanctions

4.1381 Employees

The Town Manager may impose any one or more of the following sanctions on a Town employee for violations of the ethical standards in this Policy.

4.13811 Oral or written warnings or reprimands; or

4.13812 Suspension with or without pay for specified periods of time; or

4.13813 Termination of employment.

4.1382 Non-employees

The Town Manager may impose any one or more of the following sanctions on a non-employee for violations of the ethical standards:

4.13821 Written warnings or reprimands; or

4.13822 Termination of contracts; or

4.13823 Debarment or suspension (Refer to 4.1093).

4.139 Recovery of Value Transferred or Received in Breach of Ethical Standards

4.1391 General Provisions

The value of anything transferred or received in breach of the ethical standards of this Policy by a Town employee or a non-employee may be recovered from both Town employee and non-employee.

4.1392 Recovery of Kickbacks by the Town

Upon a showing that a subcontractor made a kickback to a prime contractor or a higher tier subcontractor in connection with the award of a subcontract or order there under, it shall be conclusively presumed that the amount thereof was included in the price of the subcontract or order and ultimately borne by the Town and is recoverable hereunder from the recipient. In addition, that amount may also be recovered from the subcontractor making such kickbacks. Recovery from one offending party shall not preclude recovery from other offending parties.

4.1393 Authority to Debar or Suspend

After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the purchasing agent, after consulting with the Town Attorney, is authorized to debar a person for cause from consideration for award of contracts. The debarment shall be for a period of not more than three years. After consultation with the Town Attorney, the purchasing agent is authorized to suspend a person from consideration for award of contracts if there is probable cause to believe that the person has engaged in any activity which might lead to debarment. The suspension shall be for a period not to exceed six months. The causes for debarment include:

Conviction for commission of a criminal offense of an incident to obtain or attempt to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract

Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty;

Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

Violation of contract provisions, as set forth below, of a character which is regarded by the purchasing agent to be so serious as to justify debarment action;

Failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;

Any other cause the purchasing agent determines is so serious and compelling as to affect responsibility as a Town contractor, including debarment by another governmental entity for any cause listed in this Policy; and

For violation of the ethical standards set forth in Ethics in Public Contracting. (See Section 4.13)

4.1394 Decision to Debar or Suspend

The purchasing agent shall issue a written decision to debar or suspend. The decision shall state the reason for the action taken and inform the debarred or suspended person involved of his/her rights concerning judicial or administrative review.

4.1395 Notice of Decision

A copy of the decision required by Decision to Debar or Suspend shall be mailed or otherwise furnished immediately to the debarred or suspended person.

4.1396 Finality of Decision

A decision under Decision to Debar or Suspend shall be final and conclusive, unless the debarred or suspended person within 10 days after receipt of the decision takes an appeal to the Hearing

Panel in the manner provided in Section 5.1215, or commences a timely action in court in accordance with applicable law.

## **5.0 Procedures**

The purchasing procedures of the Town of Florence must follow the guidelines of the Town of Florence Code and any other restrictions passed by the Town Council and the guidelines and requirements of the Arizona Revised State Statutes.

All purchases require the use of a requisition and a purchase order. Requisitions are forwarded to the Finance Director's office. The Finance Director checks for budget authorization and verifies if sufficient funds exist. The requisition is then sent to the Town Manager for signature if it exceeds the Finance Director's authorized limit. Requisition requests in excess of the Town Manager's authorization limit will be added to the Town Council agenda for presentation to the Town Council for authorization. After approval of the requisition, a purchase order is issued by the Finance Department.

### **5.1 Requisitions**

Requisitions are completed through the financial software prior to purchase, or placement of an order. The requisition shall include the vendor name, vendor number (if available), general ledger account number, description, and amount required including sales tax, freight and any other charges. The requisition shall reflect an estimated or actual amount that should correspond to the estimated total purchase amount required. If a purchase exceeds the requisition amount by \$5.00 or more, a new requisition and purchase order shall be required.

#### **5.11 Unapproved or unauthorized requisitions**

Unapproved or unauthorized requisitions are returned to the submitting department with a request for further information or the reason for denial.

#### **5.12 Annual Requisitions**

Annual Requisitions are requisitions created for an annual purchase where payment is divided and paid throughout the fiscal year. The following services are issued an annual requisition up to the budgeted amount for the year if specifically identified by vendor in the current year budget.

5.121 Annual community promotions

5.122 Annual contract appropriations

5.123 Annual dues, subscriptions and memberships

5.124 Annual maintenance agreements

5.125 Annual Mayor and Town Council monthly expense

5.126 Annual Professional Liability Insurance

5.127 Annual Professional Services

5.128 Annual Service Agreements

5.13 Exception

The following expenditures do not require requisitions:

5.131 Minor purchases paid out of petty cash (Section 4.8).

5.132 Payroll related liability payments for deposits, taxes, retirement, assignments and levies, deferred compensation, other employee/employer items related to payroll deductions and amounts payable to others recorded in liability accounts of the financial statements.

5.133 Municipal Court liabilities.

5.134 Other liabilities authorized by the Finance Director.

5.135 Debt service payments.

5.136 Utility payments.

5.137 Political subdivision expenditures (i.e. Community Facility Districts).

5.2 Purchase Orders

Sending a purchase order (PO) to a supplier constitutes a legal offer to buy products and services. Acceptance of a PO by a seller usually forms a once-off contract between the buyer and seller so no contract exists until the PO is accepted. A PO specifies terms of payment (such as which party pays for insurance and transport costs).

5.21 Purchase Order Process

5.211 POs are required and issued by the Finance Department for every requisition.

5.212 Upon approval and authorization of the requisition, the Finance Department issues a PO.

5.213 Special terms and conditions entered on the requisition by the purchasing department will carry over to the PO.

5.214 Upon receiving goods and supplies, the PO shall identify who checked in materials, supplies, etc. and indicate if items are received or not received.

5.215 The payment request shall include a copy of the PO.

## 5.22 Purchase Order Terms and Conditions

5.221 Purchase Order Terms and Conditions are posted on the Town of Florence website at [www.florenceaz.gov](http://www.florenceaz.gov) (Supplement 7.1).

## 5.3 Payment Requests

The payment request is returned to the Finance Department within five working days of issuing the invoice to the Department. The payment request is the authorization to release the funds on the purchase to the vendor. The approved PO and documentation of the electronic approval are attached to the payment request.

5.31 Multiple invoices shall be placed on one payment request for the same vendor.

5.32 Invoices from the same vendor with multiple POs are placed on one payment request.

5.33 In the event of an ongoing construction project, the project name and/or CIP project number shall be noted on the invoice. In the event new equipment is purchased, a notation of the equipment type shall be noted.

5.34 All packing slips will be attached to the payment request.

## 5.4 Town Charge Cards

5.41 Charge cards authorized by the Town are kept in the Accounts Payable Division of the Finance Department. Each time the card is requested for use, a sign out sheet is used, entering the date PO number and the person checking the card out. Upon returning the card, the original receipt is given to the Accounts Payable Division. A copy of the receipt is given to the department representative, who is responsible for preparing the payment request.

5.42 The Town has a single credit card for use. The Accounts Payable Division is responsible for the credit card. Orders, reservations, or authorized charges must be placed from that office for departmental use. Use of the credit card, or copies of the credit card, other than those designated in this paragraph is prohibited. The Town Manager, Finance Director, or Town Clerk shall authorize all charges and orders.

5.43 This section does not apply to Town issued fuel cards that are approved for usage by authorized Town staff.

## 5.5 Unauthorized Purchases

No Town employee shall order the purchase of supplies or services or make contract on behalf of the Town other than through the purchasing procedures and the guidelines set forth in this Policy and the Town shall not be bound thereby.

## 5.6 Purchasing Process

### 5.61 Purchases of less than \$5,000

#### 5.611 Selection Process

- 5.6111 Items less than \$2,500 may use Open Market Procedure (See Section 5.71).
- 5.6112 Items \$2,500 and less than \$5,000 require the use of Oral Price Quotations (See Section 5.72)
- 5.6113 Cost comparison, negotiated prices, historical pricing and quality of service are used as a basis for obtaining the greatest value at the lowest price. Documents used to obtain this pricing are maintained at the department level.

#### 5.612 Vendor Selection

Department Heads may select vendors at their discretion within the parameters of this Policy.

### 5.62 Purchases of \$5,000 to \$24,999

#### 5.621 Selection Process

- 5.6211 Items of \$5,000 to \$24,999 require written price quotations (See Section 5.73)
- 5.6212 Requires a cost comparison, alternative bidding method, sole source justification, or emergency declaration.

#### 5.622 Vendor Selection

This applies to single or cumulative purchases to one vendor.

- 5.6221 Department Head submits the Bid Tabulation Sheet (Supplement 7.6), all applicable documentation and recommendation of purchase to the Finance Director. The Finance Director reviews and forwards to the Town Manager for final review and authorization. Alternative purchase methods are utilized if approved by necessity or by the Town Manager as indicated by Emergency/Sole Source Purchase, cooperative purchase, state contract or any other method. The authorized Bid Tabulation Sheet is returned to the Department Head.
- 5.6222 Unapproved bid tabulations are returned to the submitting department with a request for further

information or the reason for denial. The Department Head may re-submit with corrections made.

5.6223 After authorization, purchaser can begin the requisition process.

5.6224 A copy of the Bid Tabulation Sheet (Supplement 7.6) is attached to the payment request and invoice when submitted to the Finance Department.

#### 5.63 Purchases of \$25,000 or More

##### 5.631 Selection Process

5.6311 Requires formal bidding. An RFQ or RFP may be used (See Section 5.74).

5.6312 Requires a cost comparison, alternative bidding method, sole source justification or emergency declaration.

##### 5.632 Vendor Selection

This applies to single purchase requests to one vendor.

5.6321 Department Head submits the Bid Tabulation Sheet (Supplement 7.6), and recommendation with corresponding bidding information, including RFP or RFQ. Alternative purchase methods are identified if approved by necessity or by the Town Manager as indicated by Emergency/Sole Source Purchase, cooperative purchase, state contract or any other method authorized. The Finance Director reviews for budget availability and bidding procedures. The Town Manager reviews for need.

5.6322 Unapproved bid tabulations are returned to the submitting department with a request for further information or the reason for denial. The Department Head may re-submit with corrections.

5.6323 After internal review and approval, the signed Bid Tabulation Sheet and corresponding documents are returned to the Department Head. A Town Council agenda item is prepared by the Department Head and submitted to the Town Clerk for placement on a Town Council meeting agenda.

5.6324 After approval by Town Council, the purchaser can begin the requisition process.

5.6325 A copy of the Bid Tabulation Sheet (Supplement 7.6) and invoice is attached to the payment request when submitted to the Finance Department with a copy of the Council Agenda item.

#### 5.64 Emergency Purchase

In the event of disaster or other emergency, where purchases must be made immediately in order to protect public health, safety and welfare, the purchases may be made pursuant to the following procedures:

5.641 The Department Head shall submit a Sole Source/Emergency Purchase Justification Form (Supplement 7.7) to the Town Manger for pre-approval if \$5,000 or more.

5.642 The Town Manager authorizes the purchase of materials, supplies, equipment, services and improvements.

5.643 Whenever emergency purchases are made, the Department Head or designee shall keep a written record of all attempts to obtain the lowest possible price for the Town. This written record shall be attached to the purchase order. This written record shall be open to public inspection and shall be retained by the Town for at least one year.

5.644 Ratification by the Town Council for items purchased in the amount of \$25,000 or more is required. Ratification is done at the next scheduled Town Council meeting after approval by the Town Manager and upon receiving the invoice of the item/services purchase. The Department Head shall prepare the agenda item for the Town Council meeting.

#### 5.7 Bid Process

##### 5.71 Open Market Procedure

Purchases of supplies, equipment, contractual services, lease, rental and sales of personal property less than \$2,500 may be made by the Department Head in the open market. At all times, cost, quality, and service are a factor in purchasing.

##### 5.72 Oral Price Quotations

5.721 Quotes shall be obtained from at least three vendors for all purchases of \$2,499 but less than \$5,000.

5.722 Document details of the quote, including source, time and date.

5.723 Records must be kept in accordance with Arizona Revised State Statutes.

5.73 Written Price Quotations

5.731 Quotes shall be obtained from three or more vendors for all purchases of \$5,000 to \$24,999.

5.732 Written quotes may be obtained by Fax.

5.74 Formal Bidding Process or Competitive Sealed Bids

5.741 Bids shall be obtained for amounts of \$25,000 or more.

5.742 The competitive sealed proposal method may not be used for construction projects (See Section 5.744).

5.743 In some cases, this procedure may be waived by the Town Manager based on the type of purchase being made. Examples are as follows:

5.7431 Vehicles

5.7432 Specialty equipment or supplies normally provided by one vendor.

5.7433 State contract items, where the element of time is a factor.

5.744 Competitive Sealed Bids:

The Town Manager determines in writing that the use of competitive bidding to procure specified types of materials or services costing \$25,000 or greater is either not practical or not advantageous to the Town of Florence, a contract may be entered into by competitive sealed proposals. The competitive sealed proposal may not be used for construction projects. Competitive sealed bidding may not be practicable or advantageous if it is necessary to:

5.7441 Use a contract other than a fixed-price type; or

5.7442 Conduct oral or written discussions with proposer concerning technical and price aspects of their proposals;  
or

5.7443 Afford proposers an opportunity to revise their proposals;  
or

5.7444 Compare the different price, quality, and contractual factors of the proposals submitted; or

5.7445 Award a contract in which price is not the determining factor.

5.745 Proposals shall be solicited through a Request for Proposals in the same manner and utilizing the same notice procedures as for a solicitation for bids.

5.746 Proposals shall be opened publicly at the time and place designated in the Request for Proposals. The name and business address of each proposer shall be publicly read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing proposers during the process of negotiation. The proposals shall be open for public inspection after contract award.

5.747 Mail in bids should be post-marked by deadline if applicable. Hand delivered bids must be in by 5:00 P.M., the day of closing unless a different time has been indicated in the bid offering.

#### 5.75 Formal Bidding Procedure

Except as otherwise provided herein, purchases, leases, rentals and contracts with an estimated value greater than \$25,000 shall be by written contract with the most responsible bidder, pursuant to the procedures prescribed herein.

#### 5.76 Professional Services

The procurement of services from professional classifications, without regard to dollar amount of contract, is exempt from the competitive bid process. The selection of professional services is based on qualifications. Such professional services include, but are not limited to: engineer, management services for construction projects, architects, geologists, hydrologists, land surveyors, landscape architects, assayers, real estate, computers, accounting, actuaries, personnel and insurance consultants; psychologist, medical doctors and attorneys-at-law. See ARS for more info.

#### 5.761 Selection Procedure

5.7611 Statement of Qualifications: Persons engaged in providing the designated types of professional services may submit statements of qualifications and expressions of interest in providing such professional services. The department using professional services may specify a uniform format or statement of qualifications. The Town may amend the statement of qualifications at any time by issuing a new statement of qualifications.

5.7612 Public Announcement and Request for Proposals: Adequate notice shall be given by the department requiring the services through a request for proposals. The request for proposals shall describe the services

required, list the types of information and data required of each proposer, and state the relative importance of particular qualifications.

5.7613 Discussions: The Department Head may conduct discussions with any proposer who has submitted a proposal to determine qualifications for further consideration. Discussions shall not disclose any information derived from proposals submitted by other proposers.

5.7614 Award: Award shall be made to the proposer in writing by the Department Head or designee procuring the professional services to be best qualified based on the evaluation factors set forth in the request for proposals and negotiation of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best qualified proposer, then negotiations are formally terminated. If proposals were submitted by multiple qualified proposers, negotiations may be conducted in the order of their respective qualification ranking, and the contract may be awarded to the proposer ranked best qualified if the amount of compensation is fair and reasonable.

#### 5.77 Contracts, Leases, and Purchase Agreements

All contracts, leases and purchase agreements are signed by the Town Manager or Mayor. Department Heads, supervisors nor staff shall not commit the Town to a document encumbering funds, goods or services to the Town.

Contracts, leases and purchase agreements shall have their value estimated at the cumulative total value of the contract expense to the Town. Rentals shall be valued at the cumulative total of rental payments for the anticipated rental period or for one calendar year from the start of the rental for long-term items, whichever is less.

5.771 The original fully executed contract, lease or purchase agreement shall be filed with the Town Clerk. A copy shall be forwarded to the Finance Director.

5.772 Any contract modification or contract price that exceeds \$25,000 in whole or part shall be subject to prior approval by the Town Council after receiving a report from the Department Head as to the effect of the contract modification, change order, or contract price adjustment on the total project budget.

5.773 Expenditures approved during the budget process or during approval of grant award process do not require approval to go to bid. Town Manager shall be notified.

5.78 Construction Projects-Authority Public Buildings and Improvements  
Refer to Title 34 of the ARS for all construction projects.

Construction or improvements shall be placed on Town owned property. Any other construction or improvements on non-Town owned property are placed on a Town Council agenda. An explanation of the project is provided and construction or improvement shall be authorized by the Town Council.

The Town will own fee title to properties identified for construction or improvements. Purchased, donated, gifted, transferred or conveyed property will be researched and accepted by Town Council prior to construction or improvements thereon. All title searches for properties, proposed to be conveyed to the Town of Florence, will be presented to Town Council for acceptance identifying all liens and encumbrances. All property will be recorded in the name of the Town of Florence and a new deed issued (ARS § 33-401, 33-404, 33-411.01, 33-601, ARS § 37-801).

No bids for construction will be awarded based on a contingent donation or transfer of ownership of property. All property marked for construction will have been previously accepted by the Town Council, and the property will be deeded to the Town of Florence.

5.79 Responsibility for Maintenance vs. Construction Contracts

To differentiate Maintenance or Maintenance Contracts vs. Construction or Construction Contracts, the following applies:

5.791 Procurement of architect services, construction, construction services, construction-manager-at-risk construction services, design-build construction services, engineer services, job-order-contracting construction services, landscape architect services, assayer services, geologist services, and land surveying services must comply with Title 34 of the ARS.

5.792 Maintenance by definition and accounting standards usually involves care or upkeep needed to maintain property or infrastructure to its value. Maintenance can be routine or required every few years in order to maintain the value of the asset. Maintenance items will usually have a limited-life value.

5.793 Construction is new infrastructure or a change or replacement of the asset itself that creates a different value or purpose such as an addition to a sewer or waterline or an addition to a building or a reconstruction or rebuild of such. These items change the value and have an indefinite life cycle.

Engineering handles all items that fall under Title 34. Purchasing is charged with oversight on any purchases of materials or services which include maintenance.

#### 5.710 Bidding/Quotes

Specifications for bidding/quotes shall be provided. The same specifications are provided to each bidder. Bids and quotes are compiled using the Bid Tabulation Sheet (Supplement 7.6).

##### 5.7101 Alternate Bid Procedure

When deemed in the best interest of the Town, the purchase of equipment, materials, supplies, and on-call services as provided for in this Policy, are made by an approved bid through the state purchasing office or an approved bid through any other political subdivision of the State. In such instances, the requirement of the Town to obtain sealed or written bids or to contact prospective suppliers from the bidders list or to publish or post notices regarding the bid may be waived.

The Department Head shall provide written justification for the use of the alternate bid procedure. The Town Manager must approve, in writing, the Alternate Bid Procedure prior to utilization of the procedure.

##### 5.7102 Published Notice Soliciting Bids

A notice soliciting bids shall include a description of the articles to be purchased or sold, where bid specifications are obtained and the time and place for opening bids. A notice soliciting bids shall be published at least 10 days before bid opening. Notice shall be published at least once in a newspaper of general circulation printed and published in the town or as otherwise designated by the Town Manager.

##### 5.7103 Bidders List

The Department Head shall solicit sealed bids from all prospective suppliers who are on the bidders list. Bidders list will be purged every two years from date of submission of requests. Bidders must submit a new request to be placed on bidders list to remain active.

##### 5.7104 Website

The Procurement Officer shall advertise the solicitation of bids greater than \$24,999 on the Town of Florence's website.

##### 5.7105 Bidders Security

When deemed necessary by the Purchasing Officer, bidders security may be prescribed in the solicitation of bids. Bidders shall be entitled to returned bid security, provided that a

successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within the specified time, dating from award of contract, unless the Town is responsible for the delay. The Town Council may, upon refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the Town Council awards the contract to the next lowest bidder, the amount of the lowest bidders security shall be applied by the Town to the difference between low bid and the second lowest bid and the surplus, if any, shall be returned to the bidder in default.

Bids shall be evaluated based on the requirements and/or criteria set forth in the solicitation for bids. No bid criteria may be used in bid evaluation that is not set forth in the solicitation for bids.

A bidder may modify or withdraw its bid at any time before bid opening if the modification or withdrawal is received before the time and date set for bid opening in the location designated in the solicitation for bids for receipt of bids.

**5.7106 Bid Opening Procedure**

Sealed bids shall be submitted to the Town Clerk or designee and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notice. The amount of each bid together with the name of each bidder shall be recorded. A tabulation of all bids received shall be available to the public for inspection during regular business hours for a period of not less than 30 days following the bid opening. The actual bids shall not be open for public inspection until after a contract is awarded.

**5.7107 Bid Rejection**

The Town Council may reject any and all bids.

**5.7108 Award of Contracts**

The contract shall be awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the solicitation for bids. If all bids for a construction project exceed available monies as certified by the Finance Director, and the low responsive and responsible bid does not exceed such monies by more than five percent, the Town Manager may negotiate an adjustment of the bid price, including changes in the bid requirements, with the low responsive and responsible bidder, to bring the bid within the amount of available monies.

**5.7109 Tie Bids**

If two or more bids received are for the same total amount or unit price, quality and service being equal and if the public interest will

not permit the delay of re-advertising for bids, the Town Council shall determine the successful bidder by lot.

5.71010 Performance Bonds

The Town Council shall have the authority to require a performance bond before entering into a contract in such amount as it shall find reasonably necessary to protect the interests of the Town. If the Town Council requires a performance bond, the form and amount of the bond shall be described in the notice soliciting bids.

5.8 Request for Qualifications (RFQ)

The RFQ process identifies the best qualified company. A separate bid for cost of services may be requested. This does not determine the award of contract. Negotiations on the cost of services may commence after the selection is made based on qualifications. If the negotiated price exceeds the project budget, the panel may choose to proceed to the next qualified and so on until a negotiated price is reached.

5.81 This section shall not be used where Title 34 of the Arizona Revised Statutes requires another method for selection of professional services.

5.82 An RFQ shall include a statement of what type of service the Town is seeking, the background of the project, submission criteria, and selection process.

5.83 The RFQ shall request information from the proposer, including:

5.831 Proposer's major focus

5.832 Qualifications and experience working within the project scope, complying with federal, state, town/city codes, and dealing with review boards.

5.833 Demonstrated innovation, creativity and originality of previous projects.

5.834 Qualifications and experience of the firm in completing projects of similar size and complexity within established time frames and budget.

5.835 Proximity of lead firm to project site. Preference is given to firms within the State of Arizona.

5.836 Names and resumes for project manager, team and sub-consultants.

5.837 Outline of tasks to be performed, including timelines.

5.838 Fee schedule.

5.839 Insurance.

#### 5.9 Request for Proposals (RFP)

An RFP is used to solicit proposals and negotiate the terms for projects identified by the Town. The cost of the project is identified in the proposal, which is reviewed by the Town.

Proposers shall be accorded fair treatment with respect to any opportunity for discussion and revision of proposals. Revisions may be made after submissions and before award for the purpose of obtaining best and final offers. In discussions with proposers, there shall be no disclosure of any information derived from proposals submitted by competing proposers. Any record of revisions to proposal shall be kept and retained on file.

The Town Manager or designee shall determine that proposals are either acceptable for further consideration or unacceptable. A determination that a proposal is unacceptable shall be in writing, state the basis for the determination, and be retained in the file.

If discussions are conducted, The Town Manager or designee may issue a written request for best and final offers setting forth the date and time for submission. Best and final offers may be requested only once, unless the Town Manager makes a written determination that it is advantageous to the Town to conduct further discussions or change the Town's requirements. The request for best and final offers shall inform proposers that if they do not submit a notice of withdrawal or a best and final offer, their immediate previous offer is construed as their best and final offer.

The award shall be made to the responsible proposer whose proposal is determined in writing to be the most advantageous to the Town taking into consideration the evaluation factors set forth in the RFP. No other factors or criteria may be used in the evaluation. The contract file shall contain the basis on which the award is made.

The RFP shall state the relative importance of price and other evaluation factors. Specific numerical weighting is not required.

5.91 The RFP shall state:

5.911 The type of services or products required and a description of the work involved.

5.912 The type of contract to be used.

5.913 An estimate of the duration that the service is required.

5.914 Proposers may designate portions of the proposals as proprietary.

5.915 The minimum information that the proposal shall contain.

#### 5.10 Proposal Rejection

At its discretion, the Town may reject any and all proposals.

#### 5.11 Demonstrating Lawful Presence

Arizona Revised Statutes 1-501 and 1-502 apply to bidders because the definition of "federal public benefit" and "state or local public benefit" includes "any grant, contract, loan, professional license or commercial license", etc.

Grants, contracts and loans are considered public benefits, in the sense that a person or firm trying to obtain a Florence grant, contract or loan is "applying for a federal, state or local public benefit".

ARS 1-501 and 1-502 each require a political subdivision of the state which "administers any federal, state or local public benefit" to require each person who applies for such benefit to submit at least one of the following documents demonstrating "lawful presence" in the U.S.

AZ Driver license, birth certificate issued by any state, certificate of birth abroad, US passport, foreign passport with US visa, certificate of naturalization or citizenship, tribal certificate, etc.

Requests for bids, proposals or qualifications will include language stating that "The applicant will be required to submit documentation demonstrating lawful presence in the United States pursuant to A.R.S. 1-501 and 1-502 by completing Demonstrating Lawful Presence form (Supplement 7.9).

#### 5.12 Protest Procedure

##### 5.121 Right to protest

Any actual or prospective bidder, proposer or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Procurement Officer. At least five days before award of a contract, that exceed \$24,999, the Procurement Officer shall post recommendations on the Town of Florence website regarding the award of a contract. A protest may be made regarding such recommendations and filed with the Procurement Officer.

##### 5.122 Resolution of bid protests

The Procurement Officer shall have the authority to resolve protests. Appeals from the decisions of the Procurement Officer may be made to the Town Manager.

##### 5.123 Filing a protest

The protest shall be in writing and shall include all of the following information:

5.1231 The name, address and telephone number of the protester.

5.1232 The signature of the protester or its representative.

5.1233 Identification of the solicitation or contract number.

5.1234 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents.

5.1235 The form of relief requested.

5.124 Time for filing protests concerning improprieties in a solicitation

Protests based upon alleged improprieties in a solicitation that are apparent before the bid opening shall be filed at any time before the bid opening but not after. Protests based upon alleged improprieties in a solicitation that are apparent before the closing date for receipt of initial proposals shall be filed before the closing date for receipt of initial proposals, but not after. In procurements requesting proposals, protests concerning improprieties that do not exist in the initial solicitation but that are subsequently incorporated into the solicitation shall be filed by the next closing date for receipt of proposals following the revision, but not after.

Notwithstanding the above, in filing any other protest:

A protest must be filed within 10 calendar days after the protestor knows or should have known the facts and circumstances upon which the protest is based. The Procurement Officer shall immediately give notice of the protest to the firm(s) being recommended for award or to the successful contractor(s) if an award has been made.

5.125 Status of procurements during the protest

In the event of a timely protest, the Town may elect not to proceed further with the solicitation or with the award of the contract until the Procurement Officer makes a written determination that either the award of the contract without delay is necessary to protect substantial interests of the Town or the protest is without factual or legal basis.

5.126 Responsibilities of the Procurement Officer

5.1261 Issue a written decision within 10 calendar days after a protest has been filed. The decision shall contain an explanation of the basis of the decision.

5.1262 Transmit a copy of the decision to the protester, by certified mail, return receipt requested or by electronic transmission that provides evidence of receipt.

5.1263 Extend the time limit for decisions by the Procurement Officer, if necessary, for a reasonable time not to exceed 30 days. The

Procurement Officer shall notify the protester in writing that the time for the issuance of a decision has been extended and the date by which a decision is issued. If the Procurement Officer fails to issue a timely decision, the protester may proceed as if the Procurement Officer had issued an adverse decision.

#### 5.127 Remedies

If the Procurement Officer sustains the protest in whole or part and determines that a solicitation, proposed contract award or awarded contract does not comply with the procurement code, the Procurement Officer shall implement an appropriate remedy.

In determining an appropriate remedy, the Procurement Officer shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to, the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement system, the good faith of the parties, the extent of performance, costs to the Town, the urgency of the procurement and the impact of the relief on the using department's mission.

Appropriate remedies may include, but are not limited to:

5.1271 Decline an option to renew the contract.

5.1272 Terminate the contract and reissue the solicitation.

5.1273 Issue a new solicitation and award a contract consistent with the procurement code.

5.1274 Seek such other relief as determined to be in the best interests of the Town and in conformity with Town procurement policies.

#### 5.128 Appeals to the Town Manager

An appeal shall be filed by the appellant within 10 days of the Procurement Officer's decision. The appeal shall be filed in the office of the Town Manager with a copy issued to the Procurement Officer.

#### 5.129 Content of appeal

The appeal shall contain:

5.1291 The information set forth in Section 5.1231.

5.1292 A copy of the decision of the Procurement Officer.

5.1293 The precise factual or legal error in the decision of the Procurement Officer.

#### 5.1210 Notice of appeal

The Town Manager shall immediately provide a copy of the notice of appeal by first class mail, or by electronic transmission providing evidence of receipt to the successful contractor if an award is made or, if no award has been made, to the firm(s) recommended for award. Such interested parties shall have the right to request copies of the appeal and to request to intervene in the proceedings pursuant to Arizona Rules of Civil Procedure, Rule 24.

5.1211 Status of procurement during appeal

In the event of a timely appeal to a decision issued by the Procurement Officer, the Town may elect not to proceed further with the solicitation or with the award of the contract until the Town Manager makes a written determination that either the award of the contract without delay is necessary to protect the substantial interests of the Town or that it is appropriate to suspend further action on the solicitation while the appeal is under consideration.

5.1212 Town Manager's Determination

The Town Manager shall transmit a written determination on the appeal to the appellant within 30 days from the date the appeal is filed. The written determination shall be transmitted by certified mail, return receipt requested, or by electronic transmission providing evidence of receipt, or in such other manner so as to document the transmittal and receipt. Copies of the determination shall be transmitted to the parties who have been recommended for contract award or who have been awarded the contract or who have intervened in the appeal. The written determination shall remain on file with the Procurement Officer. The written determination shall contain copies of:

5.12121 The appeal.

5.12122 The bid or proposal submitted by the appellant.

5.12123 The bid or proposal of the firm that is being considered for award.

5.12124 The solicitation, including the specifications or portions relevant to the appeal.

5.12125 Any other documents relevant to the appeal, including a decision by the Town Manager that sets forth findings of fact, conclusions of law if any, and indicates whether the decision of the Procurement Officer is affirmed or reversed. In the event the decision of the Town Manager reverses the decision of the Procurement Officer, the decision shall state a remedy that is appropriate under the circumstances pursuant to Section 5.127.

5.1213 Extension for Filing Determination

The Town Manager may extend the time period for issuing the report on any appeal for a reasonable time period, not to exceed an additional 30 days, setting forth the reason for the extension. The Town Manager shall notify the

appellant in writing that the time for the submission of the report has been extended and the date by which the report will be submitted.

5.1214 Comments on Determination

The appellant may file comments on the determination with the Town Manager within 10 days after receipt of the report. Copies of the comments shall also be provided by the appellant to the Procurement Officer.

5.1215 Appeal to the Hearing Panel

An appellant challenging a decision of the Town Manager shall file a notice of appeal with the Town Clerk within 10 days from the date the decision is received. The notice of appeal shall be in the form specified in Section 5.1210.

The Hearing Panel shall consist of the Mayor or his/her designee, a representative from the Town Attorney's Office and representatives from one or more Town departments as determined by the Town in its sole discretion.

5.1216 Dismissal before Hearing

The Hearing Panel shall dismiss an appeal from a decision of the Town Manager upon a written determination that the appeal does not, on its face, have a valid legal or factual basis; or the appeal is filed in an untimely manner.

5.1217 Hearing

Hearings on bid protest appeal decisions made by the Town Manager may, with material cause, be appealed to the Hearing Panel. The appellant and the firm(s) awarded a contract or recommended for such award may be invited to attend the hearing. The hearing shall be scheduled as soon as practicable under the circumstances, but in no event later than 60 days after the notice of appeal is filed. The proceedings before the Hearing Panel shall be *de novo*, shall be conducted in an informal manner, shall not be governed by formal rules of law or evidence, and may consist entirely of information which would otherwise be considered hearsay, so long as such information is reliable. The decision of the Hearing Panel shall be final and shall conclude the administrative review process.

5.1218 Remedies

If the Hearing Panel reverses the decision of the Town Manager in whole or in part, the decision shall state a remedy that is appropriate under the circumstances pursuant to Section 5.127.

## 6.0 Definitions

**Construction:** the process of architectural and engineering design, building, altering, improving, repairing, or demolishing any public structure or building, or other public improvements of any kind to any public real property or public housing.

**Contract:** a written agreement of the Town for the procurement of supplies and services, (general and professional). The term includes, but is not limited to, contracts of a fixed price, costs, cost plus a fixed fee, price discount or incentive type, contracts providing for the issuance of a job or task orders, leases (excluding real estate), rentals, maintenance agreements, letter contracts, and purchase orders.

**Contractor:** any person or entity that enters into a contract with the Town.

**Cooperative Purchasing:** procurement conducted by, or on behalf of, more than one public procurement unit.

**Debarment:** disqualification of a vendor to receive bid solicitations or the award of a contract by the Town for a specified period of time, commensurate with the seriousness of the offense resulting from conduct or failure or inadequacy of performance.

**De Novo:** from the beginning.

**Emergency Purchase:** procurement of supplies and/or services (general and professional) that are needed for a situation where the health, safety or welfare of the public or public property is endangered if immediate corrective action is not taken.

**Equipment:** any tangible physical implement, apparatus, device or machine used to carry out an operation or activity.

**Fair Market Value:** the prices at which sales have been consummated for assets of like type, quality, and quantity in a particular market at the time of acquisition.

**Five Day Return Rule:** The payment request shall be returned to the Finance Department within five working days of issuing the invoice to the Department.

**Gratuities:** any gifts, entertainment, trips, favors, services, or money offered or given by a vendor or contractor, agent or representative of a vendor or contractor, to any officer or employee of the Town or to any of their family members. In addition to other rights and remedies, the giving or receiving of gratuities shall cause a bid response to be rejected or a contract to be cancelled; and a vendor may be debarred from future bidding participation. Excludes sample materials provided at public trade shows and vendor fairs; and marketing test samples provided for Town use only.

**Item:** any tangible object or thing. This term does not include any computer software or computer software license agreement.

**Job Order Contracting:** a unique indefinite quantity type of contract that enables facility owners to accomplish a large number of repair, maintenance and construction projects with a single, competitively bid contract. It eliminates the time and expense of completing the normal design-bid-construct cycle for each project. It allows facility owners to decrease project duration and cost, while increasing quality.

Contractors competitively bid an adjustment factor (e.g. 1.15) to be applied to a catalog of construction tasks with pre-set unit prices. The overall contract amount (the sum of the individual projects that may be performed) is expressed as a range in dollar volume for example from \$50,000 to \$1,000,000. The contractor will be asked to perform a series of projects one after the other. The price for each project will be the pre-set unit prices multiplied by the quantity multiplied by the competitively bid adjustment factor. Prices are never negotiated. The prospect of additional work keeps the contractor motivated to provide timely, responsive, and high quality work.

**Late bid:** a bid or proposal response that is received after the bid due date and time stated in the Town's bid solicitation document or within any supplemental bid addendum shall be considered late and shall not be considered.

**Local bidder:** any individual, individuals, association, partnership, or corporation that has a valid business license issued by the Town for a period immediately preceding the month in which the invitation for bids was made. A valid business licensee shall be construed to mean a current license issued by the Town for which all then due taxes and penalties have been paid in full.

**Open market procurement:** used for procurement when formal bid solicitation procedures are not required.

**Posted prices:** the sale price determined by the Town Manager or designee to be fair market value.

**Purchase Orders, Blanket:** This type of a PO consolidates repetitive small purchases from a single supplier. It is a form of an open account which is limited in terms of the items that are ordered, the period for which it is to be open, and the total amount ordered. This type of PO is useful for departments that have repetitive supply needs. This method is used for repetitive non-capital purchases. Blanket POs are closed out at the end of each fiscal year.

**Purchase Order, Standing:** A purchasing method used in purchasing leases and equipment maintenance. Generally speaking, equipment maintenance orders are set up for one year. Standing orders for leases should be created for the term of the lease. This method of procurement is used for the purchase of equipment and vehicle maintenance or property and equipment leases with scheduled payments over a specified period of time.

**Purchase Orders, Construction:** This PO is issued to a contractor based on a contract to provide specified services on a construction project. This type of PO is issued on minor and major projects. Construction contract POs are dedicated to one project and are not used across multiple projects. In the project management system, the construction contract PO is found at the project level. It authorizes a scope of work and commits funds on a specific project. To create a commitment, a record of the project level PO is created with line items identified by work breakdown structure. The line items are based on the schedule of values provided by the

contractor. The total of all the line items should amount to the approved PO for the contractor. Terms and conditions are specified as per contract on the PO.

**Procurement:** the purchasing, renting, leasing or otherwise obtaining of any supply or services (general and/or professional). The term includes all functions that pertain to the obtaining of Town needs, including description of requirements, selection and solicitations of sources, preparation and award of contract, and all phases on contract administration.

**Procurement Clerk:** Departmental level staff that prepares necessary paperwork to process purchases of good and services.

**Procurement Office:** Finance Department

**Procurement Officer:** Finance Director or designee

**Professional Services:** the primary service is intellectual or conceptual rather than physical; where the services are to be rendered by providers with extensive formal education or appropriate state license and expertise in a specific field; and where the application of one or more of the following would be involved: creativity, innovation, interpretation, judgment, unusual talent, treatment. Examples of professional services included services of architects, attorneys, certified public accountants, management consultants, appraisers, physicians and engineers.

**Purchase Order:** a commercial document issued by a buyer to a seller, indicating the type, quantities and agreed upon prices for products or services that the seller will provide to the buyer.

**Ratification:** the approval of the Town Council after the purchase.

**Request for Proposals (RFP):** the document and method used to solicit proposals from bidders (proposers). The method provides for negotiation of all terms of the proposal, including price before award. The request for proposal may be used with competitive negotiation and the solicitation of best and final offers.

**Request for Qualifications (RFQ):** the document and method to solicit professional services. This method provides award of contract based upon the qualifications of the individuals and/or company or institution.

**Request for Sole Source:** procedure used to negotiate a contract with a selected vendor without competitive bidding.

**Requisition:** an internal document detailing an intended purchase used to outline specifications for purchase order development, and a way of authorizing budget and departmental approvals.

**Responsible Bidder:** a bidder who submits a bid which conforms in all material respects to the invitation for bid or to any other prescribed method utilized by the Town.

**Service:** the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance. The term does not include “professional services” which are those services requiring specialized knowledge, education or skill and where qualifications of the person(s) rendering the services are of primary importance.

**Shall:** always mandatory.

**Solicitation for Bid:** all documents, including those attached or incorporated by reference, for the purpose of soliciting bids.

## **7.0 Supplements**

- 7.1 Purchase Order Terms and Conditions
- 7.2 Insurance Requirements for Contractors
- 7.3 Requisition
- 7.4 Purchase Order
- 7.5 Expense Certificate for Missing Receipts
- 7.6 Bid Tabulation Sheet
- 7.7 Sole Source/ Emergency Purchase Justification
- 7.8 Payment Request Form
- 7.9 Demonstrating Lawful Presence
- 7.10 Information Technology Purchase Request Form

## **Town of Florence, Arizona Purchase Order Terms and Conditions**

**INDEMNITY** - The vendor shall indemnify, defend and hold harmless the Town of Florence, its agents, officers, officials and employees from and against any and all claims, demands, suits, actions proceedings, loss, cost and damages of every kind and description, including any reasonable attorney fees and/or litigation expenses, which may be brought or made against or incurred by the Town on account of:

1. Defects in materials or workmanship of the goods;
2. Loss or damage to any property or interest of the Town or any damages, injury to any person or property, or death of any person arising out of, relating to, or alleged to have resulted from any acts, errors, deliveries, work, or services of the vendor, its employees, agents, or representative, including but not limited to claims or demands arising from accidents occurring on Town property, whether or not caused by negligence of the vendor, its employees, agents or representatives, or that of any person, firm or entity; and
3. Infringement or alleged infringement of any patent in connection with the manufacturer or use of the goods.

**WARRANTY** – The vendor expressly warrants all items to be new, free from defects in design, materials and workmanship, and to be fit and sufficient for their intended purpose. Unless otherwise specified, all items shall be guaranteed for the minimum period or one year against defects in materials and workmanship. During that period, if a defect should occur, that item shall be repaired or replaced by the vendor at no cost or obligation to the Town , except where it is shown that the defect was caused by misuse and not faulty manufacture. Any sample or model submitted shall create an express warranty.

## Town of Florence Insurance Requirements for Contractors

<b>Employer's Liability</b>	\$500,000-\$1,000,000	
<b>Contractors General Liability</b>		
a. General Aggregate	\$2,000,000	
b. Products – Completed Operations Aggregate	\$2,000,000	
c. Personal and Advertising Injury	\$2,000,000	
d. Each Occurrence (Bodily Injury and Property Damage)	\$2,000,000	
e. Excess or Umbrella Liability		
1.) General Aggregate per job	\$3,000,000	
per policy year	\$5,000,000	
2.) Each Occurrence per job	\$3,000,000	
per policy year	\$5,000,000	
<b>Automobile Liability</b>		
a. Bodily Injury:		
Each Person	\$1,000,000	
Each Accident	\$1,000,000	
b. Property Damage		
Each Accident	\$1,000,000	
c. Combined Single Limit of	\$1,000,000	
<b>Contractual Liability</b>		
a. Bodily Injury:		
Each Accident	\$2,000,000	
Annual Aggregate	\$2,000,000	
b. Property Damage:		
Each Accident	\$2,000,000	
Annual Aggregate	\$2,000,000	
Each Accident	\$2,000,000	
Annual Aggregate	\$2,000,000	
<b>Workman's Compensation</b>		
a. Bodily Injury by Accident	each accident	\$1,000,000
b. Bodily Injury by Disease	each employee	\$1,000,000
c. Bodily Injury by Disease	policy limit	\$1,000,000

The Town of Florence requires that a certificate of Liability and Workman's Compensation Insurance be provided with limits of liability and the Town of Florence named as additional insured.



PURCHASE ORDER  
TOWN OF FLORENCE

775 N MAIN ST  
FLORENCE AZ 85132  
PHONE: 520 868 7500 FAX: (918) 458-9589

THIS ORDER  
NUMBER  
MUST APPEAR # 19159  
ON YOUR  
INVOICE

2661

ISSUED TO: GUILIN, BECKI

SHIP TO: TOWN OF FLORENCE  
775 N MAIN ST  
P O BOX 2670  
FLORENCE AZ 85132

SHIPPING: FOB DESTINATION

CONTACT:

PURCHASE ORDER DATE: 05/06/2010

<u>REQ #</u>	<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>	<u>GL ACCOUNT</u>
20652	1		.10	.10	010-505-408

TOTAL .10

\_\_\_\_\_  
PURCHASING AGENT DATE

\_\_\_\_\_  
ENCUMBERING OFFICER DATE

\_\_\_\_\_  
RECEIVED BY DATE

I hereby approve the issuance and encumbrance of this purchase order.

I hereby certify that the amount of this encumbrance has been entered against the designated appropriation accounts and that this encumbrance is within the authorized available balance of said appropriation



**Town of Florence  
Bid Taulation Sheet**

<input type="checkbox"/> Verbal (only allowed when \$5,000 or less)	General Ledger Account Number _____
<input type="checkbox"/> Written/Fax (mandatory when over \$5,000; attach bids)	Date Prepared _____
<input type="checkbox"/> Formal Sealed Bid: # _____ Title _____	Prepared By _____
	Opening Date _____ Opening Time _____

Item (include quality, brand, model, color)

To add power for expansion of office to accommodate 5 offices, new service for office equipment, front counter alteration, assemble new desks.

Vendor name Contact Person Phone/Fax	Payment Terms (Discount?)	Availability	Who Pays Shipping?	Unit Price	Extended Price	Comments
1   Phone Fax						
2   Phone Fax						
3   Phone Fax						

Attach additional page(s), if necessary

**Vendor Selected** \_\_\_\_\_ **Address** \_\_\_\_\_

Justification (if not lowest price) \_\_\_\_\_

Department Head Approval _____	Date _____	
Finance Director Approval _____	Date _____	
Town Manager Approval _____	Date _____	

**Town of Florence**  
**Sole Source/Emergency Purchase Justification**

**Note: Exemption from competitive bidding is allowed only in the existence of an emergency or when it is clearly determined to be impractical to procure through the competitive bidding process. The department director shall submit this form for approval before procuring materials or services. In cases of emergency, post submittal is required.**

Vendor Name: \_\_\_\_\_ Date \_\_\_\_\_

Commodity (general description) \_\_\_\_\_

Dollar Amount \_\_\_\_\_ (If over \$25,000, must go to Town Council for approval)

Account Number \_\_\_\_\_

**Sole Source**

Check all entries that apply:

- Purchase Request is made to the original manufacturer or provider; There are no regional distributors. (Item \* must also be checked.)
- Purchase Request is made to the only area distributor of the original manufacturer or provider. (Item \* must also be checked.)
- \*  This is the only known item that will meet the specialized needs of the department or perform the intended functions.
- Parts/equipment are not interchangeable with similar parts of another manufacturer.
- Parts/equipment are required from this vendor to provide standardization.
- The elements of time and, therefore, cost to the town override the potential cost savings realized through standard purchasing procedures.
- None of the above apply. Detailed explanation for sole source request is contained in the attached memorandum.

**Emergency**

Check all entries that apply. At least two of the following conditions must be met:

- Human life is in danger
- A natural disaster or act of God requires immediate action.
- An unanticipated circumstance poses a threat to city property.
- A situation exists where work on a specific project will stop or be adversely affected unless immediate action is taken.

Justification: \_\_\_\_\_

On the basis of the foregoing, I recommend competitive procedures be waived and the material or service be procured as a sole source or emergency purchase as indicated above.

Signature of Department Director \_\_\_\_\_ Date \_\_\_\_\_

Review by Finance Director \_\_\_\_\_ Date \_\_\_\_\_

Approved by Town Manager \_\_\_\_\_ Date \_\_\_\_\_

**Exhibit E**

# Town of Florence

## Payment Request Form

**Vendor No.** \_\_\_\_\_

**Vendor Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**City, State & Zip.** \_\_\_\_\_

**Departmental Requisition/P.O. Number** \_\_\_\_\_

**Amount to Pay** \$ 0.00

**Circle One**  **Pick Up**  **Mail**

**Pick up by** \_\_\_\_\_

**Phone Number** \_\_\_\_\_

**Special Instructions:** \_\_\_\_\_

	Due Date	Invoice Date	Invoice No.	Fund/Acct/Org	Description	Amount
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
					Total	0.00

Comments or Notations:

By authorization of this payment request, I am verifying that I have received these supplies, materials and/or service and have complied with the Town of Florence Purchasing Policy.

<p><b>Signatures:</b></p> <p><b>Finance</b> _____</p> <p><b>Town Manager</b> _____</p>	<p><b>Department Approval:</b> _____</p> <p><b>Name</b> _____ <b>Date</b> _____</p> <p style="text-align: center; font-size: small;">Please Print</p>
--	---

**Town of Florence  
P.O. Box 2670  
Florence, AZ 85132  
(520) 868-7500  
Demonstrating Lawful Presence**

Bids, Proposals or Qualifications

Arizona Revised Statutes 1-501 and 1-502 apply to applicants of "federal public benefits" and "state and local public benefits". Grants, contracts and loans are considered public benefits and state law requires each person who applies for such benefits to submit at least one of the following documents demonstrating "lawful presence" in the United States. The Principal of each group, consultant, or organization will complete this form.

**Check the box next to the document indicating lawful presence.**

	An Arizona driver license issued after 1996 or an Arizona non-operating identification license
	A driver license issued by a state that verifies lawful presence in the United States. (See Overview of State's Driver's License Requirements)
	A birth certificate or delayed birth certificate issued in any state, territory or possession of the United States.
	A United States certificate of birth abroad.
	A United States passport.
	A foreign passport with a United States visa.
	An I-94 form with a photograph.
	A United States citizenship and immigration services employment authorization document or refugee travel document.
	A United States certificate of naturalization.
	A United States certificate of citizenship.
	A tribal certificate of Indian blood.
	A tribal or Bureau of Indian affairs affidavit of birth.

**\*\*Attach copy of document to this sheet.**

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Municipal Employee  
**Effective Date: November 1, 2009**

\_\_\_\_\_  
Date

**Town of Florence  
Information Technology Division**

**I.T. PURCHASE REQUEST FORM**

Please use this form when purchasing any Information Technology related items. This form will identify key information related to the purchase. Be sure to provide necessary details, such as date required, your department name and a brief explanation detailing the items to be purchased and the project they are assigned to.

This form must be signed by the department head and then forwarded to the Information Technology Manager by email, fax at (520) 868-7645 or internal mail before any purchases will be processed.

**NOTE:** All requests will be processed the following working day.

Any questions please contact the Information Technology Manager at 520-868-7516.

Your department: \_\_\_\_\_ Needed By (Date): \_\_\_\_\_

Is this purchase identified in the budget?

Is the purchase grant funded? \_\_\_\_\_ If so, what is the grant amount? \_\_\_\_\_

Which budget year? FY \_\_\_\_\_ Total amount budgeted: \_\_\_\_\_

What is the line item(s)? (provide the fund/department /account numbers):

Line Item 1: \_\_\_\_-\_\_\_\_-\_\_\_\_ Line Item 2: \_\_\_\_-\_\_\_\_-\_\_\_\_

Explanation (use this space to describe the equipment that you want purchased and the date you need the equipment):

---

---

---

---

---

Department Head Signature: \_\_\_\_\_ Date: \_\_\_\_\_

IT Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Town Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*If amount exceeds \$1000.00*